

February 26, 2007



Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Reference: File Number S7-24-06

Intel Corporation is pleased to provide input regarding the SEC Proposed Interpretive Guidance for Management's Report on Internal Control over Financial Reporting ("proposed guidance") issued December 20, 2006. We appreciate the SEC's efforts to develop flexible, scalable guidance intended to improve the balance between managing the risk of material financial misstatement and the cost of compliance.

Intel continues to fully support Management's accountability for maintaining effective internal control over financial reporting and is committed to the effective implementation of Section 404 of Sarbanes Oxley legislation ("S404"). Intel is supportive of the proposed guidance and plans to incorporate finalized guidance into Managements compliance obligations going forward.

We have the following key observations to make with respect to the proposed guidance.

Cost/Benefit Impact:

The SEC requested comments on the nature of the costs and benefits resulting from the proposed guidance. We believe the combined affect of the SEC proposed guidance along with the PCAOB's proposed auditing standard should improve the balance between risk and cost of compliance by providing increased flexibility and scalability to both issuers and auditors. The improvements realized will notably vary depending on individual issuers' specific circumstances, including the nature and scale of their S404 approach taken to date. As a large accelerated filer, with three years of learning and improvement, we anticipate a modest cost reduction from our implementation of the proposed guidance.

Entity Controls:

Entity controls is an area that continues to pose the most concern for us. In our view the proposed guidance does not sufficiently address the flexibility of entity controls, particularly with regard to the role of general IT controls.

We recognize that the proposed guidance illustrates the relationship between entity level control reliance and operating complexity, offering a scalable, industry-wide approach, accommodating both large and small issuers. It is our view that the language in the proposed guidance precludes us from implementing a balanced entity level approach as the basis for assessing the effective operation of IT general controls, increasing the costs without due consideration of the risk of material financial misstatement.

We agree with the SEC's recognition that "...general IT controls ordinarily do not directly prevent or detect material misstatements...". To improve the alignment with the relative risk, we are suggesting that an entity level assessment would be a reasonable basis for management's assessment of effective IT general controls, particularly given that downstream compensating controls are typically in place to effectively mitigate the likelihood of a material misstatement.

Specifically, we are suggesting that sections A.1.c & d of the proposed guidance be augmented to associate entity level assessment and general IT controls. We believe that if this change is addressed within the proposed guidance, it will have a more appropriate impact on balancing cost and risk. Furthermore, we suggest that the last sentence of section A.1.d. be revised with the following language, "For purposes of the evaluation of ICFR, management only needs to evaluate those general IT controls that are *clearly* necessary to adequately address *material* financial reporting risks".

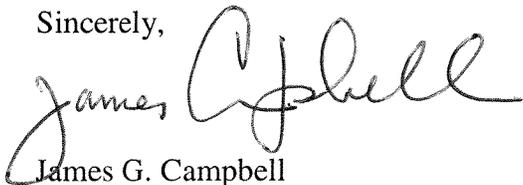
Management and Auditor Alignment:

Intel has maintained close alignment with our auditors during the S404 compliance process. In order to assure the combined affect of the SEC and PCAOB proposals do not offset one another, we want to reiterate the importance of harmonization across the key constituents (issuers, auditors, SEC and PCAOB); including alignment of the PCAOB inspection practices with the substance and intent of the SEC and PCAOB proposals.

In conclusion, Intel would like to reinforce full support of the letter and spirit of S404. S404 has contributed to the enhancement of internal control over financial reporting. We support the SEC proposed guidance and believe it is a positive step forward for issuers to better balance compliance costs with material misstatement risk.

Thank you for consideration of our views. Please do not hesitate to contact me at (503) 696-7931 if you would like any further information in connection with our comments.

Sincerely,



James G. Campbell
Vice President and Corporate Controller