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Securities and Exchange Commission  
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### **Proposed Rule on Interactive Data to Improve Financial Reporting**

Intel Corporation is pleased to respond to your request for comment on the Securities and Exchange Commission's (SEC) Proposed Rule for Interactive Data to Improve Financial Reporting (Proposed Rule). Intel Corporation has been actively monitoring the development of XBRL and interactive data submissions. We began to educate ourselves on XBRL in 2005 when we purchased software and started to tag our financial statements. In 2007 we prepared an interactive data submission using our quarterly financial statements and worked with our financial printer to test file that document. We have reviewed the XBRL U.S. Preparers Guide and tagged our financial statements and block tagged our footnotes with the most recent U.S. GAAP taxonomy. We are assessing implications of detailed footnote tagging. We also continue to assess new software as it becomes available.

We commend the SEC for taking steps to require interactive data as part of the SEC filing requirements. However, we have concerns with portions of the Proposed Rule, including:

- the extent of the requirements for detailed footnote tagging,
- timing of the phase-in for detailed footnote tagging,
- liability provisions related to viewable interactive data, and
- the due date for the interactive data submission.

We believe interactive data will add another layer to the financial reporting process, which will not result in a faster and more accurate financial reporting process. Overall we believe the complexity and estimated cost to implement has been significantly underestimated.

#### *Detailed footnote tagging*

We agree with the year one requirements to tag financial statements and individually tag footnotes as a block of text, assuming that the tagged footnote information can be rendered in a format that is consistent with the current HTML version. However, we believe that the first submission should be a Form 10-Q. This would allow for a logical progression from a simpler Form 10-Q to a more complex Form 10-K. We also agree that in year two the requirements for tagging footnotes should extend to separately tagging each significant accounting policy and each table as a separate block of text, also assuming that the tagged footnote information can be rendered in a format that is

consistent with the current HTML version. However, the proposed requirement to separately tag each number and each narrative disclosure required by U.S. GAAP and Commission regulations within each footnote overreaches and that the costs will exceed the benefit.

We estimate that performing detailed footnote tagging of our annual financial statements as outlined in the Proposed Rule would result in approximately 2,500 tagged elements compared to approximately 500 tags required to meet the year one requirements. After the initial investment developing a sustainable process; establishing controls; training personnel; and creating process documentation, each tagging selection will require a preparer to assess the appropriate tag; document the decision; validate with review; and apply the tag in the software. Even if the steps for each tagging selection requires only a few minutes, when that time burden is combined with the upfront process development it would result in hundreds of hours to complete the initial detailed footnote tagging requirement. We also estimate that it will take more than a hundred hours for each subsequent annual filing.

Instead of requiring issuers to apply thousands of additional tags for detailed financial and narrative information, we believe a more rational approach should be employed to determine what detailed financial information is most meaningful to financial statement users. We believe such an approach would involve engaging with financial statement users to identify the key data points that users would frequently access. The result may be 50 to 100 key data points for each identified industry group. We believe this approach would better balance the costs to preparers with the benefit to financial statement users. We believe that the year two requirements should be delayed until the appropriate key data points are identified.

Regardless of what is ultimately determined for tagging numeric information within the footnotes, we disagree with the proposal to tag each required narrative disclosure. We believe narrative disclosures in particular are best understood holistically within the context of the complete financial statements and footnotes. We often refer the reader between footnotes so they have an understanding of the impact of various items on the financial statements. A separately tagged portion of text that meets a specific U.S. GAAP or Commission regulation can provide investors with an incomplete or distorted view when that disclosure is accessed out of context of other narrative and numeric disclosures. Narrative disclosures are less comparable between companies than numeric disclosures which calls into question the benefits of tagging narrative disclosures.

#### *Phase-in requirements*

Should the SEC issue a final rule that requires narrative disclosure to be tagged, we believe the phase-in approach for detailed footnote tagging should be extended. We believe that the process companies need to develop to tag detailed numeric footnote information will be significantly different than the process for tagging all required narrative disclosures. As a result, we believe the effort required to move from the year one to the year two proposed requirements are significantly greater than the effort required to comply with the year one requirements.

In order to tag each number in the footnotes a company would map each numeric disclosure to the taxonomy and extend the taxonomy where necessary. However, to tag the required narrative disclosures a preparer would need to map approximately 400 pages of disclosure checklists comprised of more than 3,000 items to each paragraph, sentence, or phrase, as appropriate, that meets the U.S. GAAP or Commission regulations disclosure requirements. After mapping the narrative disclosures to the financial statements, they can then be mapped to the taxonomy. This effort will require experienced practitioners that are familiar with the company's financial statements. This expertise will likely only be available internally which would limit the ability for a

preparer to outsource these tasks. In addition, unlike numeric disclosures, narrative disclosures are modified throughout the financial reporting process up to the filing. We believe that based on current software capabilities tagging narrative disclosure can only be efficiently performed once the HTML filing is complete. Due to the significant difference in process and time required to tag narrative disclosures, we believe that the year two requirements should be further separated into numeric and narrative footnote tagging and phased in over two years. In year two a preparer would be required to tag numeric footnote disclosures and in year three narrative footnote disclosures would be added.

