

August 19, 1998

Dr. Theodore Irmer
Director
Telecommunication Standardization Bureau
Rue de Varem
CH1211 Geneva 20
Switzerland

Re: Intellectual Property Statement for NEC Corporation

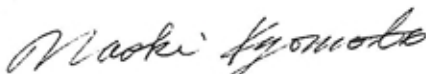
Dear Dr. Irmer:

This statement is in reference to the work in ITU-T SG15 and outlines NEC Corporation ("NEC")'s position on patent rights ("the Patent Rights") which NEC owns and controls and which would be directed to and essential for the practice of proposed Recommendations for Asymmetric Digital Subscriber Line (ADSL) communications ("the proposed Recommendations").

In the event that the proposed Recommendations are elected by ITU-T as a standard ("the Standard") for the implementation of the ADSL technique, NEC is not prepared to waive the Patent Rights but would be willing to negotiate a non-exclusive license under the Patent Rights on a non-discriminatory basis and on reasonable terms and conditions (in accordance with paragraph 2.2 of the ITU-T "Statement on TSB patent policy"), in respect of the Standard, with other parties requesting such license, provided that such requesting party agrees not to assert its own patent(s) against NEC.

Any party interested in the licenses described above may contact Mr. Hideyuki Ogata in writing at the address or E-mail address in the footnote, or by phone or fax at numbers in the footnote.

Very truly yours,



Naoki Kyomoto
General Manager
Intellectual Property Division

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