**McKesson Corporation**
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[redacted]

McKESSON

July 29, 2011

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Via the SEC website: *http://www.sec.gov/comments/4-600*

**Re: File Number 4-600, Commission Statement in Support of Convergence and Global Accounting Standards**

Dear Ms. Murphy:

McKesson Corporation ("McKesson" or "we") appreciates the opportunity to express our views on the possible incorporation of International Financial Reporting Standards ("IFRS") into the U.S. financial reporting system, which was discussed by the Staff of the U.S. Securities and Exchange Commission ("Commission") in their May 26, 2011 progress report on the IFRS work plan ("Progress Report"). We support the Commission's long-term objective and ongoing consideration of achieving a single set of high-quality globally accepted accounting standards.

McKesson is a healthcare service and information technology company that delivers medicine, pharmaceutical supplies, information and care management products and services designed to reduce costs and improve quality across the healthcare industry. We prepare our financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). Our revenues for the fiscal year ended March 31, 2011 were $112 billion and our total assets were $31 billion. McKesson common stock is listed on the New York Stock Exchange.

Below are our views in response to certain elements of the possible incorporation approach discussed in the Commission's Progress Report.

We support the Commission's proposal to retain U.S. GAAP and the Financial Accounting Standard Board ("FASB") as the U.S. national standards and standard setter. We agree with and appreciate that the Commission would continue to maintain its oversight of the FASB.

We believe the objective of a single set of high-quality globally accepted standards can be best achieved through the continued convergence efforts between the FASB and the International Accounting Standards Board. This approach will allow an orderly and cost efficient transition for U.S. registrants.

We also believe that:

- convergence efforts should continue to be prioritized with emphasis on standards that have the most significant differences between U.S. GAAP and IFRS,

- a timeframe of when and what convergence topics are expected to take place, with regular updates, would be useful to registrants,

- an appropriate degree of due process should be performed before making changes to U.S. GAAP. Registrants, investors, auditors and regulators should participate in the evaluation of whether or not proposed changes are best for U.S. constituents, and

- in order to improve comparability of financial information,
    - new or amended standards should eliminate any fundamental differences between U.S. GAAP and IFRS to minimize "regional" variations in application of GAAP, and
    - early adoption or optional use of new and amended standards should be prohibited.

The convergence of U.S. GAAP and IFRS will result in significant costs for us to implement changes to our information systems, processes and policies as we have complex and varied business models, a large number of contracts including long-term contracts with multiple elements, a complex IT systems structure, and a large number of subsidiaries and business units including newly acquired entities. The costs will be substantially higher if "retrospective" application is required because we will have to maintain two sets of accounting records, capture and maintain new transactional data, and prepare our systems and processes to accommodate the dual reporting requirements. Accordingly, we believe that the Commission should allow the "prospective" application of adopting new or amended accounting standards whenever possible.

Finally, the Internal Revenue Code ("IRC") requires taxpayers using the Last In, First Out ("LIFO") method of inventory accounting for federal income tax purposes to also use the same method for financial reporting. However, IFRS prohibits the use of the LIFO method for financial reporting. If this IFRS provision is directly incorporated into U.S. GAAP and no changes are made to IRC, many companies will not have an ability to apply LIFO for tax purposes. We understand that the elimination of the LIFO method is being contemplated by the White House. In light of these facts, we ask the Commission to further clarify how it would apply the proposed incorporation approach in this area.

We appreciate the Commission's efforts in seeking public comments on the possible incorporation approach of IFRS into the U.S. financial reporting system. If requested, we will be pleased to discuss these matters with you at any time.

Sincerely,

Jeffrey C. Campbell
Executive Vice President and Chief Financial Officer

Nigel A. Rees
Vice President and Controller