

Dhruv Narain
Credit Suisse First Boston Corp.
11 Madison Avenue, 23rd Floor
New York, NY 10010
(212) 538-5775
Financial Advisors to the Debtors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11 Case Nos.
BETHLEHEM STEEL CORPORATION,)	01-15288 (BRL) through
et al.)	01-15302, 01-15308 through
)	01-15315 (BRL)
Debtors.)	(Jointly Administered)

**SUMMARY COVER SHEET FOR
THIRD INTERIM APPLICATION OF CREDIT SUISSE FIRST BOSTON CORP.
AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
FROM FEBRUARY 1, 2003 THROUGH APRIL 30, 2003**

Name of Applicant:	Credit Suisse First Boston Corp.
Role in Case:	Financial Advisor to the Debtors

Fees Requested:	\$450,000.00
Expenses Requested:	\$10,033.29

Professional and Hours Incurred:	Peter Matt (Managing Director)	29.0 Hours
	Dhruv Narain (Managing Director)	31.0 Hours
	Jason New (Vice President)	50.5 Hours
	Paul Scherzer (Vice President)	83.0 Hours
	Bill Brenton (Associate)	79.0 Hours
	<u>Chun Mui (Analyst)</u>	<u>59.5 Hours</u>
	Total:	332.0 Hours

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FROM FEBRUARY 1, 2003 THROUGH APRIL 30, 2003**

TO THE HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE:

In this third application (the "Application") Credit Suisse First Boston Corp. ("CSFB") as financial advisor to Bethlehem Steel Corporation and certain subsidiaries, debtors and debtors in possession in these Chapter 11 cases (collectively, the "Debtors") seeks allowance of interim compensation for professional services and reimbursement of expenses incurred in connection with such services from February 1, 2003 through April 30, 2003 (the "Application Period") pursuant to Sections 330(a) and 331 of Title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and respectfully presents:

SUMMARY OF APPLICATION

1. By this application, CSFB seeks allowance of interim compensation for professional services rendered to the Debtors during the Application Period in the aggregate amount of \$450,000.00 and for reimbursement of expenses incurred and recorded in connection with the rendition of such services in the aggregate amount of \$10,033.29. During the Application Period, CSFB professional expended a total of 332 hours for which compensation is requested.
2. CSFB does not maintain, in the normal course of providing financial advisory services to its clients, detailed written time records. However, in this case, CSFB maintained written records of the time expended by CSFB professionals in the rendition of their professional services to the Debtors. A summary schedule setting forth the number of hours expended by each of the

professionals who rendered services to the Debtors, is hereby attached as Exhibit A. A detailed compilation showing the name of the professional, the date on which the services were performed, and the amount of time spent in performing the services during the Application Period is also included in Exhibit A. A summary schedule of the expenses for which CSFB is seeking reimbursement and the total amount for each such expense category are attached hereto as Exhibit B.

3. In preparing this Application, CSFB has complied with the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines"), the United States Trustee Guidelines for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (the "UST Guidelines"), and the Court's Order to Establish Procedures For Interim Compensation and Reimbursement of Chapter 11 Professionals and Committee Members dated October 16, 2001 (the "Administrative Order" and, collectively with the Local Guidelines, and the UST Guidelines, the Guidelines"). CSFB believes that all applicable time and disbursement charges for the Compensation Period have been included herein. However, to the extent expenses were incurred in connection with services rendered during the Application Period, but were not presented and processed prior to the preparation of this Application, CSFB reserves the right to request reimbursement of such expenses in a future application.

JURISDICTION AND VENUE

4. The Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334, and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.). Consideration of the Application is a core proceeding pursuant to 28 U.S.C. §157. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

5. On October 15, 2001 (the "Filing Date"), the Debtors herein filed a petition for reorganization under Chapter 11 of the Bankruptcy Code. In addition, on the September 6, 2002, the Debtors filed their application to retain CSFB as Financial Advisors and Investment Bankers (the "Retention Application").
6. On February 26, 2003, the Court entered an order granting the Retention Application (the "Retention Order") approving CSFB's retention as financial advisor to the Debtors *nunc pro tunc* to July 15, 2002. A copy of the Retention Application is attached as Exhibit C hereto and incorporated herein by reference. A copy of the Retention Order is attached hereto as Exhibit D. As set forth more fully in the Retention Application, CSFB has extensive experience in representing statutory Debtors in Chapter 11 cases, as part of its prominent financial restructurings and bankruptcy expertise.

PRIOR INTERIM ALLOWANCES

7. CSFB has received no payment or promise of payment for services rendered in this case other than pursuant to the Retainer Agreement.

8. Due to the lag in receiving invoices from third-party service firms, CSFB is unable, at this time, to account for all expenses incurred during the Application Period. Ensuing applications for compensation will include certain out-of-pocket expenses incurred in the Application Period.
9. Out-of-pocket expenses incurred by CSFB are charged to a client if expenses are incurred for the client or are otherwise necessary in connection with services rendered for such particular client. CSFB limits its incurred expenses to the actual amounts billed by third parties and does not factor general overhead expenses into disbursements charged to clients in connection with Chapter 11 cases.

PROFESSIONAL SERVICES RENDERED DURING APPLICATION PERIOD

10. CSFB has been selected by the Debtors because of its extensive knowledge and reputation in this field, because of its familiarity with the issues involved in this case and because the Debtors believe that CSFB possesses the requisite resources and is well qualified to represent the Debtors in these cases.
11. The services that CSFB has been required to perform and has performed have been substantial and necessary in this Chapter 11 case. CSFB has attempted to perform such services with the minimum amount of duplication of effort with the Debtor's other advisors.
12. Throughout the duration of CSFB's retention by the Debtor, CSFB has staffed the engagement consistent with the Debtor's objectives and in a manner that provided for thorough and efficient representation of the interest of the Debtors.
13. During the time period covered by this Application, CSFB has worked extensively with the senior management of the Debtors, the Debtors, the Official Committee of the Unsecured Creditors (the "Creditors' Committee"), the professionals retained by the Creditors' Committee and the Debtors, and other parties in interest in the Case. This work has covered a broad variety of financial and operational issues and other matters relevant to this Case and the efforts to analyze and implement a reorganization of the Debtors. The following summary of services rendered during the Application Period is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in Exhibit B. Rather, it is merely an attempt to highlight certain of those areas in which services were rendered to the Debtors, as well as to identify some of the problems and issues that CSFB was required to address.
14. In summary, CSFB has provided financial advisory services to the Debtors in among others, the following:
 - a) primary advice with respect to the resolution of the Company's needs to restructure its operating costs and, in particular, the attainment of a new Collective Bargaining Agreement with the USWA or other resolution of labor issues relating to staffing, OPEB, outsourcing, wages, etc. to assist the Company in achieving a Restructuring Transaction including the terms and timing of such transaction;

- b) assistance in formulating a plan or plans of reorganization, and/or analyzing any plan or plans of reorganization proposed, including assistance in the plan negotiation and plan confirmation process, preparation and presentation of expert testimony relating to financial matters, if required; and
- c) assistance in evaluating and negotiating any M&A Transaction.

FEE APPLICATION PREPARATION

15. During the Applications Period, CSFB compiled time and expense descriptions of the services it provided, and performed other task in order to comply with the Administrative Order. CSFB made every effort to minimize the amount of expenses incurred for these activities. The amount of the fees and expenses sought in this Application are consistent with market practices both in and out of a bankruptcy context. CSFB has never billed its clients based on the number of hours expended by its professionals. Accordingly, CSFB does not have hourly rates for its professionals and CSFB professionals generally do not maintain detailed time records of the work performed for its clients. In the Debtors' case however, CSFB has maintained contemporaneous time records in compliance with the Guidelines.

DISBURSEMENTS

- 16. CSFB has disbursed \$10,033.29 as expenses incurred and recorded in providing professional services during the Application Period. These charges are intended to cover CSFB's direct cost, which costs are not incorporated into the CSFB monthly fees. CSFB is seeking reimbursement for expenses incurred exclusively on behalf of the Debtors and in connection with the Debtors' cases.
- 17. Due to the nature of the Debtors' businesses, the location of their various offices and facilities, as well as the location of members of the Debtors and their professionals, frequent long distance telephone calls have been required. On several occasions, overnight delivery of documents and other materials was required as a result of urgent needs necessitating the use of such express services.
- 18. This time constraints imposed by the circumstances of these cases have required CSFB's professionals to devote time during the evening and on weekends to the performance of financial services on behalf of the Debtors. These extraordinary services were only performed when essential in order to meet deadlines, react timely to the changing financial condition of the Debtors, and satisfy the demands of the Debtors in providing high-quality financial services. CSFB does not charge for any overtime expense, but, in accordance with the provisions of the Guidelines, CSFB seeks reimbursement for expenses related to working meals and transportation consistent with the provisions of the Guidelines.
- 19. CSFB respectfully submits that the actual expenses incurred in providing professional services for which reimbursement is sought in this Application were necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors in fulfilling their statutory obligations.
- 20. Attached hereto as Exhibit B is a summary of reasonable out-of-pocket expenses incurred by CSFB during the Application Period in the aggregate of \$10,033.29.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

21. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of Section 330 to govern a court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed by the Debtors under section 1003 of the Bankruptcy Code "reasonable compensation for actual services rendered...and reimbursement for actual, necessary expenses. 11 U.S.C. § 330(a)(1).
22. Section 330 also sets forth the criteria for the award of such compensation and reimbursement. In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all the relevant factors, including:
- (A) The time spent on such services;
 - (B) The fees charged for such services;
 - (C) Whether the services were necessary to the administration of or beneficial at the time as which the service was rendered toward the completion of a case under this title;
 - (D) Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue, or task addressed; and
 - (E) Whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. 330(a)(3)

23. As set forth in greater detail above, CSFB respectfully submits that it has satisfied the requirements of Section 330 of the Bankruptcy Code. The services for which it seeks compensation in this Application were necessary for and beneficial to the Debtors. CSFB's request for compensation reflects a reasonable and appropriate amount of time expended in performing such services commensurate with the complexity, importance and nature of the problem, issue or task involved. CSFB's professionals performed these services without unnecessary duplication of effort. The compensation sought by CSFB is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code. For all of the foregoing reasons, CSFB respectfully requests the Court's approval for compensation in the amount of \$450,000 for services rendered by CSFB during the Application Period. This amount reflects \$150,000 for the period ending February 28, 2003, \$150,000 for the period ending March 31, 2003, and \$150,000 for the period ending April 30, 2003.

STATEMENT OF CSFB

25. No agreement or understanding prohibited by Section 504 of the Bankruptcy Code exists between CSFB had any other person for a sharing of compensation received or to be received for

services rendered in or in connection with these Chapter 11 cases, nor shall CSFB share or agree to share the compensation paid or allowed from the Debtors' estate for such services with any other person in contravention of Section 504 of the Bankruptcy Code. CSFB has made no agreement or understanding prohibited by 18 U.S.C. § 155.

26. Pursuant to Bankruptcy Rule 2016, CSFB states that no payments have therefore been made or promised to CSFB for services rendered or to be rendered in any capacity in connection with these Chapter 11 cases.

27. Copies of this Application have been provided to: (i) Kathy Mills, Bethlehem Steel Corporation, (ii) Terry Graffis, Creditors' Committee, and (iii) the U.S. Trustee.

WAIVER OF MEMORANDUM OF LAW

28. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented by this Application, CSFB respectfully requests that the Court waive the requirement that CSFB file a memorandum of law in support of this Application.

NOTICE

29. Copies of this Application have been provided to the members of the Joint Fee Review Committee as appointed by the Order Approving Appointment of the Joint Fee Review Committee, dated January 23, 2002, as set forth in paragraph 27 above.

WHEREFORE, CSFB respectfully requests that this Court enter an order awarding CSFB an interim allowance of compensation and expense reimbursement for the period of February 1, 2003 through April 30, 2003 in the amounts set forth below and provide such other and further relief as may be just equitable.

