





May 2, 2008

Russell G. Golden
Director of Technical Application & Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Proposed FSP FAS 132(R)-a

Dear Mr. Golden:

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. The Company has defined benefit plans covering eligible employees in the United States and in a significant number of its international subsidiaries. At December 31, 2007, the fair value of plan assets was approximately \$9.0 billion for all of the Company's defined benefit plans, of which approximately \$2.9 billion related to various international subsidiaries. We support the Financial Accounting Standard Board's (FASB's) efforts to provide guidance on disclosing information about plan assets held in defined benefit pension and other postretirement plans and are pleased to provide you with comments on FASB Staff Position No. FAS 132(R)-a, "Employers' Disclosures about Postretirement Benefit Plan Assets" (the Proposed FSP).

Categorization of Plan Assets

The principle of disaggregating and disclosing the fair value of each major category of plan assets may be useful to readers of financial statements in understanding the nature and type of assets held in benefit plans, however obtaining this information for benefit plans held at international subsidiaries presents challenges as it will require the cooperation and support of various investment managers, trustees, and plans administrators. Based on the level of coordination required both internally and with third party service providers, we would suggest a deferral of the effective date to allow companies to evaluate the processes needed to obtain and compile this information.

<u>Disclosure About the Nature and Amount of Concentrations of Risk Within or Across Plan Assets</u>
We have concerns that satisfying the proposed "concentration risk" disclosure requirements will prove to be extremely challenging or impractical as in many cases the information needed to

assess these risks (on a security by security basis) may be limited. Furthermore, many benefit plans include assets in commingled investment funds for which data at the fund level for the individual investments may not be readily available at year-end as this data must be accumulated by the individual fund managers for the numerous investments that comprise the fund. As a result, the information and level of detail needed to meet the required disclosure requirements may not be available until several weeks after year-end, or possibly longer, thus disrupting an already tight schedule to meet accelerated filing dates. In addition, to meet the proposed disclosure requirements, financial reporting systems at multiple international subsidiaries and their third-party service providers would require significant modifications to compile the necessary information.

In addition, risks within a benefit plan portfolio are often based on the relation of benefit plan assets to benefit plan liabilities. Concentration risk disclosures based on a quantitative assessment that relate solely to plan assets may be overly complex, confusing and not provide readers with meaningful information within the overall context of how a reporting entity manages risks of the plan, including asset diversification.

In summary, disclosing the amount of concentration risk based on a quantitative analysis would be difficult due to the lack of available information and presents significant operational challenges and increased costs. We believe the FASB should instead consider narrative discussions on how companies address and manage risks associated with their plans, including asset diversification strategies. Qualitative disclosures including management's investment strategies and overall approach to mitigating risks may prove more useful to readers of the financial statements. If the FASB decides to require the amount of concentration risk be disclosed, we strongly encourage the FASB to consider a longer implementation period be provided so companies can address the necessary modifications to financial reporting systems and processes discussed above.

Disclosures About Fair Value Measurements of Plan Assets

Disclosures about fair value measurements and the level within the fair value hierarchy for the major categories of assets may enhance understanding of valuation and inputs used, however, for multinational companies with numerous benefit plans outside the United States, we are concerned with the short time allotted to implement the proposed disclosure. Merck's foreign plans are not centrally managed, thus each foreign site will need to contact custodians and investment managers for each of their plans, identify asset valuation techniques used for each security or category of assets, and assign to which level within the fair value hierarchy the investment should be included. As this can be a very time consuming process we request the FASB consider deferring the proposed effective date for at least one year.

The Proposed FSP requires a reconciliation of the beginning and ending balances for fair value measurements of plan assets using significant unobservable inputs (level 3). Financial reporting systems will need modifications in order to obtain data, create opening balances, and reconcile such information, and based on the significant number of the Company's international subsidiaries that provide pension plans, we have concerns about the short amount of time and related costs to make such enhancements. Furthermore, most of our international pension plan managers are not familiar with the FAS 157 related disclosure requirements since they are not required to prepare US GAAP financial statements. Based on the substantial efforts needed to satisfy these requirements, as well as the associated costs, we recommend the FASB reconsider whether disclosure of level 3 activity for the period is useful for plan assets in defined benefit plans and whether it provides sufficient benefits to justify the added costs and complexity of financial reporting.

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

Sincerely,

/s/ John C. Canan

John C. Canan Vice President, Controller Merck & Co., Inc.

cc: M. E. McDonough - Vice President and Treasurer