



Office of the Secretary

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

October 29, 2010

Daniel Jensen

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

Dear Mr. Jensen:

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 reflects dissatisfaction with the Proposed Consent Order in a number of ways that relate to Intel's conduct with respect to chipsets and GPUs.

The Commission's Complaint against Intel includes allegations that Intel's conduct harmed competition in markets for chipsets with integrated GPUs. Several provisions of the Consent Order are designed to reinvigorate competition in the chipset markets. For example, Section II of the Consent Order requires Intel to maintain an open PCIe bus and prohibits Intel from limiting the performance of the PCIe bus in a manner that would hamper graphics performance or GP-GPU compute functionality of discrete GPUs. Comments submitted by the Computer and Communications Industry Association note that the PCIe provisions in Section II will "hopefully provide GPU makers and capital investors the certainty needed to continue innovation and investment in this critical market."

Section IV of the Consent Order prohibits Intel from conditioning benefits to its customers on the customers' agreement or promise to buy chipsets exclusively from Intel. In addition, Section V prohibits Intel from designing or engineering its CPU or GPU products solely to disadvantage competitive or complementary products such as chipsets. The Commission believes these provisions offer third parties greater access to Intel platforms than they otherwise would have had without the settlement agreement while allowing Intel the flexibility it needs to continue developing innovative new products.

Other than the required PCIe interface, the Consent Order stops short of requiring Intel to design its CPUs in a way that will facilitate third party chipset markets and does not require Intel to license its bus protocols. As drafted, the Consent Order seeks to balance the interest in restoring chipset competition against the interest in preserving incentives to innovate and the recognition that chipsets are declining in technological importance. The trend in chipset and CPU innovation is to move more functionality from the chipset onto the CPU. The declining significance of chipsets is a result of innovation and progress in CPU design. This can be seen not only in Intel's CPUs, but in AMD's Fusion product that includes CPU and GPU functionality on a single-die processor.

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