

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 27, 2006

VIACOM INC.

(Exact name of registrant as specified in its charter)

Delaware

001-32686

20-3515052

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer Identification
Number)

1515 Broadway, New York, NY

10036

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (212) 258-6000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 – Registrant’s Business and Operations

Item 1.01 Entry Into a Material Definitive Agreement.

On July 27, 2006, the Board of Directors of Viacom Inc. approved changes to the compensation for Shari Redstone, the Non-Executive Vice Chair of Viacom's Board of Directors. Ms. Redstone's compensation, which had been identical to that of other directors, was increased to reflect her responsibilities as Vice Chair. Following the amendment, she will receive annual cash compensation of \$200,000, payable in equal installments quarterly in advance and a per meeting attendance fee of \$4,000. This amount will be in addition to grants of Restricted Stock Units and stock options under the Company's 2006 Stock Option Plan for Outside Directors and the Company's 2006 RSU Plan for Outside Directors. The grants under such plans will not be affected by the amendment.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VIACOM INC.

By: /s/ Michael D. Fricklas

Name: Michael D. Fricklas
Title: Executive Vice President, General Counsel
and Secretary

Date: August 2, 2006