Professional Fees Requested
Reimbursement of Expenses

\$450,000.00
\$10,033.29

Dated: New York, NY
June 26, 2003

CREDIT SUISSE FIRST BOSTON CORP.

By:



Dhruv Narain
Managing Director
Credit Suisse First Boston Corp.
11 Madison Avenue, 23rd Floor
New York, NY 10010

Financial Advisor to the Debtors

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Debtors.)	(Jointly Administered)


CERTIFICATION PURSUANT TO GUIDELINES FOR FEES AND DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF THIRD INTERIM APPLICATION OF CREDIT SUISSE FIRST BOSTON CORP. FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES

I, Dhruv Narain, hereby certify that:

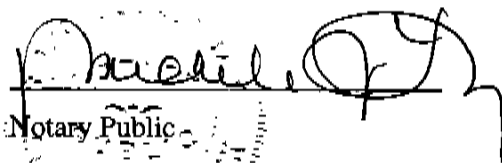
1. I am a Managing Director at Credit Suisse First Boston Corp. (“CSFB”) and the professional designated by CSFB with the responsibility for the Debtors appointed in the Chapter 11 cases of Bethlehem Steel Corporation (the “Debtors”) in respect of compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”).
2. This certification is made in respect of CSFB’s third interim application, dated June 26, 2003 (the “Application”) including the exhibits annexed thereto, for interim compensation and reimbursement of expenses for the period commencing February 1, 2003 through April 30, 2003 (the “Application Period”) in accordance with the Local Guidelines.
3. In respect of Section B (1) of the Local Guidelines, I certify that:
 - (A) I have read the Application;
 - (B) To the best of knowledge, information and belief formed after reasonable inquiry, the fees and disbursements fall within the Local Guidelines;

- (C) The fees and disbursements sought are charged in accordance with practices customarily employed by CSFB and generally accepted by CSFB's clients; and
 - (D) In providing a reimbursable service, CSFB does not make a profit on that service, whether CSFB performs the service in-house or through a third party.
4. In respect of Section B(3) of the Local Guidelines, I certify that the Chairman of the Creditors' Committee, the US Trustee, the Debtors, the counsel for the Debtors and the counsel for the Creditors' Committee are each being provided with a copy of the Application in accordance with the Administrative Order.
 5. By this certification, CSFB does not waive or release any rights or entitlements it has under the order of this Court, dated February 26, 2003, approving CSFB's retention as financial advisor *nunc pro tunc* to July 15, 2001, pursuant to CSFB's normal billing and customary reimbursement and disbursement practices.

Dated: New York, NY
 June 26, 2003

By: 
 Dhruv Varain
 Managing Director
 Credit Suisse First Boston Corp.

Sworn to before me this 26th day
 of June 2003


 Notary Public

MICHELE J. LUZ
 Notary Public, State of New York
 No. 01LU6060702
 Qualified in New York County
 Commission Expires July 02, 2003

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
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In re:)
)
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**EXHIBIT A TO THE
THIRD INTERIM APPLICATION OF CREDIT SUISSE FIRST BOSTON CORP.
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COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
FROM FEBRUARY 1, 2003 THROUGH APRIL 30, 2003**

The following is a summary schedule setting forth the number of hours expended by each of the professionals who rendered services to the Debtors and a detailed compilation showing the name of the professional, the date on which the services were performed and the amount of time spent in performing the services during the Application Period:

Period	Hours	Detail
2/1/03 - 2/28/02	230	Peter Matt (22), Dhruv Narain (22.5), Jason New (27.5), Paul Scherzer (62.5), Bill Brenton (52.5) and Chun Mui (43)
3/1/03 - 3/31/03	61	Peter Matt (4), Dhruv Narain (5), Jason New (14), Paul Scherzer (12.5), Bill Brenton (19.5) and Chun Mui (6)
4/1/03 - 4/30/03	41	Peter Matt (3), Dhruv Narain (3.5), Jason New (9), Paul Scherzer (8), Bill Brenton (7) and Chun Mui (10.5)
Total	332	

Exhibit A
Summary of Hours Incurred - Peter Matt (Managing Director)

Date	Work Performed	Hours
2/1/03	Conference call with company and counsel re term sheets	2.5
2/1/03	Analysis, internal discussions and preparation of Board materials	3.0
2/3/03	Review, analysis and discussion of revised proposals and counter-proposals, conference calls with management and counsel; preparation of Board materials	3.0
2/4/03	Board of Directors Call	2.5
2/5/03	Review of BOD materials (company's) and preparation of BOD presentation	2.0
2/8/03	Board of Directors Call	3.0
2/19/03	Review of ISG Commitment letter and appendices	2.0
2/21/03	Internal discussions regarding APA and commitment letter and call with L. Anthony	1.0
2/24/03	Review of APA and ancillary documents, internal discussion on issues	2.0
2/27/03	Review of APA issues	1.0
FEBRUARY		22.0
3/8/03	Review of revised commitment letter and termsheet	1.0
3/10/03	Review of revised commitment letter and termsheet; review of draft BOD presentation	1.0
3/11/03	Conference calls with ISG and WLR; discussions with S. Miller and L. Anthony	1.0
3/11/03	BOD call	1.0
MARCH		4.0
4/28/03	Review of BOD presentation	1.0
4/29/03	Participation in BOD meeting	2.0
APRIL		3.0
TOTAL FEBRUARY 1 TO APRIL 30		29.0

Exhibit A
Summary of Hours Incurred - Dhruv Narain (Managing Director)

Date	Work Performed	Hours
2/1/03	Conference call with company and counsel re term sheets	2.5
2/1/03	Review and prepare of Board materials	2.5
2/3/03	Review revised proposals and counter-proposals, conference calls with management and counsel	2.0
2/3/03	Review and prepare of Board materials	1.5
2/4/03	Board of Directors Call	2.5
2/5/03	Review of BOD materials (company's) and CSFB BOD presentation	2.5
2/8/03	Board of Directors Call	3.0
2/20/03	Review of ISG Commitment letter	1.5
2/21/03	Internal discussions regarding APA and commitment letter and call with L. Anthony	1.0
2/23/03	Review revised APA	1.5
2/24/03	Internal discussion on APA, commitment letter and other issues	1.0
2/28/03	Review of various Bethlehem documents (incl. APA)	1.0
FEBRUARY		22.5
3/7/03	Review of revised commitment letter and APA	1.0
3/10/03	Review of revised commitment letter, APA and draft BOD presentation	2.0
3/11/03	Conference calls with ISG and WLR; discussions with S. Miller and L. Anthony	1.0
3/11/03	BOD call	1.0
MARCH		5.0
4/28/03	Review of BOD presentation	1.5
4/29/03	Participation in BOD meeting	2.0
APRIL		3.5
TOTAL FEBRUARY 1 TO APRIL 30		31.0

Exhibit A
Summary of Hours Incurred - Jason New (Vice President)

Date	Work Performed	Hours
2/1/03	T/c re ISG term sheet	2.5
2/1/03	Review materials for BOD	1.0
2/2/03	T/c re ISG term sheet; internal discussion regarding the same	1.0
2/2/03	Revise materials for BOD	2.0
2/3/03	Numerous conf calls regarding terms of ISG offer	4.0
2/3/03	Prepare materials for BOD meeting, including CSFB internal discussion	1.5
2/3/03	Review of latest ISG term sheet	1.5
2/4/03	Conf calls (internal and with Bethlehem management) regarding materials for BOD meeting	1.5
2/5/03	Review final BOD materials	1.0
2/7/03	Review updated ISG proposal and analysis re same	1.0
2/8/03	BOD call	3.0
2/18/03	Review APA and ancillary documents	2.5
2/20/03	Planning call	1.0
2/26/03	Review revised APA materials including G reorg info	3.0
2/27/03	Review ISG financing docs	1.0
FEBRUARY		27.5
3/3/03	Review updated APA and other related documents	2.5
3/7/03	Review updated APA, ISG financing commitment documents and other related documents	3.0
3/10/03	Review projections and admin claims schedule	2.5
3/11/03	Bethlehem BOD call	1.5
3/13/03	Review Bethlehem bankruptcy filings relating to the ISG sale	3.5
3/24/03	Review filings	1.0
MARCH		14.0
4/3/03	Discussion regarding railroad valuation	2.0
4/4/03	Reviewed and analyzed railroad and joint venture financial information	2.0
4/7/03	Call re railroad valuation methods	1.0
4/15/03	Reviewed bids received; numerous t/c re same	3.0
4/28/03	Review BOD presentation and call with Management	1.0
APRIL		9.0
TOTAL FEBRUARY 1 TO APRIL 30		50.5

Exhibit A
Summary of Hours Incurred - Paul Scherzer (Vice President)

Date	Work Performed	Hours
2/1/03	Conference call with company and counsel re term sheets	2.5
2/1/03	Analysis, internal discussions and preparation of Board materials	3.0
2/2/03	Conference call with company and counsel re term sheets	0.5
2/2/03	Review of Board materials, term sheet revisions and analysis	2.0
2/3/03	Review, analysis and discussion of revised proposals and counter-proposals, conference calls with management and counsel; preparation of Board materials	9.5
2/4/03	Conference call with company and counsel re term sheets; internal meetings; preparation of Board materials; Board of Directors call	8.0
2/5/03	Review of BOD materials (company's) and preparation of BOD presentation	4.0
2/8/03	Board of directors call	3.0
2/19/03	Review of ISG commitment letter and appendices	2.0
2/20/03	Further review of ISG commitment letter	0.5
2/21/03	Internal discussions re APA and commitment letter and call with L. Anthony	1.0
2/23/03	Review of latest draft of APA	3.0
2/24/03	Review of APA and ancillary documents, internal discussions on issues and travel to Cleveland	4.0
2/25/03	Negotiations in Cleveland with ISG and travel back to New York	9.0
2/26/03	Review of revised documents	3.0
2/27/03	Negotiations in Bethlehem with ISG; travel to and from Bethlehem	7.5
FEBRUARY		62.5
3/8/03	Review of revised commitment letter and termsheet	1.5
3/10/03	Review of revised commitment letter and termsheet; review of draft BOD presentation	2.0
3/11/03	Conference calls with ISG and WLR; discussions with S. Miller and L. Anthony	2.5
3/11/03	BOD call	1.0
3/12/03	Review of purchase agreement and motions	2.5
3/13/03	Review of purchase agreement and motions	3.0
MARCH		12.5
4/3/03	Internal discussions re railroad valuation	0.5
4/15/03	Review of non-qualified offers and discussions with management and counsel	1.5
4/15/03	Call to North Point Industries re bid	0.5
4/28/03	Review of multiple drafts of BOD presentation and call with B. Derrico; conference call to discuss with management and counsel	3.5
4/29/03	Participation in BOD meeting (telephonic)	2.0
APRIL		8.0
TOTAL FEBRUARY 1 TO APRIL 30		83.0

Exhibit A
Summary of Hours Incurred - Bill Brenton (Associate)

