



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Secretary

October 29, 2010

Mr. or Ms. Gray
Commonwealth of Pennsylvania

Re: *In the Matter of Intel Corporation, Docket No. 9341*

Thank you for your comments regarding the Proposed Consent Order accepted by the Federal Trade Commission for public comment in the above-captioned matter. Your comment reflected a concern that “parts resellers” be included in certain provisions of the Proposed Consent Order.

The provisions of Section IV of the Consent Order are specifically designed to protect competition, not any one competitor, and prohibit Intel from conditioning benefits to its customers on the customers’ agreement or promise to buy exclusively from Intel. Section IV.A prohibits Intel from offering benefits to OEMs, original design manufacturer (“ODMs”), or End Users in exchange for assurances that the customers will refrain from dealing with Intel’s competitors. “Benefit” is broadly defined and includes not only monetary consideration but also encompasses access to technical information, supply, and technical and engineering support. Section IV.A also prohibits Intel from punishing its customers by withholding benefits from those that purchase from non-Intel suppliers of CPUs, chipsets, and GPUs.

The provisions in Section IV cover the majority of distribution channels for Intel and other computer product manufacturers. Parts resellers do not make up a significant portion of the distribution of CPUs and GPUs. The Commission believes that protecting OEMs, ODMs, and End Users from unfair practices by Intel will protect competition and that consumers will benefit from lower prices and innovative new products.

The Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without the modifications you suggest. A copy of the final Decision and Order is enclosed for your information. Relevant materials also are available from the Commission’s website at <http://www.ftc.gov>.

It helps the Commission’s analysis to hear from a variety of sources in its work on antitrust and consumer protection issues, and we appreciate your interest in this matter.

By direction of the Commission, Commissioner Kovacic recused.

Donald S. Clark
Secretary