November 22, 2011

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. 2011-240, Exposure Draft: Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05**

Dear Madam:

Intel is pleased to respond to your request for comment on the proposed Accounting Standards Update, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*. We support the Board’s deferral of the changes in Accounting Standards Update (ASU) 2011-05 that relate to the presentation of reclassification adjustments. The deferral provides time for the Board to consider whether the amount and classification of all reclassification adjustments provides decision useful information and, if so, time for companies to establish the necessary processes to capture the required information. We believe that any such disclosures should be provided in the notes to the financial statements and that the Board should develop a disclosure objective with respect to whether reclassification adjustments provide decision useful information.

We believe that the income statement should be clear and concise so that a company’s financial performance can be readily measured. Adding reclassification adjustments to our income statement could increase the number of line items by up to 50% in a period, depending upon materiality. This presentation gives undue prominence to such a nuanced component of income. Financial statement users understand that a particular line item on the financial statements does not convey all of the information necessary to understand the nature, timing and uncertainty associated with that item. The notes to the financial statements, therefore, are an essential component of understanding financial performance because they put amounts into their proper context. For example, the impact of the effective portion of cash flow hedges that flows through cost of sales is not readily understood without the context of the related risk management program. Also, presenting the line item details on the face of the income statement for components of net periodic benefit cost (those previously included in other comprehensive income) are not meaningful without the complete understanding of net period benefit costs as provided in the notes.
Providing the information in the notes to the financial statements maintains the clarity of the income statement while allowing the financial statement user to assimilate the information with the other relevant disclosures.

We believe that the Board should determine whether each reclassification adjustment item provides decision useful information. To make that determination, we recommend that the Board establish a disclosure objective. The nature and timing of reclassification adjustments vary, so the disclosure objective may not result in separate disclosure for all reclassification adjustments. The Basis for Conclusions in ASU 2011-05 provides a possible foundation for a disclosure objective. In particular, the Basis states that “this presentation would make transparent any earnings management that may be occurring through the strategic selling of appreciated financial instruments previously reported in other comprehensive income.” If the Board supports this disclosure objective, than the reclassification of items related to pension and other postretirement benefits that are actuarially determined or the reclassification of the effective portion of cash flow hedges that are reclassified when the hedged item impacts the income statement would not meet that objective. Rather, a systematic review of each individual item of accumulated other comprehensive income against the disclosure objective would result in a more cost effective approach than the current standard.

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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