Date	Work Performed	Hours
2/1/03	Conference call to discuss latest ISG term sheet	2.5
2/1/03	Prepare materials for Bethlehem board meeting	6.0
2/2/03	Conference call to discuss latest ISG term sheet	0.5
2/2/03	Prepare materials for Bethlehem board meeting	4.0
2/3/03	Various calls regarding terms of ISG offer (CSFB internal, Bethlehem team, ISG, Board of Directors)	4.0
2/3/03	Preparation of materials for Bethlehem Board meeting, including CSFB internal discussion	2.0
2/3/03	Review of latest ISG term sheet	1.0
2/4/03	Preparation and coordination of materials for Bethlehem board meeting	5.0
2/4/03	Conference calls (internal CSFB and with Bethlehem management) regarding materials for board meeting	2.0
2/5/03	Preparation and coordination of materials for Bethlehem board meeting	4.0
2/7/03	Review of materials from ISG and Company Counsel	3.0
2/8/03	Bethlehem board conference call	3.0
2/12/03	Review of draft ISG asset purchase agreement	2.0
2/13/03	Review of materials from Bethlehem	2.0
2/18/03	Review ISG materials relating to the purchase of Bethlehem (APA, Warrant Agreement, financing documents, etc.)	3.0
2/19/03	Review ISG materials relating to the purchase of Bethlehem (APA, Warrant Agreement, financing documents, etc.)	2.5
2/21/03	Internal call and call with Bethlehem management to discuss upcoming events	1.0
2/26/03	Review new materials relating to the purchase of Bethlehem using the G Reorg.	3.0
2/27/03	Review ISG financing documents	2.0
FEBRUARY		52.5
3/3/03	Review updated APA and other related documents	2.5
3/5/03	Review updated documents and new court documents related to the Bethlehem sale	2.0
3/7/03	Review updated APA, ISG financing commitment documents and other related documents	3.0
3/10/03	Review ISG/Bethlehem consolidated projections and other revised documents including the new administrative claims schedule	2.5
3/11/03	Bethlehem / ISG call re. APA and transaction timing	1.5
3/11/03	Call with Bethlehem management to discuss outstanding issues	0.5
3/11/03	Bethlehem / ISG call re. APA and transaction timing	1.0
3/11/03	Bethlehem BOD call	1.0
3/13/03	Review Bethlehem bankruptcy filings relating to the ISG sale	3.5
3/24/03	Review various Bethlehem bankruptcy filings relating to the ISG sale	2.0
MARCH		19.5
4/3/03	Reviewed railroad and joint venture financial information	2.0
4/4/03	Reviewed and analyzed railroad and joint venture financial information	2.0
4/7/03	Call with management to discuss railroad and IPP valuation methods	1.0
4/15/03	Reviewed and discussed bids received	1.0
4/28/03	Review BOD presentation and call with Management to discuss	1.0
APRIL		7.0
TOTAL FEBRUARY 1 TO APRIL 30		79.0

Exhibit A
Summary of Hours Incurred - Chun Mui (Analyst)

Date	Work Performed	Hours
2/1/03	Call with Company to discuss latest ISG term sheet	3.0
2/1/03	Prepare board meeting/IBC presentation	8.0
2/2/03	Prepare board meeting/IBC presentation	10.0
2/3/03	Prepare board meeting/IBC presentation	4.0
2/4/03	Investment Banking Committee meeting	1.0
2/4/03	Revise board meeting presentation	4.0
2/4/03	Conference calls (internal CSFB and with Bethlehem management) regarding materials for board meeting	2.0
2/5/03	Revise board meeting presentation	6.0
2/7/03	Review of materials from ISG and Company Counsel	1.0
2/8/03	Bethlehem board conference call	2.0
2/21/03	Internal call and call with Bethlehem management to discuss upcoming events	1.0
2/27/03	Review ISG financing documents	1.0
FEBRUARY		43.0
3/10/03	Review ISG/Bethlehem consolidated projections and other revised documents	2.0
3/11/03	Call with Bethlehem / ISG RE: APA and transaction timing	3.0
3/11/03	Call with Company to discuss outstanding issues	1.0
MARCH		6.0
4/3/03	Reviewed financial information for railroad businesses	3.0
4/4/03	Prepared valuation material for railroad businesses	5.0
4/7/03	Call with management to discuss railroad and IPP valuation methods	1.0
4/28/03	Review BOD presentation and call with Management to discuss	1.5
APRIL		10.5
TOTAL FEBRUARY 1 TO APRIL 30		59.5

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:)
)
BETHLEHEM STEEL CORPORATION,) **Chapter 11 Case Nos.**
et al.) **01-15288 (BRL) through**
) **01-15302, 01-15308 through**
) **01-15315 (BRL)**
Debtors.) **(Jointly Administered)**

**EXHIBIT B TO THE
THIRD INTERIM APPLICATION OF CREDIT SUISSE FIRST BOSTON CORP.
AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
FROM FEBRUARY 1, 2003 THROUGH APRIL 30, 2003**

The following is a summary schedule of the expenses for which Credit Suisse First Boston Corp. is seeking reimbursement and the total amount for each such expense category:

Category	Amount
Business Meals	\$198.59
Copy Center	584.72
Courier Fees	36.38
Library / Research Services	186.60
Overtime Meals	768.78
Presentation Center / Word Processing	337.52
Taxis & Cars	375.21
Telephone / Cellular / Voice Conferencing	653.54
Travel & Transportation (Airfare, Hotels, Rental Cars, etc.)	6,891.95
Total	\$10,033.29

EXHIBIT C

HEARING DATE AND TIME: September 26, 2002 at 10:00 a.m.
OBJECTION DEADLINE: September 20, 2002 at 4:00 p.m.

WEIL, GOTSHAL & MANGES LLP
Attorneys for the Debtors
and Debtors in Possession
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Jeffrey L. Tanenbaum (JT 9797)
George A. Davis (GD 2761)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : Chapter 11 Case Nos.
: :
BETHLEHEM STEEL CORPORATION, : 01-15288 (BRL) through
et al. : 01-15302, 01-15308
: through 01-15315 (BRL)
Debtors. : (Jointly Administered)
:
-----X

**NOTICE OF MOTION OF THE DEBTORS PURSUANT TO SECTIONS 327(a)
AND 328(a) OF THE BANKRUPTCY CODE FOR AUTHORITY TO
(i) EMPLOY CREDIT SUISSE FIRST BOSTON CORPORATION AS ADDITIONAL
FINANCIAL ADVISOR, *NUNC PRO TUNC*, TO JULY 15, 2002 AND
(ii) AMEND THE TERMS OF THE EMPLOYMENT OF GREENHILL & CO., LLC
AS FINANCIAL ADVISOR, *NUNC PRO TUNC*, TO OCTOBER 12, 2001**

PLEASE TAKE NOTICE that upon the annexed motion, dated September 5, 2002 (the "Motion"), of Bethlehem Steel Corporation and its affiliated debtors (collectively, the "Debtors") pursuant to sections 327(a) and 328(a) of title 11, United States Code for authority to (i) employ Credit Suisse First Boston Corporation as additional financial advisor, *nunc pro tunc*, to July 15, 2002 and (ii) amend the terms of the employment of Greenhill & Co., LLC as financial advisor, *nunc pro tunc*, to October 12, 2001, a hearing will be held before the Honorable Burton R. Lifland, United States Bankruptcy Judge, in Room 623 of the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House,

One Bowling Green, New York, New York, on September 26, 2002, at 10:00 a.m. (Eastern Time) or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with General Order M-242, upon (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Jeffrey L. Tanenbaum, Esq. and George A. Davis, Esq.), (ii) the Office of the United States Trustee, 33 Whitehall Street, 21st floor, New York, New York 10004 (Attn: Tracy H. Davis, Esq.), (iii) Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Thomas M. Mayer, Esq.), (iv) Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017 (Attn: John Fouhey, Esq.), and (v) Sidley Austin Brown & Wood LLP, 875 Third Avenue, New York, New York 10022 (Attn: Lee S. Attanasio, Esq.) so as to be

received no later than September 20, 2002 at 4:00 p.m. (Eastern Time).

Dated: New York, New York
September 6, 2002

/s/ George A. Davis
Jeffrey L. Tanenbaum (JT 9797)
George A. Davis (GD 2761)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Fax: (212) 310-8007

Attorneys for Debtors and
Debtors in Possession

HEARING DATE AND TIME: September 26, 2002 at 10:00 a.m.
OBJECTION DEADLINE: September 20, 2002 at 4:00 p.m.

WEIL, GOTSHAL & MANGES LLP
Attorneys for the Debtors
and Debtors in Possession
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Jeffrey L. Tanenbaum (JT 9797)
George A. Davis (GD 2761)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re : Chapter 11 Case Nos.
: :
BETHLEHEM STEEL CORPORATION, : 01-15288 (BRL) through
et al. : 01-15302, 01-15308
: through 01-15315 (BRL)
Debtors. : (Jointly Administered)
: :
-----X

**MOTION OF THE DEBTORS PURSUANT TO SECTIONS 327(a)
AND 328(a) OF THE BANKRUPTCY CODE FOR AUTHORITY TO
(i) EMPLOY CREDIT SUISSE FIRST BOSTON CORPORATION AS ADDITIONAL
FINANCIAL ADVISOR, *NUNC PRO TUNC*, TO JULY 15, 2002 AND
(ii) AMEND THE TERMS OF THE EMPLOYMENT OF GREENHILL & CO., LLC
AS FINANCIAL ADVISOR, *NUNC PRO TUNC*, TO OCTOBER 12, 2001**

TO THE HONORABLE BURTON R. LIFLAND,
UNITED STATES BANKRUPTCY JUDGE:

Bethlehem Steel Corporation (“Bethlehem”) and its affiliated debtors
(collectively, the “Debtors” or “Bethlehem”), pursuant to sections 327(a) and 328(a) of title 11,
United States Code (the “Bankruptcy Code”), seek authority to employ Credit Suisse First
Boston Corporation (“CSFB”) and amend the terms of employment of Greenhill & Co., LLC
(“Greenhill”), and in support thereof state:

Background

1. On October 15, 2001 (the “Commencement Date”), each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. Bethlehem is a Delaware corporation, which, along with its subsidiaries and affiliates, manufactures and sells a wide variety of steel mill products including hot-rolled, cold-rolled and coated sheets, tin mill products, carbon and alloy plates, rail, specialty blooms, carbon and alloy bars and large diameter pipe. Its principal markets include automotive, construction, machinery and equipment, appliance, containers, service centers, rail and pipe.

3. Bethlehem is one of the largest integrated steelmakers in the United States. Its principal operations are comprised of three divisions: Burns Harbor Division, Sparrows Point Division, and Pennsylvania Division. The Burns Harbor Division operates facilities in Indiana on Lake Michigan and in Lackawanna, New York on Lake Erie. The Sparrows Point Division operates a facility on the Chesapeake Bay, near Baltimore, Maryland. Sales of products produced at the Burns Harbor and Sparrows Point Divisions, primarily steel sheet, generate approximately 80% of Bethlehem’s revenues. The Pennsylvania Division, which encompasses Pennsylvania Steel Technologies, operates three facilities in Pennsylvania – Coatesville, Conshohocken and Steelton.

4. Bethlehem commenced the chapter 11 cases to provide the necessary time to stabilize its business operations and to develop and implement a strategic plan to return its businesses to sustained profitability. Key objectives of the plan

will include restructuring the Debtors' capital structure, seeking the cooperation of the United Steel Workers of America ("USWA"), the representative of approximately 80% of their employees, to improve productivity and reduce costs, particularly employment and healthcare costs, and finding a solution to their approximate \$3 billion retiree healthcare obligation. While in chapter 11, the Debtors will continue to work with the federal government to remedy unfair trade practices, reduce excess steel capacity and foster domestic steel industry consolidation.

Jurisdiction

5. This Court has jurisdiction to consider this application (the "Application") pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

The Need for Additional Financial Advisory Services

6. By order dated December 19, 2001, the Court authorized the Debtors' employment of Greenhill as their exclusive financial advisor. At that time, Bethlehem was pursuing a strategy for reorganization that contemplated a series of potential joint ventures or possible consolidations of operations that appeared preferable to the concept of a stand alone plan of reorganization and the immediate need to radically modify its existing collective bargaining agreements and labor policies. Unfortunately, it does not appear that such strategy can be implemented in a timely fashion. Accordingly, in the beginning of July 2002, Bethlehem announced that it had determined to actively pursue a stand alone plan of reorganization. Although the pursuit of the stand alone reorganization has a first priority, Bethlehem is not abandoning its prior strategy. Bethlehem remains open to consideration of potential consolidations, mergers, and joint

ventures. However, given the time constraints imposed by the President's directive that steel companies "get their houses in order," and the looming employee benefit payments for pension plan contributions and retiree health and medical costs ("OPEB") that may be required in 2003, Bethlehem concluded that it must now pursue a stand alone reorganization.

