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Blair F. Morrison
Assistant Secretary

September 13, 2000

BY FACSIMILE AND COURIER

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

c/o Mr. John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario
M5H 3S8

and

Mr. Claude St Pierre, Secrétaire
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 23rd Floor
Montréal, Québec H4Z 1G3

Dear Sirs/Mesdames:

**Re: Proposed National Instrument 55-102 (“Instrument”) and
Companion Policy 55-102CP (“Policy”) System for Electronic Data
on Insiders (“SEDI”)**

I am writing to you in respect of your request for comments regarding the above-captioned proposed Instrument and Policy, and specifically in respect of Sections 2.2, 2.3 and 6.1 of the proposed Instrument.

Nortel Networks Corporation (“Nortel Networks”) is a “reporting issuer” in all provinces of Canada (except Newfoundland) and its common shares are listed on

The Toronto Stock Exchange and the New York Stock Exchange. The process of preparation and filing of insider reports is completed by Nortel Networks on behalf of its insiders based on information provided by the insiders.

Section 2.2 of the proposed Instrument would require that the insider of a "SEDI issuer" (as such term is defined in the Instrument) file an amended insider profile within 10 days of a change in the information contained in his or her insider profile. As noted above, it is the current practice of Nortel Networks to prepare and file insider reports on behalf of its insiders. Personal information of an insider is currently amended at the time when an insider report with respect to such individual is required to be filed (i.e., when a trade has occurred). Given the large number of Nortel Networks' insiders and the fact that the insiders are located in various countries around the world, it would be virtually impossible to obtain the necessary notification and information from insiders and amend all insiders' profiles within the 10-day period mandated by the proposed Instrument. We therefore respectfully submit that the Instrument should be amended to require that an insider's profile must be updated, to the extent necessary, when an insider report is filed. The information contained in an insider's profile is not so material that immediate notification of any change should be necessary.

Section 2.3 of the proposed Instrument would require filing in SEDI format in accordance with the Form 55-102F2 (the "Form") of an insider report pursuant to an insider reporting requirement. Insider reports filed for Nortel Networks' insiders are very complex; dealing with a multitude of compensation and stock option plans and related transactions. In order to facilitate comprehension, the insider reports currently filed on behalf of Nortel Networks' insiders include schedules with detailed explanatory notes relating to the nature of the transactions being reported. (Sample explanatory notes are attached.) We believe that this format provides the public with the information needed to understand the transaction reported. While we are supportive of the move to electronic filing to improve public access to insider reports, we do not believe that the currently proposed Form under the Instrument would allow the type of explanatory notes presently contained in our filings. Therefore, we respectfully submit that the Form contained in the proposed Instrument be amended to contemplate schedules or other explanatory notes that permit the public to more easily understand the reported trade.

Section 6.1 of the proposed Instrument states that the Instrument would come into force on December 4, 2000. Given that the expiration date for written submissions of comments is September 14, 2000 and the final Instrument will not be made publicly available until some time after that, it will be difficult for issuers with a large number of reported insiders like Nortel Networks to complete the on-line user registration and creation of insider profiles on behalf of all insiders. Upon review of the proposed Instrument, there does not appear to be a method by which information regarding our insiders currently contained on our insider reporting database can be electronically transferred to the SEDI web page to create the insider profiles. Therefore, such information will be required to be manually inputted onto the SEDI web page. Furthermore, we will be required to update our insider reporting database software to create a process to allow the electronic transfer of information contained in the database to the SEDI web page. We would suggest that the Instrument not come into effect until at least 90 days after publication of the final Instrument and that the Commissions consider permitting a transition period within which all issuers are required to transition their reporting.

We are supportive of the need to improve public access to insider reports by making such reports available on a website as well as reducing the duplication of efforts of regulators in the review of insider reports. We are supportive of permitting insiders to securely file insider reports over the Internet using commonly available web browsers. These changes reflect the fast-paced, electronic world in which Nortel Networks conducts its business. However, Sections 2.2 and 6.1 of the proposed Instrument would, we respectfully submit, impose an unduly onerous burden on Nortel Networks in assisting its insiders, most of whom are not residents of Canada, to comply with the strict requirements of the Instrument. However, we believe that Sections 2.2 and 6.1 with the changes proposed herein would be an acceptable alternative for most companies, especially those with a large number of insiders. In addition, we believe that, in the case of a complex issuer like Nortel Networks, strict conformity to the Form, without the addition of schedules with explanatory notes, would cause less transparency to the public with respect to the transactions of the insiders.

For the above-noted reasons, we respectfully request the Ontario Securities Commission to amend the current proposal with respect to mandatory Internet filings of insider reports.

Please do not hesitate to contact the undersigned or Jacqueline A. Jones, Counsel - Securities (905-863-1081), if you have any questions in respect of the foregoing.

Yours truly,

Blair F. Morrison
Assistant Secretary