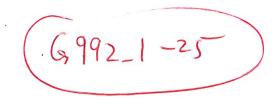


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October 6, 1998

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The purpose of this letter is to inform the ITU of AMD's intent regarding its intellectual property that is relevant to the Recommendations being considered by the ITU.

AMD is not prepared to waive its patent rights in the event that the proposed Recommendations (G.dmt, G.lite, G.ploam, G.test, and G.hs) are decided by the ITU-T. AMD is, however, willing to negotiate licenses with other parties on a non-discriminatory basis on reasonable terms and conditions (in accordance with paragraph 2.2 of the ITU-T patent policy) with respect to any patent claims held or controlled by AMD that are essential for compliance on a technological basis with the Recommendations, provided that such parties agree to similarly license their own patents to AMD.

If you have any questions concerning AMD's position, please feel free to contact Terry Cole. His telephone number at AMD is 512-602-2454. His fax number is 512-602-6582. His mailing address is: 5204 E. Ben White Blvd., M/S 621, Austin, Texas 78741.

Very truly yours,

Gary Ashcraft

Vice President and General Manager Communication Products Division

GA/mw