7. In order to effectively and diligently pursue a stand alone reorganization, it is necessary that Bethlehem employ an additional financial advisor to assist it in determining the necessary restructuring of its operations, costs, and capital structure in connection with negotiating a new collective bargaining agreement with the USWA. The anticipated negotiations with the USWA will require extensive diligence, data production, and related services with a specific focus on the steel industry. In that respect, Bethlehem has selected CSFB as an additional financial advisor to complement Greenhill. CSFB has a specific expertise in the steel industry and is devoting substantial resources to the Bethlehem project.

8. Bethlehem recognizes the need for cost controls in the administration of the chapter 11 cases. Therefore, it negotiated with CSFB and Greenhill to limit the compensation payable to both financial advisors so that the aggregate potential cost for such financial advisory services would be within the potential cost of the original Greenhill engagement to the extent practicable. Under the original Greenhill engagement, the potential cost of Greenhill's professional services, assuming the payment of reorganization and/or other transactional fees, was projected to amount to slightly over \$13 million. Of that amount, \$12 million was allocated to transactional fees

and all monthly fees after the first six months were to be credited against any transactional fees.

9. The employment arrangement with CSFB takes into account the original cost projection for financial advisory services to be incurred by Bethlehem. CSFB and Greenhill have agreed to compensation arrangements which represent concessions by each of them to accommodate Bethlehem and its need for cost control. As a consequence, the aggregate transactional fees for both financial advisors will not exceed \$12 million, with a cap of \$6 million for each of CSFB and Greenhill. The monthly charge for financial advisory services under the original Greenhill engagement was \$175,000. Pursuant to the arrangement with CSFB and Greenhill, each financial advisor will receive a monthly fee of \$150,000 (with Greenhill's monthly fee reduced from \$175,000 as of September 2002). All the monthly fees paid to Greenhill after the first six months will be creditable against any transactional fees. Commencing with the thirteenth month, any monthly fees paid to CSFB thereafter for services rendered will be creditable against any restructuring transactional fees.

10. As a consequence of the arrangements described above and set forth in the respective engagement agreements annexed hereto as Exhibits "A" and "B," the potential cost of financial advisory services performed on behalf of Bethlehem by both CSFB and Greenhill is essentially consistent with the original Greenhill engagement, other than the noncreditable CSFB monthly fees for the first twelve months of its engagement. The arrangements made by Bethlehem with CSFB and Greenhill are fair and reasonable and represent significant concessions from the original proposals

made by each financial advisor. The engagements are necessary to enable Bethlehem to pursue its reorganization under chapter 11.

11. The engagement of CSFB and the revision of Greenhill's employment have been reviewed with the statutory Creditors' Committee and the representatives of Bethlehem's secured lenders. The Creditors' Committee and such representatives support the instant Motion.

Engagement of CSFB

12. Subject to the granting of this Motion, Bethlehem has employed CSFB as additional and principal financial advisor to its Senior Management to complement the continuing financial advisory services to be performed by Greenhill. The Debtors request authorization for the employment of CSFB, *nunc pro tunc*, to July 15, 2002, as a financial advisor pursuant to sections 327(a) and 328(a) of the Bankruptcy Code in accordance with the terms of the Engagement Letter, dated July 15, 2002, a copy of which is annexed hereto as Exhibit "A" (the "CSFB Engagement Letter").

13. As stated, CSFB is particularly well suited for the unique financial advisory services required by Bethlehem because it is a leading steel sector investment bank and is one of the world's leading corporate finance and investment banking firms. CSFB has been involved in many major steel sector transactions during the last several years. CSFB has raised more capital for steel companies than any other investment bank.

14. CSFB's professionals have provided restructuring and/or valuation services to debtors and other constituents in distressed situations involving steel companies. CSFB's professionals have assisted those entities through mergers and acquisitions ("M&A"), and by raising debt and equity capital. In M&A transactions,

CSFB advised (i) Corus Group (“Corus”) in its acquisition of Cia Siderurgica Nacional; (ii) BHP Billiton Limited in its de-merger of BHP Steel; (iii) USX Corporation in its de-merger of United States Steel Corp. (“USS”); and (iv) AK Steel Holding Corporation (“AK Steel”) in its acquisition of Armco Inc. As to debt capital raising, CSFB acted as (i) lead manager in the issuance of AK Steel’s \$550,000,000 7.75% senior notes due 2012; (ii) joint bookrunner in the issuance of Earle M. Jorgenson Co.’s \$250,000,000 9.75% senior secured notes due 2012; (iii) joint bookrunner in the issuance of UCAR Finance Inc.’s \$550,000,000 10.25% senior notes due 2012; (iv) sole bookrunner in the issuance of USS’s \$535,000,000 10.75% senior notes due 2008; and (v) lead manager for Corus in connection with its issuance of 3.0% senior convertible bonds due 2007. As to equity capital raising, CSFB acted as (i) joint bookrunner in connection with the issuance of USS’s 10,925,000 shares; (ii) lead manager for Reliance Steel & Aluminum in connection with its issuance of 6,325,000 shares; and (iii) lead manager for Ispat International in connection with its issuance of 28,750,000 shares. In addition to its representation of steel companies in capital raising transactions, CSFB’s pending steel-related restructuring assignments include Ispat Mexicana, Hylsamex, and Acindar.

15. Given CSFB’s background, expertise, and historical performance in steel transactions, Bethlehem believes that CSFB is both well qualified and uniquely able to perform the necessary financial advisory services for Bethlehem in a most efficient and timely manner. As more fully described in the CSFB Engagement Letter, CSFB has been engaged to provide the following services to Bethlehem:¹

¹ This summary is qualified in its entirety by reference to the provisions of the Engagement Letter. All defined terms not otherwise defined herein shall have the meanings ascribed thereto in the CSFB Engagement Letter.

- the resolution of the Debtors' needs to restructure their operating costs and, in particular, the attainment of a new Collective Bargaining Agreement with the USWA or other resolution of labor issues relating to staffing, OPEB, outsourcing, wages, etc. to assist the Debtors in achieving a Restructuring Transaction including the terms and timing of such transaction; *provided, however*, that the Debtors shall retain their own legal counsel and accountants for legal and tax advice;
- preparation of Offer Documents to the extent such documents relate to the terms of a Restructuring Transaction;
- assistance, as requested, in formulating a plan of reorganization and/or analyzing any plan of reorganization proposed, including assistance in the plan negotiations and plan confirmation process, and preparation and presentation of expert testimony relating to financial matters, if required; and
- assistance, as requested, in evaluating and negotiating any M&A Transaction.

16. At any time during the term of the engagement of CSFB and prior to the expiration of one year after the termination of the engagement, CSFB will have the right to act as a lead advisor in connection with any merger transaction, joint venture, sale, or other combination involving the Debtors or their affiliates, lead managing underwriter, exclusive placement agent, or lead arranger for the Debtors in connection with any sale of their securities or incurrence of bank or similar financing.

17. CSFB has stated its desire and willingness to act in these cases and render the professional services described in the CSFB Engagement Letter and currently is actively performing requested services. CSFB is providing only the services specified, unless CSFB and the Debtors agree on the terms and conditions of additional services and obtain appropriate approval of such terms and conditions.

18. In considering the employment of CSFB, Bethlehem has taken into account the prior engagement of Greenhill as stated in paragraphs 6 through 11 of this Motion.

19. Subject to the provisions of section 328(a) as incorporated in section 330 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”) and the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”), the Debtors propose to pay CSFB nonrefundable fees and reimburse CSFB for its reasonable out-of-pocket expenses as follows:

- a nonrefundable cash fee of \$150,000 per month (the “Monthly Fee”) with the first installment payable on the date which is the one-month anniversary of the execution of the CSFB Engagement Letter and subsequent installments payable on each subsequent monthly anniversary;
- in connection with any Restructuring Transaction, a fee equal to \$6 million payable upon consummation thereof (the “Completion Fee”),² *provided, however,* that after the thirteenth month from the execution of the CSFB Engagement Letter, the Monthly Fee shall be credited against the Completion Fee;
- in connection with any M&A Transaction, a fee (the “M&A Fee”) equal to the greater of (i) \$2,000,000 and (ii) an amount based on a percentage of the Aggregate Consideration in connection with any M&A Transaction, payable upon each closing in connection with such M&A Transaction *provided, however,* that the aggregate amount of fees payable under (i) and (ii) above shall not exceed \$6,000,000; and
- without regard to whether any Restructuring Transaction is consummated, the Debtors shall pay to or on behalf of CSFB, promptly as billed, all reasonable out-of-pocket expenses (including all reasonable fees and expenses of CSFB’s counsel) incurred by CSFB in connection with its services rendered pursuant to the CSFB Engagement Letter.

20. Bethlehem will indemnify CSFB and certain related persons in accordance with the indemnification provisions set forth in Schedule I to the CSFB Engagement Letter. Bethlehem will indemnify CSFB for claims brought by third-parties

² As described, *infra*, the terms of the engagement letter between the Debtors and Greenhill, authorized pursuant to Order of the Court dated December 19, 2001, has been amended such that the total amount paid by the Debtors to CSFB for the Completion Fee and paid to Greenhill for the Restructuring Fee (as hereinafter defined) will not exceed \$12 million, the amount this Court previously authorized to be paid to Greenhill in its capacity as exclusive financial advisor.

or Bethlehem; *provided, however*, that CSFB shall not be indemnified to the extent that a court determines by final order that a claim arose out of CSFB's own bad-faith, self-dealing, breach of fiduciary duty (if any such duty exists), gross negligence, or willful misconduct. These indemnification provisions are customary and reasonable for financial advisory engagements, both out-of-court and in chapter 11. *See In re Joan & David Halpern, Inc.*, 248 B.R. 43 (Bankr. S.D.N.Y. 2000).

21. The terms of CSFB's engagement are solely for the benefit of Bethlehem, CSFB, and the other Indemnified Persons referred to in Section 6 of the CSFB Engagement Letter and their successors and assigns, and no other person shall acquire or have any right under or by virtue of the engagement.

22. Bethlehem and CSFB have agreed to modify section 5 of the CSFB Engagement Letter to increase the number of days notice which must be given by either CSFB or the Debtors to terminate CSFB's engagement from ten (10) days to thirty (30) days to assure Bethlehem of an orderly transition if necessary and to make the terms of the CSFB engagement consistent with the terms of the Greenhill engagement.

23. Bethlehem requests approval of the terms of CSFB's engagement, including (i) the terms of the CSFB Engagement Letter (as modified by paragraph 22 hereof), subject to the standard of review provided in section 328(a) of the Bankruptcy Code, and (ii) the indemnification provisions contained therein. Section 328(a) of the Bankruptcy Code provides, in part, that a debtor "with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including a retainer, on an hourly basis, or on a contingent fee basis." 11 U.S.C. § 328(a). As recognized by numerous courts,

Congress intended section 328(a) to enable debtors to retain professionals pursuant to specific fee arrangements to be determined at the time of the court's approval of the retention, subject to modification only if the terms are found to be improvident in light of "developments not capable of being anticipated at the time of the fixing of such terms and conditions." *Id. See In re Nat'l Gypsum Co.*, 123 F.3d 861, 862-63 (5th Cir. 1997) ("If the most competent professionals are to be available for complicated capital restructuring and the development of successful corporate reorganization, they must know what they will receive for their expertise and commitment.").

