

Esther Mills First Vice President Accounting Policy (212) 449-2048

Merrill Lynch & Co., Inc. 4 World Financial Center New York, New York 10080

April 16, 2004

Ms. Suzanne Bielstein Director of Major Projects and Technical Activities Financial Account Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Letter of Comment No: 25 File Reference: 1200-200 Date Received: 4/16/04

Re: Proposed Statement of Financial Accounting Standards, Earnings per Share, an amendment of FASB Statement No. 128

File Reference 1200-200

Dear Ms. Bielstein:

We appreciate the opportunity to comment on the Proposed Statement of Financial Accounting Standards, Earnings per Share, an amendment of FASB Statement No. 128 (the "ED"). In general, we support the issuance of this ED as it furthers the Board's effort to improve financial reporting and achieve international convergence of accounting standards. While we agree with most of the provisions of the ED, we do have a concern regarding the transition provisions, which are described further below.

The FASB has proposed that, after the effective date, all prior-period EPS data presented shall be adjusted retrospectively to conform with the provisions of this ED. We understand the Board concluded that retrospective application is appropriate as there are no circumstances that would deem retrospective application impracticable, as per the proposed Statement on Accounting Changes, which the Board issued concurrent with this issuance. While we agree that retrospective application would improve comparability of financial information, we believe that retrospective application would be inappropriate in certain instances.

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We suggest the Board consider modifying the transition provisions in the ED such that the new standard be applied retrospectively only to instruments and features of instruments outstanding on the date of adoption. In particular, retrospective application of the new standard should exclude instruments that have been modified prior to the adoption date to eliminate a share settlement feature that previously permitted cash or share settlement at the issuer's option. If a company no longer has the ability to settle an instrument in shares, retrospective application for calculating diluted EPS would not reflect the economic reality of how the instrument can actually be settled. We believe that if the transition provisions are not modified, future EPS information for such instruments would be less comparable to restated prior period information. As an alternative to excluding these instruments from retrospective restatement, the statement could stipulate that if, upon adoption of the statement, new information is available regarding the final settlement of an instrument, that information should be taken into account in the retrospective adoption and restatement of financial statement information.

In addition, until the proposed Statement on Accounting Changes is finalized, which would require retrospective application for any change in accounting principle required by issuance of new pronouncements, we believe that the transition guidance in the ED should permit alternative methods, except for the two instances noted above.

Once again, we appreciate the opportunity to provide our comments to you. We would be happy to participate in any potential discussions that may result from your continued deliberations on the issue.

Sincerely,

/s/ Esther Mills

Esther Mills
First Vice President