

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: : Chapter 11
: :
NORTEL NETWORKS, INC., *et al.*, : Case No. 09-10138 (KG)
: (Jointly Administered)
Debtors. :
: **Re Dkt Nos. 9352, 9390, 9391, 9392 & 9396**

SCHEDULING ORDER FOR ALLOCATION ISSUES

The Court requested that principal parties submit statements of the master issues which remain and proposals for the means to resolution. Order, dated January 31, 2012. D.I. 9352. The parties have submitted their statements¹ and agree on the issues but not the process.

The issues which remain for decision are imposing. They include the allocation of proceeds from the sale of business units and other assets (the “Allocation Issue”). There are actually two subsets of the Allocation Issue. The first is who should determine allocation, the U.S. Court and Canadian Court, or an arbitrator. The second is the allocation itself.

¹ The U.S. Debtors’ Scheduling Proposal for Outstanding Motions and Issues (D.I. 9390), Statement of the Official Committee of Unsecured Creditors Regarding Outstanding Motions and Issues (D.I. 9391), EMEA Debtors’ Submission Regarding Outstanding Issues and Proposed Scheduling (D.I. 9392), Statement of Nortel Ad Hoc Group of Bondholders Submitted in Accordance with the Court’s Order dated January 31 (D.I. 9393), Submission of the Trustee of Nortel Networks UK Pension Plan and the Board of the Pension Protection Fund in Response to the Court’s January 31, 2013 Order (D.I. 9396).

IT IS ORDERED, this 13th day of February, 2013, that the Court on March 7, 2013, at 10:00 a.m., jointly with the Canadian Court, will hear in summation format, a brief reargument of the June 7, 2011 hearing on the first subset of the Allocation Issue, i.e. who will determine allocation. The parties may submit supplemental papers of up to ten pages in length on the first subset of the Allocation Issue on or before March 1, 2013.

Dated: February 13, 2013



KEVIN GROSS, U.S.B.J.