*Grace period and integration of interactive data with business information processing*

We agree that over the past decades “developments in technology and electronic data communication have significantly decreased the time and cost of filing disclosure documents.” Partly due to these developments the SEC was able to accelerate the due date for quarterly and annual reports. However, since the due dates were accelerated there has not been significant change in the technology for preparing filings.

As noted in the Proposed Rule, the SEC recognized “that at the outset, filers would most likely prepare their interactive data as an additional step after their financial statements have been prepared.” We agree with this assessment and believe it will continue to be an additional step for the foreseeable future. We believe that it would be a significant investment over multiple years for a preparer to integrate interactive data into its business information processing. Therefore creating interactive data will result in more manually transferred data.

We agree with the initial 30 day grace period allowed for the first filing and for the first filing with detailed footnote tagging. However, because providing interactive data will be an additional step to the current process for many years to come and tagging narrative disclosures can only be efficiently performed when the HTML filing is complete (as outlined above), we believe that interactive data should not be due at the same time as the related filing. Because narrative disclosures change significantly over time and narrative disclosure can only be efficiently tagged at the end of the financial reporting process, we believe that the time burden for tagging narrative disclosures will not meaningfully decline after the first year they are required. Placing too many demands on a preparer in a finite period of time threatens the accuracy of the filings and consequently, the usability of interactive data is diminished. We believe that interactive data should be due five days after the related filing is deemed officially filed.

*Liability provisions*

We believe addressing liability separately for the Interactive Data in Viewable Form will encourage users to rely on individual pieces of financial data without referring to the disclosures that accompany financial information in the filing. Accordingly, when the Interactive Data in Viewable Form complies with or is deemed to comply with the requirements of Rule 405, we believe there should be no additional exposure to, or standard of liability for, that data; any liability should arise only with respect to the disclosures in the Related Official Filing.

We also believe that the requirement to post a data file on the issuer’s website isolates the financial statement disclosures from the context and disclosures that normally accompany that information when set forth in a complete submission, and that this separate posting requirement should either not be adopted or the posting should be insulated from all liability, with any liability instead resting solely on the corresponding disclosures made in the underlying document from which the financial statements have been extracted. If the SEC retains an obligation for issuers to post an interactive data file on their websites, the SEC should clarify that this applies only to the file submitted with the

issuer's most recently filed Form 10-K and files submitted with any subsequent interim reports. The SEC should continue to emphasize that investors should read the entire filing when making investment decisions and that courts should review the entire filing when assessing the adequacy of disclosures. If liability is extended to interactive data we believe this message will be lost.

We do not believe creating new standards of liability for interactive data files (i.e. "good faith", "reasonable attempt", "reasonably practicable") is necessary or appropriate. While the SEC may retain authority to impose consequences for a filing that fails to satisfy the XBRL requirements, we believe liability attached to interactive data should be limited to cases involving fraud for deliberately manipulating or misusing the tags. Compliance with Rule 405 should be enforced solely by the SEC.

We also believe that the distinction of liability between Interactive Data in Viewable Form and "the substantive content of the financial and other disclosures" is not clearly articulated or readily apparent. As stated above, because the Interactive Data in Viewable Form is intended to be displayed identically in all material respects to the corresponding information in the Related Official Filing, only the Related Official Filing should be subject to liability.

#### *Taxonomy updates*

We believe that updated taxonomies need to be issued at least one quarter in advance of the period end date for the related filing to ensure accuracy is maintained. This is important as most current software does not allow an automated comparison of the base taxonomies. We understand that XBRL US will summarize the changes made between each release. However given the potential additional legal liability attached to interactive data, until that comparison can be automated and tested, each time the taxonomy is updated a preparer would need to reassess each of the thousands of tags used to ensure no changes have been made that would result in a change in the tagging assessment. Therefore, timely releases of updated taxonomies are critical for the preparer to meet filing deadlines.

Lastly we would also like to express our agreement for the following provisions of the proposal:

- No auditor attestation relative to XBRL data;
- Tagging of financial data should not extend to Form 8-K filings; and
- Interactive data should not be required for financial statements that are required pursuant to Rule 3-05, 3-09, 3-10, 3-14, and 3-16 of Regulation S-X.

Thank you for your consideration of the points outlined in this letter. We would be happy to answer any questions that you might have about the points raised. If you have any questions, please contact me at (971) 215-7931, or Matt Sepe, External Reporting Controller, at (408) 765-6087.

Sincerely,



James Campbell  
Vice President, Corporate Controller

cc: Cary Klafter, Vice President, Corporate Legal Group and Corporate Secretary  
Theresa Remillard, Assistant Director, Corporate Legal Group