

NORTEL NETWORKS

Nortel Networks, Inc.
200 Athens Way
Nashville, TN 37228

www.nortelnetworks.com

Mary M. Cross
Monica L. Lester

May 25, 2001

Secretary, Federal Trade Commission
600 Pennsylvania Avenue, NW.
Washington, DC 20580

Dear Sir or Madam:

This letter is to comment on the July 1, 2001 effective date for the requirement to report revenue data using the North American Industry Classification System ("NAICS") rather than the Standard Industrial Classification ("SIC") and to use 1997 rather than 1992 as the base year when filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act").

Nortel Networks Corporation is a large calendar year based company that files frequently under the HSR Act. We have over \$20 billion in revenues for 2000 and over \$10 billion in 1997 revenues that will need to be re-classified from SIC codes to NAICS codes. To accomplish this, we will need to go out to our various lines of business, poll many individuals on both 2000 and 1997 products and compile the results. Since we have been going through a similar exercise at the beginning of each year to classify the previous year's revenue into SIC codes, we know that doing this for 2000 revenues as well as 1997 revenues while also using a new classification system will be a large and time consuming task. The July 1 deadline will not allow us adequate time to do this.


The July 1 deadline also imposes an additional burden on us since we report revenues on a calendar year basis. At the beginning of this year we classified 2000 revenues into SIC codes and now, only a few months later, we must go through a new exercise to reclassify them into NAICS codes to meet the July 1 deadline. For Nortel, and we are sure many other calendar year companies, a January 1, 2002 deadline would be more efficient as we would not have to again address 2000 revenues and could start fresh with 2001 revenues.

Please consider moving the effective date to January 1, 2002. This will give large companies such as Nortel adequate time to do the changeover and eliminate the additional burden on calendar year companies that a mid-year effective date will impose. Thank you for your consideration.

Regards,



Mary M. Cross
President, Nortel Networks, Inc.
North American Controller



Monica L. Lester
Asst. Treasurer, Nortel Networks, Inc.
U.S. Controller