24. The fee structure and indemnification provisions set forth in the CSFB Engagement Letter are reasonable terms and conditions of employment and should be approved under section 328(a) of the Bankruptcy Code. The fee structure and indemnification provisions appropriately reflect the nature of the services to be provided by CSFB and the fee structure and indemnification provisions typically utilized by CSFB and other leading financial advisory and investment banking firms, which do not bill their clients on an hourly basis and generally are compensated on a transactional basis. The fee structure and indemnification provisions are reasonable terms and conditions of employment in light of (a) industry practice, (b) market rates charged for comparable services both in and out of the chapter 11 context, and (c) CSFB's substantial experience with respect to financial advisory and investment banking services.

25. To the best of Bethlehem's knowledge, information, and belief, CSFB has no connection with, and holds no interest adverse to, the Debtors, their estates, their creditors, or any other party in interest, or their respective attorneys or accountants in the matters for which CSFB is proposed to be retained, except as disclosed in the

declaration of Dhruv Narain, a managing director of CSFB (the “Narain Declaration”), annexed hereto as Exhibit “C.”

26. CSFB is a “disinterested person,” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required under section 327(a) of the Bankruptcy Code. The Narain Declaration, executed on behalf of CSFB in accordance with section 327 of the Bankruptcy Code and Bankruptcy Rule 2014, is filed contemporaneously herewith and incorporated herein by reference. The Debtors’ knowledge, information, and belief regarding the matters set forth in this Application are based, and made in reliance upon, the Narain Declaration.

27. The employment of CSFB on the terms and conditions set forth in the CSFB Engagement Letter is in the best interests of Bethlehem, its creditors, and all parties in interest.

28. CSFB will file appropriate applications with the Court for the allowance of its compensation and reimbursement of expenses in accordance with the CSFB Engagement Letter and applicable authorities.

29. Notwithstanding any provision in the CSFB Engagement Letter to the contrary, with respect to CSFB’s provision of postpetition services, CSFB irrevocably and unconditionally submits to the exclusive jurisdiction of this Court over any suit, action, or proceeding arising out of or relating to the CSFB Engagement Letter or the order approving this Application (including any request for indemnification) accruing through confirmation of a plan of reorganization in these chapter 11 cases or, in the event

that no plan of reorganization is confirmed in the cases, fees and expenses accruing prior to the last day of CSFB's employment pursuant to the CSFB Engagement Letter.

Amendment of the Terms of Greenhill's Retention

30. By order dated December 19, 2001, the Court approved Bethlehem's employment of Greenhill as its exclusive financial advisor (the "Greenhill Retention Order"). Bethlehem has amended the terms of its employment of Greenhill in order to complement the employment of CSFB. Pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bethlehem requests approval of such amendment, a copy of which is annexed hereto as Exhibit "B" (the "Amended Greenhill Engagement Letter"), *nunc pro tunc*, to October 12, 2001.

31. Pursuant to the terms of the Amended Greenhill Engagement Letter, Greenhill will continue to provide financial advisory and investment banking services as the principal advisor to Bethlehem and its Board of Directors in the pursuit of a comprehensive reorganization. In such capacity, Greenhill will continue to provide general financial advisory services, restructuring services, and sale services, as set forth more fully in the Amended Greenhill Engagement Letter. With the exception of the provisions relating to Greenhill's compensation, described below, the remaining provisions of the Amended Greenhill Engagement Letter are substantially identical to the provisions approved pursuant to the Greenhill Retention Order.

32. The Greenhill Retention Order provides that if during the term of Greenhill's engagement or within eighteen full months of the termination of Greenhill's engagement, a Restructuring (as such term is defined in the Greenhill Engagement Letter) is consummated, Greenhill could be entitled to a transaction fee (a "Restructuring Fee") equal to \$12 million. Pursuant to the amendment and the additional financial advisory

services required by Bethlehem, Bethlehem and Greenhill have agreed to reduce the amount of the Restructuring Fee to \$6 million. Accordingly, any Restructuring Fees or transactional fees payable to Greenhill and CSFB may not exceed in the aggregate \$12 million.

33. Finally, the Greenhill Retention Order provided that any Restructuring Fee in excess of \$8 million would be subject to review under section 330 of the Bankruptcy Code. In light of Bethlehem's and Greenhill's agreement to reduce the amount of the Restructuring Fee to \$6 million, the Debtors request that the order approving this Motion clarify that the Restructuring Fee is subject to the applicable standards under section 328 of the Bankruptcy Code.

Conclusion

34. The net financial effect of the engagement of CSFB and the amendment of the Greenhill employment is (a) an increase in the aggregate monthly advisory fees from \$175,000 to \$300,000 per month, i.e., \$150,000 per month to CSFB and Greenhill, respectively, and (b) potentially, if the reorganization cases extend through July 15, 2003, CSFB's noncreditable monthly fees for that twelve month period. In all other respects, the additional engagement of CSFB does not add to the original contemplated potential costs of financial advisory services, exclusive of extending the application of section 328 of the Bankruptcy Code to all transactional compensation that may be payable under the respective engagement agreements.

35. As stated, Bethlehem has fully discussed the need for the financial advisory services of CSFB and the continued performance of services by Greenhill with

the Creditors' Committee and the representatives of its secured lenders. The instant Motion has the full support of such creditor constituencies.

Waiver of Memorandum of Law

36. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this Application.

Notice

37. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion will be served upon the entities set forth in the Debtors' Master Service List established pursuant to that certain Order Establishing Notice Procedures dated October 15, 2001. The Debtors submit that such notice is good and sufficient and that no other or further notice need be given.

38. No prior application for the relief requested by this Motion has been made to this or any other court.

WHEREFORE Bethlehem respectfully requests that it be authorized to employ CSFB pursuant to the CSFB Engagement Letter, that the Amended Greenhill Engagement Letter be approved, and that it be granted such other and further relief as is just.

Dated: Bethlehem, Pennsylvania
September 6, 2002

Bethlehem Steel Corporation, *et al.*
Debtors and Debtors in Possession

By: /s/ Leonard M. Anthony
Leonard M. Anthony
Senior Vice President
Chief Financial Officer and Treasurer

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re : **Chapter 11 Case Nos.**
:
BETHLEHEM STEEL CORPORATION, : **01-15288 (BRL) through**
et al. : **01-15302, 01-15308**
: **through 01-15315 (BRL)**
Debtors. : **(Jointly Administered)**
:
-----X

**AFFIDAVIT OF DHRUV NARAIN IN SUPPORT OF
APPLICATION FOR ORDER AUTHORIZING THE RETENTION OF
CREDIT SUISSE FIRST BOSTON CORPORATION
AS FINANCIAL ADVISORS TO THE DEBTORS**

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

I, Dhruv Narain, being duly sworn, deposes and says:

1. I am a Managing Director in the firm of Credit Suisse First Boston Corporation ("CSFB"), which maintains an office at Eleven Madison Avenue, New York, NY 10010. I am authorized to execute this affidavit and disclosure statement on behalf of CSFB, and submit this affidavit and disclosure statement pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") in support of the application (the "Application") of the above-captioned debtors (collectively, the "Debtors" or the "Company") to employ and retain CSFB as financial advisors.

2. The Debtors executed an engagement letter (the "Engagement Letter") with CSFB, dated as of July 15, 2002, regarding the provision of financial advisory services, a copy of which is attached to the Application as Exhibit A.¹ Pursuant to the Engagement Letter, the Debtors engaged CSFB to act as financial advisor to management of the Debtors, on the terms set forth therein, and in connection therewith, CSFB will, if appropriate and requested, provide the following services:

- (a) primary advice with respect to the resolution of the Company's needs to restructure its operating costs and, in particular, the attainment of a new Collective Bargaining Agreement with the USWA or other resolution of labor issues relating to staffing, OPEB, outsourcing, wages, etc. to assist the Company in achieving a Restructuring Transaction including the terms and timing of such transaction, provided, however, that the Company shall retain its own legal counsel and accountants for legal and tax advice;
- (b) assistance in preparing Offer Documents to the extent that such documents relate to the terms of a Restructuring Transaction;
- (c) assistance in formulating a plan or plans of reorganization, and/or analyzing any plan or plans of reorganization proposed, including assistance in the plan negotiation and plan confirmation process, preparation and presentation of expert testimony relating to financial matters, if required; and
- (d) assistance in evaluating and negotiating any M&A Transaction.

CSFB's provision of services to the management of the Debtors is contingent upon the Court's approval of each term and condition set forth in the Engagement Letter including the indemnification provisions set forth therein and Schedule I thereto.

3. Under section 328(a) of the Bankruptcy Code, subject to the Court's approval, CSFB intends to charge for its services rendered under the Engagement Letter pursuant to the terms

¹ The description in this Affidavit of certain of the provisions of the Engagement Letter is intended to be a summary of such provisions and is qualified in its entirety by the actual terms of the Engagement Letter attached to the Application as Exhibit A. Terms not defined herein shall have the meanings set forth in the Engagement Letter.

and conditions of the Engagement Letter. The Engagement Letter provides for the following compensation arrangements for CSFB:

- (a) CSFB shall be entitled to receive a monthly non-refundable cash fee of \$150,000 per month (the “Monthly Fee”), with the first installment payable upon the one month anniversary of execution of the Engagement Letter and subsequent installments payable on each subsequent monthly anniversary of the date hereof;
- (b) in connection with any Restructuring Transaction, a fee equal to \$6,000,000, payable upon consummation thereof (the “Completion Fee”); provided however, that after the thirteenth month from the execution of the Engagement Letter, the Company will credit any of the fees payable thereafter (to the extent paid) under paragraph 3(a) above against the aggregate amount of fees that become payable pursuant to this paragraph (b);
- (c) in connection with any M&A Transaction, a fee (“M&A Fee”) equal to the greater of (i) \$2,000,000 and (ii) an amount based on a percentage, as set forth below, of the Aggregate Consideration (as defined below) in connection with any M&A Transaction, payable upon each closing in connection with such M&A Transaction; provided that the aggregate amount of fees payable under paragraphs (b) and (c) shall not exceed \$6,000,000

Aggregate Consideration	M&A Fee Percentage
Less than or equal to \$100,000,000	2.00%
\$200,000,000	1.50%
\$500,000,000	1.00%
\$750,000,000	0.80%

I respectfully submit that, given the nature of the services to be provided, the above described fee structure is both fair and reasonable.

4. CSFB is one of the world's leading financial advisors and investment banking organizations. Upon information and belief, the Debtors have selected CSFB because of its extensive experience. CSFB or its predecessors have participated in over 100 out-of-court and in-court restructurings in the past 10 years.

5. In connection with the proposed retention by the Debtors in these Chapter 11 cases, CSFB undertook to determine whether CSFB had any connections or relationships, which might bear on its retention. CSFB researched, or caused to be researched, the client files and records of CSFB and its subsidiaries with respect to securities positions, advisory services and loans in an effort to determine whether any such entities have recently had or have any business relationships with any of the persons or entities set forth on Exhibit A hereto.² (CSFB obtained this list of parties in interest from the Debtors and/or their counsel.) In addition, CSFB is in the process of conducting a similar search with regard to the Company's debtor affiliates and subsidiaries, and will supplement this affidavit to the extent necessary. CSFB has not researched, or caused to be researched, all client files and records of its parent entities or their affiliates. To the extent that such research indicated that CSFB or its affiliates has or had a connection with such entities or individuals (all of which connections are in matters unrelated to this chapter 11 case), the identities of such entities and individuals are set forth herein. It should be understood that CSFB's present and former clients and such clients' affiliates, officers, directors, principal shareholders and their respective affiliates may have had relationships with the foregoing entities of which CSFB was not informed or may have developed relationships of which CSFB is unaware subsequent to the performance of CSFB's services. Despite the efforts described above to identify and disclose CSFB's connections with parties in interest in these cases, because the Company is a large enterprise with numerous unidentified creditors and other relationships, CSFB is unable to state with certainty that every client representation or other connection has been disclosed. In

² CSFB also researched or caused to be researched records related to pending litigation and employee information; however, the manner in which such information is recorded does not permit a complete review of such information.

this regard, if CSFB discovers additional information that requires disclosure, CSFB will file a supplemental disclosure with the Court as promptly as possible.

