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Leslie Seidman, Chairman
Financial Accounting Standards Board
401 Merritt 7
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Submitted via electronic mail to director@fasb.org

File Reference No. 2012-200, Exposure Draft: *Disclosures about Liquidity Risk and Interest Rate Risk*

Dear Madam:

Intel is pleased to respond to your request for comment on the Exposure Draft, *Disclosures about Liquidity Risk and Interest Rate Risk*. We appreciate the goal of providing users of financial statements with decision-useful and highly comparable liquidity risk disclosures. We believe that the disclosures, as drafted, could provide misleading information about an entity's liquidity. In order to achieve the goal, we believe that the liquidity risk disclosure requirements need further clarity and should be expanded to incorporate other forward-looking information about liquidity. We also believe that forward-looking information should be restricted to Management's Discussion and Analysis (MD&A), which further highlights the need to provide a robust framework for determining whether disclosures are appropriate for financial statements. Our primary concerns are highlighted in the following paragraphs. More detailed responses to the certain questions posed in the Exposure Draft are provided in the Appendix to this letter.

We believe the proposed disclosure requirements are incomplete and lack sufficient detail to be operational. In particular, the proposed disclosures do not facilitate a complete understanding of an entity's liquidity as they fail to incorporate an entity's strategic objectives and their impact on cash flow sources and uses. For example, an entity may intend to increase liquidity by cutting costs or conducting restructuring activity, factoring receivables or selling assets, refinancing existing liabilities, issuing commercial paper, or raising additional debt or equity. As drafted, the Exposure Draft would exclude these important activities from the disclosure requirement. Absent more robust disclosures, financial statement users may reach the wrong conclusion about an entity's liquidity and strategies. In addition, the proposed disclosures lack sufficient detail to be operational and promote comparability. In particular, we observe that financial liabilities are required in the cash flow obligations schedule while accounts payable and other common operational-type liabilities that impact short-term liquidity appear to be excluded. Also, the Exposure Draft does not adequately define *high-quality* liquid assets and inappropriately restricts available liquid funds to fixed income financial instruments. This limited definition could exclude significant sources of liquidity such as investment grade debt instruments or blue chip marketable

equity securities. Further, it is unclear whether the phrase “could limit the transferability of funds among entities” refers to definitive, existing transfer restrictions or potential consequences that accompany future transfers that might influence management’s transfer decisions. Expanding the required disclosures and providing further clarity is essential to achieving the disclosure objective.

We believe that expanding liquidity disclosures to meet the disclosure objective would require an entity to provide forward-looking information. In our opinion, disclosures that contain forward-looking information must be included in MD&A in order to be expressly covered by the safe harbor rules. Further, liquidity disclosure should be considered in the context of the company’s strategy and other future operating plans, all of which are appropriately excluded from the footnotes. The Board should work in partnership with the Securities Exchange Commission (SEC) in conjunction with their existing MD&A requirements, specifically the liquidity and capital resources and contractual obligations sections, to achieve the disclosure objective. Furthermore, we believe liquidity risk disclosures demonstrate the need for the FASB’s Disclosure Framework project to address the appropriate location of disclosures for public companies. It is imperative that forward-looking information be included in MD&A under the applicable safe harbor provisions, while the notes to the financial statements should provide meaningful supporting details that are solely based on the historical results presented in those financial statements. We urge the Board to expand the Disclosure Framework project to address this concept and how it applies to current, proposed, and future disclosure requirements.

We are also concerned about the proposed requirement to provide the disclosures on an interim basis. As part of the Disclosure Framework project, we believe a set of characteristics should be developed for disclosures required in interim reports. We recognize that interim financial statements are necessary to provide users with timely information, including assessing material changes from a public entity’s annual Form 10-K filing. However, the Board has acknowledged that it is necessary to balance the level of disclosures required between the annual financial statements and interim periods in order to enable timely filing of financial information. We believe that the annual financial statements provide the comprehensive baseline for fundamental analysis of a reporting entity and interim reports should assist in adjusting forecasts that are based on that baseline. Accordingly, beyond the basic financial statements and selected notes, interim reports should enable a user to assess material changes from the preceding full fiscal year. This objective is consistent with the SEC’s requirements and serves to better highlight information that has changed rather than forcing users of financial statements to sift through voluminous disclosures to identify a handful of key areas.

Thank you for your consideration of the points outlined in this letter. If you have any further questions or would like to discuss our responses further, please contact me at (971) 215-7931, or Kevin McBride, External Reporting and Treasury Accounting Controller, at (971) 215-1229.

Sincerely,

James G. Campbell
Vice President, Finance Corporate Controller
Intel Corporation

Appendix

Question 2

For an entity that is not a financial institution, the proposed amendments would require a cash flow obligations table that includes the expected maturities of an entity's obligations. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

In regards to the expected maturity model proposed, we are concerned with the ability to determine cash flow expectations for liabilities and obligations for all of the periods required. Under our current planning process, we do not forecast cash flows for specific liabilities and obligations outside of short-term horizons and to do so would require significant incremental costs. In addition, given the interdependencies of future events and circumstances, we believe the further out these cash flow expectations are, the less reliable and ultimately the less useful to financial statement users they become.

We believe this proposed requirement as written would potentially cause confusion among users of financial statements as they analyze these disclosures along with contractual obligation disclosures within MD&A that will potentially be based on different time horizons, different categories, and different obligations.

Question 4

The proposed amendments would require a quantitative disclosure of an entity's available liquid funds, as discussed in paragraphs 825-10-50-23S through 50-23V. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

We question whether the proposed disclosure requirements in paragraph 825-10-50-23U will provide financial statement users with decision-useful liquidity risk information that is comparable across the broad spectrum of entities preparing financial statements. Funds held in foreign entities that are either restricted from transfer out of certain foreign jurisdictions or that may be subject to domestic tax if repatriated provide a good example of our concern. On one hand, we acknowledge that the proposed disclosures would provide decision useful information in situations in which an entity is unable to meet its liquidity needs by transferring funds between entities (due to legal restrictions) or may face significant financial penalties (such as taxes) by conducting such transfers. On the other hand, we do not believe that providing quantitative disclosure about these financial or legal constraints is relevant for entities that have sufficient liquidity *and* an accurate forecast that requires reinvesting these funds abroad. As the specific liquidity significance of this information is not comparable across the spectrum, we believe requiring these proposed disclosures for all preparers has the potential to confuse financial statement users, and we recommend the Board consider this concept to be included in a broader framework or list of concepts that should be contemplated by preparers when providing a discussion of the significant factors in assessing its liquidity position.