

Letter of Comment No: 18
File Reference: 1215-001
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Merck & Co., Inc.
One Merck Drive
P.O. Box 100
Whitehouse Station, NJ 08889-0100



September 12, 2005

Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Re: File Reference No. 1215-001

Dear Director:

Merck & Co., Inc. is a New Jersey based corporation with its principal place of business at One Merck Drive, P.O. Box 100, Whitehouse Station, New Jersey 08889-0100. The Company is a global research-driven pharmaceutical products organization that discovers, develops, manufactures and markets a broad range of innovative products to improve human and animal health. We are pleased to provide you with our comments on the Exposure Draft (ED) "Accounting for Uncertain Tax Positions an Interpretation of FASB Statement No. 109".

We are in general agreement with the proposed guidance provided in the ED and believe it is necessary because there is no specific guidance currently provided, resulting in significant diversity in practice when accounting for uncertain tax positions. We believe that the dual threshold approach provided in this ED that requires one threshold for the initial recognition of a tax benefit and another threshold for the derecognition of the benefit is appropriate. The Board's proposal to evaluate the likelihood of success upon audit of each tax position based on the "probable" criteria as defined in Statement 5, coupled with the proposal to measure the tax benefit in the financial statements based on a "best estimate", is a fair and reasonable approach. We also agree with the Board's conclusions that the liability arising from the difference between the tax position and the amount recognized by applying the proposed Interpretation should be classified as a current liability for amounts that are anticipated to be paid within one year or the operating cycle, if longer.

We are concerned, however, with the Board's decision to make the proposed Interpretation effective for fiscal years ending after December 15, 2005, which would mean the fourth quarter of 2005 for most companies. Although we agree with the Board's decision to account for uncertain tax positions at the effective date as a change in accounting principle, we feel the proposed effective date does not allow sufficient time for constituents to assess the potential impacts and disclosure requirements given the complex issues surrounding uncertain tax positions

and this Interpretation. An effective date for interim periods beginning after December 31, 2005 would be more appropriate.

Thank you for the opportunity to provide comments on the proposed Interpretation. We would be pleased to discuss our views with you at your convenience.

Sincerely,

/s/ Richard C. Henriques

Richard C. Henriques
Vice President, Controller
Merck & Co., Inc.

cc: J.C. Lewent - Executive Vice President & Chief Financial Officer
C. Dorsa - Vice President and Treasurer