6. According to CSFB's records, as of approximately August 9, 2002, the entities listed on Exhibit B had business connections with CSFB or certain of its affiliates, including without limitation, financial advisory, underwriting, brokerage, custodial and/or vendor relationships, in connection with matters unrelated to the Debtors and these Chapter 11 cases. In addition, CSFB or certain of its affiliates may have other business connections with entities listed on Exhibit A, which are of a confidential nature, including advisory relationships involving mergers and acquisitions, divestitures or strategic advisory services. While the specific nature of these relationships is confidential, none relates to the Debtors or these Chapter 11 cases.

7. According to CSFB's records, as of approximately August 9, 2002, CSFB (a) except as described below, did not own any debt and/or equity securities of the Debtors and (b) may have held for its account or the accounts of affiliates or customers other positions of debt and/or equity securities of various parties in interest. These proprietary and customer holdings are unrelated to the chapter 11 cases and are trading positions that may change materially from day to day. Customary barriers exist designed to prevent the exchange of material, non-public information between the investment banking department and the departments at CSFB engaged in such activities. Accordingly, CSFB undertakes no duty to update the foregoing information. As of the date of this Affidavit, CSFB beneficially owned approximately 63,750 shares of convertible preferred stock and approximately 112,000 shares of common stock of Bethlehem. Subject to the Bankruptcy Court's approval of CSFB's retention as described herein, CSFB will either waive any rights it may have to any distribution

in respect of the positions described above or transfer such securities for no consideration to a charitable organization or such other account as the Bankruptcy Court may require.

8. Certain of the parties identified on the attached Exhibit A or their affiliates may be limited partners in funds managed or advised by CSFB's private equity business unit. Customary barriers exist designed to prevent the exchange of material, non-public information between CSFB's investment banking department and CSFB's private equity business unit.

9. One of the parties identified on Exhibit A is Donaldson Lufkin & Jenrette ("DLJ"). On November 3, 2000, DLJ, Inc., the corporate parent of DLJ, merged (the "Merger") with an affiliate of CSFB. As a result of the Merger, DLJ and CSFB have integrated their investment banking advisory services businesses within CSFB.

10. In addition, CSFB acts as a broker and custodian, and engages in trading activities on behalf of customers and for its own account with respect to a variety of securities, including high yield debt, investment grade debt, convertible debt, preferred equity, and common equity. From time to time, in connection with these activities, CSFB may engage in securities transactions unrelated to this case with some of the Debtors' significant creditors listed in Exhibit A. Customary barriers exist designed to prevent the exchange of material, non-public information between the investment banking and the departments at CSFB engaged in such activities.

11. In the ordinary course of its business, CSFB and certain affiliates frequently act as co-advisor, co-manager or co-arranger with certain entities identified on Exhibit A in various engagements unrelated to the Debtors' chapter 11 cases.

12. In addition, CSFB has undertaken a computer search for pending litigations in which the Debtors or their affiliates, as set forth on Exhibit A, and CSFB, are adversaries. Our search

did not reveal any such litigations. Due to the limitations of the computer search, CSFB could not determine whether any pending litigation, in which CSFB and parties other than the Debtors and their affiliates may be adversaries, is nonetheless related to or connected with the Debtors or their affiliates. Neither I nor, to my knowledge, other members of the team assigned to the engagement contemplated hereby are aware of any such litigations.

13. CSFB has provided various investment banking and other financial services to the Debtors, unrelated and prior to the Chapter 11 cases.

14. In addition, many professional firms provide services to CSFB and its affiliates (in the ordinary course of their businesses), including professional firms that may be retained in connection with these chapter 11 cases.

15. CSFB does not represent any interest adverse to the Debtors' estates and will not represent any entity other than the Debtors in connection with this chapter 11 case. The Debtors have many creditors and other parties in interest and, accordingly, CSFB and its affiliates may have rendered in the past, may render presently, or may render in the future, advisory services to certain of these creditors or parties in interest or may have been involved in matters in which attorneys for these creditors or parties in interest have been, are, or were also involved. Similarly, CSFB's officers and employees may have business associations with certain of these creditors, which have no connection with these proceedings. CSFB and its affiliates will not accept any engagement which would require CSFB or its affiliates to represent an interest adverse to the Debtors' estates in any way relating to the matters in connection with which CSFB is to be engaged in these chapter 11 cases. In the ordinary course of its business, CSFB and its affiliates may also engage counsel or other professionals in

unrelated matters who now represent, or who may in the future represent, creditors or other interested parties in these proceedings.

16. To the best of my knowledge, information and belief, neither the undersigned nor the other CSFB professionals anticipated to assist the Debtors in these matters are connected to the judge or U.S. Trustee assigned to this matter.

17. Accordingly, based upon the discussion herein above, I believe CSFB is a “disinterested person,” as defined in section 101(14) and as required by section 327(a) of the Bankruptcy Code and my firm is not connected to the parties set forth on Exhibit A hereto, except as disclosed herein and in Exhibit B hereto.

18. No promises have been received by CSFB, its officers or employees as to compensation in connection with this case other than as disclosed herein. CSFB has no agreement with any other entity to share with such entity any compensation received by it in connection with this case.

19. In order to perform these services in a cost effective manner, CSFB will endeavor when possible to work with the retained professionals in this case so as to avoid duplicating work or creating unnecessary work.

20. In addition to compensation for professional services rendered by affiant and other personnel of CSFB, CSFB shall seek reimbursement for reasonable and necessary expenses incurred in connection with the above-captioned case, including but not limited to transportation, lodging, food, telephone, copying and messenger.

21. CSFB will make proper application to the Court for compensation for the services rendered to the Debtors in these proceedings pursuant to sections 330 and 331 of the Code. It is intended that CSFB will bill, file and serve requests for compensation and reimbursement of

expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the local rules for this district and any administrative orders establishing procedures for the interim compensation and reimbursement of expenses of professionals to be issued by the Court.

22. Notwithstanding the foregoing disclosure, CSFB and its affiliates have thousands of clients, past and present, located throughout the world engaged in a variety of industries and hold interests in various public and private companies. Accordingly, CSFB and its subsidiaries or such companies in which they hold interests may have provided services or otherwise had a connection with, and may currently be providing services to or otherwise be connected with, various entities (and their attorneys and/or accountants) that are or may consider themselves to be creditors, shareholders or other parties in interest in these proceedings. If CSFB learns of any additional connections to the Debtors, it will file a supplemental disclosure affidavit.

23. I believe that CSFB is eligible for employment and retention by the Debtors as their financial advisor pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and by the applicable Bankruptcy Rules.

/s/ Dhruv Narain
Dhruv Narain

Sworn to before me this 5th day
of September, 2002

/s/ Marilyn M. Halteman
Notary Public
City of Bethlehem, Lehigh County, PA
My Commission Expires September 24, 2005

Exhibit A

Debtors

Bethlehem Steel Corporation
Alliance Coatings Company, LLC
BethEnergy Mines Inc.
Bethlehem Cold Rolled Corporation
Bethlehem Development Corporation
Bethlehem Rail Corporation
Bethlehem Steel de Mexico, S.A. de C.V.
Bethlehem Steel Export Company of Canada, Limited
Bethlehem Steel Export Corporation
BethPlan Corporation
Chicago Cold Rolling, L.L.C.
Eagle Nest Inc.
Encoat-North Arlington, Inc.
Energy Coatings Company
Greenwood Mining Corporation
HPM Corporation
Kenacre Land Corporation
LI Service Company
Marmoraton Mining Company, Ltd.
Mississippi Coatings Limited Corporation
Mississippi Coatings Line Corporation
Ohio Steel Services Company, LLC
Primeacre Land Corporation

Bondholders

T. Rowe Price Associates
Astron CBO
Fleming CBO
Centennial Bank
IST Trust Corp. TR Intm Series 12
American Century Fund
Juniper CBO
Bank Leumi Le Israel
JP Morgan Chase
Lord Abbott & Co.
First Trust Co. Inc. Int. Services II
Grand Bank
Commercial Bank of New York Discretionary
Bank of Hawaii/Pacific Central Trust-Omnibus
WA Trust
Kelley Bruthes
Somerset Trust
Pioneer Trust Bank
Simon Mendelson Trust F/B/O S. Brattman
Soy Capital Bank & Trust

1st National Bank of Temple Texas

Retail Holdings (*Broker/Dealers*) (*Debenture Holders*)

Prudential Securities
MSDW Inc.
ML Safekeeping
Salomon Smith Barney
UBS PaineWebber
National Financial Services
Charles Schwab & Co.
Bear Sterns & Co.
Donaldson Lufkin & Jenrette
First Clearing
Advest Inc.
Goldman Sachs & Co.
ABN AMRO
DBAB Inc.
Janney Montgomery Scott
AG Edwards & Co.
Mesirow Associates
Southwest Securities
E*Trade
USCC/FSI
National Investor Services
Hilliard Securities

Officers & Directors (*former- within past three years- and current*)

Robert S. Miller
Duane R. Dunham
Gary L. Millenbruch
Augustine E. Moffitt, Jr.
David M. Beininger
Thomas J. Conarty, Jr.
William H. Graham
Lonnie A. Arnett
Stephen G. Donches
John L. Kluttz
Carl F. Meitzner
Malcolm J. Roberts
Dorothy L. Stephenson
Leonard M. Anthony
Charles W. Campbell, Jr.
Richard G. Masters
Kathleen M. Mills
Blaise E. Derrico
Benjamin R. Civiletti
Worley H. Clark

John B. Curcio
Lewis B. Kaden
Harry P. Kamen
William M. Landuyt
Shirley D. Peterson
John F. Ruffle
Walter N. Bargeron
Curtis H. Barnette
Carl W. Johnson
Roger P. Penny
David P. Post
Robert A. Rudzki
Dean P. Phypers
Robert McClements, Jr.

Significant Stockholders

Fidelity Management & Research
Greenway Partners L.P.
Dimensional Fund Advisors Inc.
Fidelity International LTD
Strong Capital Management, Inc.
Boston Company Asset Mgmt., L.L.C.
Barclays Global Investors
Lockheed Martin Investment Management Co.

Significant Customers

General Motors Corp.
Worthington Industries Inc.
Ryerson Tull Inc.
Metals USA Inc.
Olympic Steel Inc.
Ford Motor Co.
Paloma Industries Ltd.
Macsteel Service Centers USA
Daimler Chrysler AG
Silgan Holdings Inc.
NCI Building Systems
Tyco International Ltd.
Crown Cork & Seal Co. Inc.
Leavitt Tube Co. Inc.
Kerry Steel Inc.
High Industries Inc.
MetalTech
Preussag AG
Nissan Motors Ltd.
Kenwal Steel Corp.

Significant Vendors

A Duie Pyle Inc.
A T Massey Company
Acutus Gladwin
Affival Inc
Air Liquide America Corporation
Air Products & Chemicals Inc.
AJF Inc.
Albco Foundry & Machine Inc.
Alert Motor Freight Inc.
Allen Door Service Corp.
Allied Nut & Bolt Co. Inc.
AMCI Coal Sales Inc.
AMCI Minerals Corporation
American Mineral Inc.
American Radio & Microwave
American Roll Suppliers Inc.
AMG Resources Corp.
Anker Industries
Anthony Crane Rental Inc.
Anthracite Industries Inc.
Applied Industrial
Applied Industrial Materials Corp.
Arlington Metals Corp.
Armstrong/Kover Kwick Inc.
ASBB Industries Inc.
Asko Inc.
Back River Transport
Baker Refractories
BASF Corporation
Bauer Trucking Co. Inc
Bernard P Vandenberg Inc.
Betz Dearborn Inc
BOC Gases
Bognar and Company Inc.
Bonell Mfg. Co.
Boyd Bros Transportation Inc.
Brandenburg Industrial Service
Brown & Schramm Lumber
BSI (Brendan Stanton Inc.)
Buck Co. Inc.
Bulldog Hiway Express
C & S Packaging Group Inc.
Carb-Rite Co.
Carbide/Graphite Group Inc.
Carneuse North America
Carnegie Group Inc.
Carrier Express Inc.

