

**Merck Shareholder Meeting Exchange with Merck CEO Kenneth Frazier
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JUSTIN DANHOF: Good morning. My name is Justin Danhof, D-A-N-H-O-F. I'm here representing the National Center for Public Policy Research. We're a free-market think tank and a company shareholder. I appreciate the opportunity to speak with you this morning.

KENNETH FRAZIER: Mmhmm.

DANHOF: Mr. Frazier, at last year's shareholder meeting, in response to questions from my organization, you doubled-down on your support of the Affordable Care Act, commonly known as "Obamacare." As you know, you spent an untold amount of shareholder money to support the Pharmaceutical Researchers and Manufacturers of America's one hundred and fifty million-dollar advertising campaign that promoted and helped Obamacare get passed. The reason the amount of money – shareholder money – spent on this bitterly partisan legislation is unknown, is because you have not provided an accounting of how much of that one hundred and fifty million dollars came from Merck.

Now, however, that the true evils of the bill have been seen by the American public, they reject it, wholesale. There is also a reasonable possibility that the Affordable Care Act will be struck down by the Supreme Court, or that a key provision of it, the individual mandate, will be struck down as an unconstitutional overreach that your company helped perpetrate on the American people, or there's a possibility that a future Congress may repeal all or parts of this bill. So, once again, health care reform is gonna be debated by this nation. Perhaps, this time, we can get it right.

To do so, we believe we must build reforms upon the strengths of our free-market system, not on an unconstrained and unaffordable growth in the federal government.

So, my question is two-fold: has your company put any structure or review in place to ensure that you never again promote legislation that violates the Constitution of the United States? And, when policy debates about health care reform come up again, will you pledge, today, to work towards free-market reforms, or are you and your company committed to advancing European-style, big-government policies that are soundly rejected by the American public?

Thank you.

FRAZIER: Thank you for your question. Let me start by saying it was never our intention to violate the United States Constitution.

And our perspective on the health care reform action that took place, the Affordable Care Act, is this: Merck believes that all Americans should have access to high-quality, affordable, health insurance coverage and that is why we supported comprehensive health care reform in the United States; to achieve that goal.

There are aspects of the Affordable Care Act, as I said last year, that we don't agree with. From our perspective, we want to continue to lobby for what we believe are constructive changes that will support not only innovation and efficiency but also enhance care going forward.

So, our goal in supporting the Affordable Care Act was not political, any more than it was when we supported the adoption of the Medicare Part D benefit when the Republicans controlled the White House and both houses of Congress. We supported that because we believed that that access to affordable health care insurance coverage is in the best interest of all patients in America.

So, thank you for your question.

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