

October 20, 2006

Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-9303
Attn: Nancy M. Morris, Secretary

VIA E-MAIL (rule-comments@sec.gov)

Re: **Executive Compensation and Related Party Disclosure**
File No.: S7-03-06
Release Nos.: 33-8755; 34-54380; IC-27470

Dear Ms. Morris:

This letter from Intel Corporation is in response to the Securities and Exchange Commission's ("SEC") request for comment in Release No. 33-8755 ("Proposing Release") regarding the inclusion of the total compensation and job description of up to three employees earning more than at least one of the named executive officers. While we have several issues with the rules as proposed, our fundamental concerns include:

- the "significant policy influence" standard is unclear, which will add costs to resolve interpretative issues and to monitor the compensation of a large population of employees for reporting purposes and
- the information produced is likely to be immaterial to investors.

I. Responsibility for Significant Policy Decisions

The Proposing Release would require the disclosure of compensation information for up to three employees who "exert significant policy influence by having responsibility for significant policy decisions." This standard is so ambiguous as to have little practical consequence in limiting the scope of individuals companies would need to track for reporting purposes. At most companies, there are many individuals that could be deemed to exert significant policy influence. Because the proposed definition is so broad, companies would have to cast a very wide net and then perform the significant policy decision analysis after collecting total compensation data (including signing bonuses, the value of equity grants and increase in pension actuarial value) for many individuals.

We believe there would be added costs to closely track the compensation information of a broad, loosely defined group of policy influencers, as well as costs to interpret and apply the policy maker standard. We believe the SEC would need to provide additional guidance to assist companies in these determinations, similar to the guidance provided for the "executive officer" definition of Rule 3b-7 (which includes officers who perform "a policy making function or any other person who performs similar policy making functions for the registrant"). We would also note that identifying this group of "policy makers" would not serve any other disclosure purpose, which diminishes the standard's

utility. Finally, because a total compensation standard is being applied to these three employees, we believe disclosure pursuant to this rule would be fairly common, as there are number of factors that could push an employee's compensation higher than a named executive officer in a particular year, such as a signing bonus, large equity grant, or boost in pension actuarial value. However, despite the frequency of these additional disclosures, this compensation information will not be particularly useful, as there may be significant turnover among these three additional employees, depending on who happened to join the company and receive a signing bonus, who recently left the company and received a severance payment or who received a long term retention grant of equity.

Because of this turnover, it is unclear how the disclosure of their compensation will inform investors of the company's compensation programs generally. Companies with worldwide operations or a variety of operating subsidiaries may have a great many compensation programs in place; the description of any one individual's compensation is not the best way to ensure these programs are discussed. Lastly, recent changes to the executive compensation rules, including the new Compensation Discussion and Analysis ("CD&A") section, will require significant compliance efforts this year. We believe including the compensation of up to three additional employees who have significant policy influence will only add to this burden without providing investors much in the way of tangible benefits.

II. Materiality

At Intel, only the compensation of executive officers is determined by the Compensation Committee of the Board of Directors. Non-executive compensation programs are designed by management, and can vary considerably across geographies and business units. The new CD&A section requires a description of the company's executive compensation programs in great detail. If the SEC believes that investors would be better served by discussing all of the company's compensation programs and practices, the CD&A requirements should call for such a discussion directly rather than limiting the discussion primarily to executive compensation.

We do not believe that disclosing the compensation of three individuals whose compensation may or may not have been determined by the compensation committee would provide investors with useful information on a company's non-executive compensation programs. We believe the CD&A is appropriately limited to focus primarily on executive compensation matters, as these programs are most important to investors. Additionally, providing the compensation of those employees with policy influencing functions would not provide useful information about how the company allocates policy making decisions because the only items required by the proposed rule are the employee's total compensation and job description. The rules do not require a discussion of how the employee's responsibilities compare with others in the company. Moreover, we believe that the executive compensation rules should not require a description of how the company allocates policy making functions or strategic decisions

as these considerations are beyond the intended scope of executive compensation disclosure.

We appreciate the opportunity to have submitted these comments. Please contact the undersigned at 408-765-4747, or Douglas Stewart at 408-765-5532, if you would care to discuss these comments in further detail.

Teresa Remillard
Assistant Director, Corporate Affairs, Finance Counsel
Intel Corporation