CBMM/Reference Metals Company Inc.
Chalmers & Kubeck Inc.
Chemalloy Company Inc.
Chemical Specialties Inc.
Chicago Cold Rolling LLC
Chicago Steel/Limited
Chrome Deposit Corporation
City Construction Co. Inc.
Cleveland-Cliffs/Hibbing Taconite
Climax Molybdenum Marketing
CMI-Promex Inc.
Coleman & Schmidt
Columbia Energy Services
Columbia Gals Transmission Corp.
Comilog North America
Cominco Ltd.
Compass Transportation Inc.
Considar Inc.
Consolidated Rail Corp.
Consolidation Coal Co.
Continental Aluminum
Corporate Express
Crown Technology Inc.
CSX Transportation
Danline Quality Brushes
Daubert Chemical Company Inc.
Dearborn Steel Center Inc.
Deaton Inc.
Dial-In Inc.
Double G Coating Co. LP
Doublecote-LLC
Dryden Oil Company Inc.
Duferco-Maretrade Trading Co.
Dura-Bond Steel Inc.
E I Dupont De Nemours & Co.
Eaglebrook Inc.
East Falls Corporation/ Holland Chemical International
East Penn Refractories
EDS Corp.
Elf Atochem North America
Elkem Metals Company
Ellwood Engineered Castings
Erectix Corporation
Fleetwood Paper Co. Inc.
Foseco Inc.
Frank W. Hake Inc.
Fuchs Lubricants Co.
General Electric Co.

George Beale Associates
Glbraltar Steel Corp.
Glidewell Specialties
Global Titanium
Glunt Industries
Good Machining Co. Inc.
Grayson Mitchell Inc.
H & H Steel Processing Inc.
H L Yoh Company LLC/ Day & Zimmermann Inc.
Harbison-Walker Refractories
Hart Metals Inc.
Hatt's Industrial Supplies
HBE Engineering Inc.
Henkel Surface Technologies
Heraeus Electro Nite Co.
Herman Goldner Co. Inc.
Hilti Inc.
Hochschild Partners
Idlecraft Corporation
IFS Intercoal Fuel Supplies
Indiana Pickling & Processing
Industrial Roll Co. Inc.
InfoSight Corp.
Ingersoll-Dresser Pump Co.
International Distribution Services Inc.
International Foundry Supply
International Mill Service Inc.
International Nickel Co. Inc.
Iron Ore Company of Canada
ISA Manufacturing Inc.
ITW/Signode Industry
J K Manufacturing Co.
Johnstown Corporation
JPM Refractory Service
Kaiser Aluminum & Chemical
Kasle Steel Corporation
Kimmels Coal & Packaging Co.
Kinetic Co.
Kobin Coal Corp.
Krautkramer-Branson Inc.
Kvaerner Metals
Land Infrared
Landstar Ligon Inc.
Levy Co. Inc.
Lincoln Electric Co.
Liverpool Coil Processing Inc.
Lumberman Associates Inc.
Magneco/Metrel Inc.

Man-Gill Chemical Co.
Martin Marietta Magnesia
Marubeni America Corporation
Marubeni Steel Processing Inc.
Mawson & Mawson Inc.
McElroy Truck Lines Inc.
McMaster-Carr Supply Company
Medina Blanking Inc.
Metal Coaters of Georgia Inc.
Metalworking Lubricants Co.
Metcoal Sales Inc.
Mettler-Toledo Inc.
Michigan Steel Processing Inc.
Midwest Instrument Company Inc.
Minera Mexico Internacional
Mineracoes Brasileiras Reuindas SA-MBR
Minteq International Inc.
Mister Carpet Inc.
Mitsubishi International Corp.
Modern Management Group Inc.
Molycorp Inc.
Mono Ceramics Inc.
MTS Systems Corporation
Nalco Chemical Co.
National Basic Sensor Corp.
National Grinding Wheel & Supply Inc.
National Material Trading Co.
National Refractories & Minerals
National Roll Co.
Nazar Rubber Company
Nelson
Noranda Sales Corp. Ltd.
Norfolk Southern Railway Co.
North American Refractories Co.
Norton Co.
Nova Steel Processing Inc.
Oakite Products Inc.
Oglebay Norton Engineered Materials
Oliner Fibre Company Inc.
Olympic Steel Lafayette Inc.
Omnitech Sales Co.
PC Campana Inc.
Paul J Dooling Tire Co.
PCI Carolina Inc.
Pechiney Sales Corp.
Peco Energy Company
Pelet's Welding Inc.
Pennsylvania-American Water Company

Penoles Metals & Minerals
Philip Metals Inc./ Luria Bros. Inc.
Pickands Mather Sales Inc.
Polychem Corp.
PPG/Chemfil
Praxair Inc.
Praxair Surface Technologies
Precoat Metals
Premier Refractories & Chemicals
Prochemco Inc.
Productive Services Inc.
PVS Chemicals Inc.
Quaker Chemical Corporation
Quality Rolls Inc.
R Scheinert & Son Inc.
R/J Florig Industrial Co.
Ramm Metals Inc.
Raytheon Engrs & Constructors
Reactive Metals & Alloys Corp.
Reuning-Mckim Inc.
Reynolds Metals Company
Ritter Engineering Co.
Robbins Motor Transportation Inc.
Robe River Limited Robert M. Hooper Sr./ Hooper's Trucking Company
Rochester Aluminum Smelting corp.
Rock Creek Aluminum Inc.
Roll & Hold Whsg & Distr Inc.
Roll Coater Inc
Roll Surface Technologies
Rossborough Manufacturing Co.
Rowell Chemical Corp.
Rowland Company
Rubber Millers Inc.
Samitri S. A. Mineracao da Trindade
Savage Zinc Inc.
Seaforth Minerals & Ore Co. Inc.
Service Guide Corp.
Sheller Oil Co. Inc.
Sherwin Williams Co.
Shieldalloy Metallurgical Corp.
Shiloh Corporation
Showa Denko Carbon Inc.
Sigr Great Lakes Carbon Corp.
Simone Engineering Inc.
SKW Metals & Alloys Inc.
Spraying Systems Co.
Standard Precision Grinding Co.
Steel Warehouse Company Inc.

Stekel Inc.
Stollberg Inc.
Strategic Minerals Corporation
Strong-Lite Products Corp.
Swanson Group Ltd.
TG Soda Ash Inc.
Thalheimer Brothers Inc.
Thermatex Corp.
Tilley Chemical Co. Inc.
TMC Transportation Inc.
Tradesmen Corporation
Tryon Trucking Inc.
TYK Refractories Company
US Vanadium Corporation
Union Electric Steel Corp.
United Foundries Inc.
United Rotary Brush Corp.
United Testing Systems Inc.
Universal Refractories Inc.
Vail Rubber Works Inc.
Vesuvius USA
Voest Alpine Services & Technology
Vulcan Materials Co.
W K Merriman Inc.
W W Grainger Inc.
Wabash Alloys
Wagner Carbide Saw Division
Whalbridge Coatings
Wayne Industries Inc.
Weir-Cove Moving & Storage Co.
West Homestead Engineering
William F Dillon & Son
Wilson Instruments
Wilson Specialties Inc.
World Class Processing
Worthington Steel Co
Zaclon Inc.

Utilities

Baltimore Gas & Electric Co.
First Energy Services
Niagara Mohawk Power Corp.
Northern Indiana Public Service
PPL Utilities
PECO Energy Co.
Air Liquide America Corp.
Air Products & Chemicals, Inc.
BOC Gases

Praxair, Inc
BP Energy Co.
Conoco, Inc.
EnergyUSA- TPC
Hess Energy Services Company, LLC
PPL Energy Plus Co. LLC
Superior Natural Gas Corp.
Texaco Natural Gas, Inc.
Marathon Oil Co.
Cinergy Marketing
Baltimore Gas & Electric
Columbia Gas Transmission Corp.
Columbia Gulf Transmission Co.
Columbia Gas of Pennsylvania
Enron North America Corp.
NIPSCO
Natural Gas Pipeline Co.
UGI Corp.
National Fuel Gas
AT&T
EDS
Verizon Wireless
Misc. Bell Operating Co.
City of Bethlehem
Borough of Steelton
City of Coatesville Authority
Pennsylvania-American Water Co.
City of Baltimore
Indiana-American Water Co.
Erie County Water Authority
East Penn Sanitation
Grand Central Sanitation
York Waste Disposal
Onxy Specialty Waste
Able Disposal Services
Waste Management of NY
Brandenburg Industrial Services

Professionals

Price Waterhouse Coopers
First Chicago Trust Company of New York (*Stock Transfer Agent*)
Dewey Ballantine
Skadden, Arps, Slate, Meagher & Flom
MacLachlan Law Offices LLC
Connell, Foley & Geiser
Cravath Swaine & Moore
Conrad, O'Brien, Gellman & Rohn, P.C.
Venable, Baetjer and Howard, LLP

Bassi, Martini & Blum
Max E. Greenberg, Cantor Trager, Toplitz & Herbst
Barnes & Thornburg
Crawford & Olesen LLP
Squire, Sanders & Dempsey LLP
Gessler, Hughes & Socol Ltd.
Mark E. Shere
Stroock & Stroock & Lavan LLP
Oliver & Oliver P.C.
Ray, Robinson, Carle, Davies & Synder
Pepper Hamilton LLP
Palmer & Dodge
Porter, Wright, Morris & Arthur
McNees, Wallace, & Nurick
Morgan, Lewis, & Bockius LLP
Hoepfner, Wagner & Evans
Lowenstein Sandler, PC
Carter, Ledyard & Milburn
Richards, Layton & Finger
Jeral A. Milton
Hartline, Dacus, Dreyer & Kern, L.P.
Lewis & Kappes
Henderson, Daily, Withrow & DeVoe
Couch White LLP
Shawe & Rosenthal
Pietragallo, Bosick & Gordon
Winderweedle, Haines, Ward & Woodman
Karr Tuttle Campbell
Levene Gouldin & Thompson LLP
Mehaffy & Weber
Semmes Bowen & Semmes
Spence, Custer, Saylor, Wolfe & Rose
Marshall, Dennehey, Warner, Coleman & Goggin
Swartz, Campbell & Detweiler
Law Office of Bill Parrish
Warren E Kamm
Mullen & Filippi
Koll, Morrison, Charpentier & Crawford
Tallman, Hudders & Sorrentino PC
Hamberger & Weiss
Curtain, Murphy & O'Reilly
Bechtol, Lee & Eberhardt
Richman Smith
Weber, Goldstein, Greenberg & Gallagher
Macelree Harvey
George Berg
Field, Womack & Kawszynski
Jaffe, Martini & Blum

Phillips, Lytle, Hitchcock, Blaine & Huber LLP

Trustees

US Bank
Bank of New York
JP Morgan Chase
Bank One, N.A.
First Union National Bank

Holder of Bank Debt

Societe Generale
Salomon Brothers
Bank of America NT & SA
Bank Austria Creditanstalt
Bank of New York
JP Morgan Chase
First Union National Bank
Bank One, N.A.
The Industrial Bank of Japan, Ltd.
GECC
Sumitomo Mitsui Banking Corporation
Fleet Bank
UBS AG (Warburg Dillon Read)
Wilmington Trust Company of PA
Allfirst Bank of Maryland
Baltimore County, MD
Bank of Boston
C.J. Langenfelder & Son, Inc.
Commonwealth of PA
Deutsche Bank AG
Enron International Funding
GE Capital Services
GECC
GTE Leasing Corporation
Mellon Bank
Mitsubishi International Corp.
PNC Bank, N.A.
RZB Finance LLC
Sanwa Bank Limited
State Street Bank
The Toronto Bank of Japan
US Bank
VanGuard Group

Committee of Unsecured Creditors

U.S. Bank Trust, N.A.
HSBC Bank USA
National City Bank

Iron Ore Company of Canada
Wilmington Trust Company
Electronic Data Systems Corporation
DTE Burns Harbor, LLC
United Steelworkers of America, AFL-CIO, CLC
Pension Benefit Guaranty Corporation

Exhibit B

- I. CSFB or an affiliate has provided or is providing investment banking or other financial services to the following entities or their affiliates:

Debtors

Bethlehem Steel Corporation

Bondholders

T.Rowe Price Associates

Astron CBO

Fleming CBO

Centennial Bank

American Century Fund

Juniper CBO

Bank Leumi Le Israel

JP Morgan Chase

Bank of Hawaii/Pacific Central Trust-Omnibus

Retail Holdings

Prudential Securities

MSDW Inc.

