



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Mail Stop 6010

February 25, 2008

Mr. Randall Gausman  
Chief Financial Officer  
Rae Systems Inc.  
3775 North First Street  
San Jose, CA 95134

**Re: Rae Systems Inc.  
Form 10-K for the Year Ended December 31, 2006  
File No. 001-31783**

Dear Mr. Gausman:

We have completed our review of your Form 10-K and related filings and have no further comments at this time.

Sincerely,

Kevin Vaughn  
Branch Chief