Salomon Smith Barney

UBS PaineWebber

National Financial Services

Charles Schwab & Co.

Bear Sterns & Co.

Advest Inc.

Goldman Sachs & Co.

ABN AMRO

DBAB Inc.

Southwest Securities

E*Trade

Significant Stockholders

Fidelity Management & Research

Greenway Partners L.P.

Fidelity International LTD

Barclays Global Investors

Lockheed Martin Investment Management Co.

Significant Customers

General Motors Corp.

Worthington Industries Inc.

Ryerson Tull Inc.

Metals USA Inc.

Olympic Steel Inc.

Ford Motor Co.
Paloma Industries Ltd
Daimler Chrysler AG
Silgan Holdings Inc.
NCI Building Systems
Tyco International Ltd.
Crown Cork & Seal Co. Inc.
Leavitt Tube Co. Inc.
Kerry Steel Inc.
Preussag AG
Nissan Motors Ltd

Significant Vendors

A T Massey Company
Acutus Gladwin
Air Liquide America Corporation
Air Products & Chemicals Inc.
AMCI Coal Sales Inc.
AMCI Minerals Corporation
American Radio & Microwave
Anthony Crane Rental Inc.
Anthracite Industries Inc.
Applied Industrial Materials Corp.
Armstrong/Kover Kwick Inc.
BASF Corporation
Betz Dearborn Inc
Carbide/Graphite Group Inc.
Carnegie Group Inc.
Chemical Specialties Inc.
Cleveland-Cliffs/Hibbing Taconite
CMI-Promex Inc.
Columbia Energy Services
Columbia Gals Trnasmission Corp.
Cominco Ltd.
Consolidation Coal Co.
Corporate Express
Crown Technology Inc.
CSX Transportation
Dryden Oil Company Inc.
Duferco-Maretrade Trading Co.
E I Dupont De Nemours & Co.
Eaglebrook Inc.
EDS Corp.
Elf Atochem North America
Elkem Metals Company
Fuchs Lubricants Co.
General Electric Co.
Glbraltar Steel Corp.

Henkel Surface Technologies
Heraeus Electro Nite Co.
Hilti Inc.
HL Yoh Company LLC/Day & Zimmerman Inc.
Ingersoll-Dresser Pump Co.
International Nickel Co. Inc.
ITW/Signode Industry
Kaiser Aluminum & Chemical
Kinetic Co.
Kvaerner Metals
Lincoln Electric Co.
Martin Marietta Magnesia
Marubeni America Corporation
Mettler-Toledo Inc.
Minera Mexico Internacional
Mitsubishi International Corp.
Nalco Chemical Co.
Nelson
Noranda Sales Corp. Ltd.
Norfolk Southern Railway Co.
Norton Co.
Nova Steel Processing Inc.
Oglebay Norton Engineered Materials
Oakite Products Inc.
Olympic Steel Lafayette Inc.
Pechiney Sales Corp.
Peco Energy Company
Penoles Metals & Minerals
PPG/Chemfil
Praxair Inc.
Praxair Surface Technologies
Quaker Chemical Corporation
Raytheon Engrs & Constructors
Reynolds Metals Company
Samitri S.A. Mineracao de Trindade
Shiloh Corporation
Showa Denko Carbon Inc.
Sigr Great Lakes Carbon Corp.
Strategic Minerals Corporation
US Vanadium Corporation
Union Electric Steel Corp.
Voest Alpine Services & Technology
Vulcan Materials Co.
WW Grainger Inc.
Worthington Steel Co

Utilities

First Energy Services

Niagara Mohawk Power Corp.
PPL Utilities
PECO Energy Co.
Air Liquide America Corp.
BP Energy Co.
Conoco, Inc.
PPL Energy Plus Co. LLC
Superior Natural Gas Corp.
Texaco Natural Gas, Inc.
Marathon Oil Co.
Cinergy Marketing
Enron North America Corp.
NIPSCO
UGI Corp.
National Fuel Gas
AT&T
EDS
Verizon Wireless
Grand Central Sanitation
Waste Management of NY

Professionals

Price Waterhouse Coopers
First Chicago Trust Company of New York
Cravath Swaine & Moore

Trustees

US Bank
Bank of New York
JP Morgan Chase
Bank One, N.A.
First Union National Bank

Holder of Bank Debt

Societe Generale
Salomon Brothers
Bank of America NT & SA
Bank of Austria Creditanstalt
Bank of New York
JP Morgan Chase
First Union National Bank
Bank One, N.A.
The Industrial Bank of Japan, Ltd.
GECC
Sumitomo Mitsui Banking Corporation
Fleet Bank
UBS AG (Warburg Dillon Read)
Wilmington Trust Company of PA

Allfirst Bank of Maryland
Bank of Boston
Commonwealth of PA
Deutsche Bank AG
Enron International Funding
GE Capital Services
GECC
GTE Leasing Corporation
Mellon Bank
Mitsubishi International Corp.
PNC Bank, N.A.
RZB Finance LLC
Sanwa Bank Limited
State Street Bank
US Bank
VanGuard Group

Committee of Unsecured Creditors

U.S. Bank Trust, N.A.
HSBC Bank USA
National City Bank
Wilmington Trust Company
Electronic Data Systems Corporation
DTE Burns Harbor, LLC
Pension Benefit Guaranty Corporation

II. The following persons, entities or their affiliates may maintain an account with CSFB or an affiliate:

Bondholders

T. Rowe Price Associates
Astron CBO
Fleming CBO
Centennial Bank
American Century Fund
Bank Leumi Le Israel
JP Morgan Chase
Grand Bank
Commercial Bank of New York Discretionary
Bank of Hawaii/Pacific Central Trust-Omnibus
Pioneer Trust Bank

Retail Holdings

Prudential Securities
MSDW Inc.
Salomon Smith Barney
UBS PaineWebber
National Financial Services
Charles Schwab & Co.
Bear Sterns & Co.
First Clearing
Advest Inc.
Goldman Sachs & Co.
ABN AMRO
Janney Montgomery Scott
AG Edwards & Co.
Mesirow Associates
Southwest Securities
E*Trade
National Investor Services

Significant Stockholders

Fidelity Management & Research
Dimensional Fund Advisors Inc.
Fidelity International LTD
Strong Capital Management, Inc.
Boston Company Asset Mgmt., L.L.C.
Barclays Global Investors
Lockheed Martin Investment Management Co.

Significant Customers

General Motors Corp.
Worthington Industries Inc.

Ryerson Tull Inc.
Metals USA Inc.
Ford Motor Co.
Macsteel Service Centers USA
Daimler Chrysler AG
Silgan Holdings Inc.
NCI Building Systems
Tyco International Ltd.
Crown Cork & Seal Co. Inc.
Kerry Steel Inc.
MetalTech
Preussag AG
Nissan Motors Ltd.

Significant Vendors

Air Liquide America Corporation
Air Products & Chemicals Inc.
AJF Inc.
American Radio & Microwave
Anker Industries
Applied Industrial
Applied Industrial Materials Corp.
Asko Inc.
BASF Corporation
BOC Gases
BSI (Brendan Stanton Inc.)
Carbide/Graphite Group Inc.
Carnegie Group Inc.
Chemical Specialties Inc.
Cleveland-Cliffs/Hibbing Taconite
Columbia Energy Services
Cominco Ltd.
Consolidated Rail Corp.
Corporate Express
CSX Transportation
E I Dupont De Nemours & Co.
EDS Corp.
Elkem Metals Company
Fleetwood Paper Co. Inc.
General Electric Co.
Henkel Surface Technologies
Heraeus Electro Nite Co.
Hilti Inc.
International Nickel Co. Inc.
Kaiser Aluminum & Chemical
Kvaerner Metals
Landstar Ligon Inc.

Levy Co. Inc.
Lincoln Electric Co.
Martin Marietta Magnesia
Marubeni America Corporation
Marubeni Steel Processing Inc.
Mettler-Toledo Inc.
Mineracoes Brasileiras Reuindas SA-MBR
Mitsubishi International Corp.
MTS Systems Corporation
Nelson
Noranda Sales Corp. Ltd.
Norfolk Southern Railway Co.
Pechiney Sales Corp.
Peco Energy Company
PPG/Chemfil
Praxair Inc.
Praxair Surface Technologies
Raytheon Engrs & Constructors
Reynolds Metals Company
Shiloh Corporation
Showa Denko Carbon Inc.
Voest Alpine Services & Technology
Vulcan Materials Co.
Worthington Steel Co

Utilities

Baltimore Gas & Electric Co.
First Energy Services
Niagara Mohawk Power Corp.
Northern Indiana Public Service
PPL Utilities
PECO Energy Co.
Air Liquide America Corp.
Air Products & Chemicals, Inc.
BOC Gases
Praxair, Inc
BP Energy Co.
Conoco, Inc.
EnergyUSA- TPC
Hess Energy Services Company, LLC
PPL Energy Plus Co. LLC
Superior Natural Gas Corp.
Texaco Natural Gas, Inc.
Marathon Oil Co.
Cinergy Marketing
Baltimore Gas & Electric
Enron North America Corp.
NIPSCO

Natural Gas Pipeline Co.
UGI Corp.
National Fuel Gas
AT&T
EDS
Verizon Wireless
Misc. Bell Operating Co.
Erie County Water Authority
Waste Management of NY

Professionals

Price Waterhouse Coopers
Skadden, Arps, Slate, Meagher & Flom

Trustees

US Bank
Bank of New York
JP Morgan Chase
Bank One, N.A.
First Union National Bank

Holder of Bank Debt

Societe Generale
Salomon Brothers
Bank of America NT & SA
Bank of New York
JP Morgan Chase
First Union National Bank
Bank One, N.A.
The Industrial Bank of Japan, Ltd.
GECC
Sumitomo Mitsui Banking Corporation
Fleet Bank
UBS AG (Warburg Dillon Read)
Wilmington Trust Company of PA
Allfirst Bank of Maryland
Baltimore County, MD
Bank of Boston
Commonwealth of PA
Deutsche Bank AG
Enron International Funding
GE Capital Services
GECC
GTE Leasing Corporation
Mellon Bank
Mitsubishi International Corp.
PNC Bank, N.A.
RZB Finance LLC

Sanwa Bank Limited
State Street Bank
US Bank
VanGuard Group

Committee of Unsecured Creditors

U.S. Bank Trust, N.A.
HSBC Bank USA
National City Bank
Wilmington Trust Company
Electronic Data Systems Corporation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X	
In re	: Chapter 11 Case Nos.
	:
BETHLEHEM STEEL CORPORATION,	: 01-15288 (BRL) through
et al.	: 01-15302, 01-15308
	: through 01-15315 (BRL)
Debtors.	: (Jointly Administered)
	:
-----X	

**ORDER PURSUANT TO SECTIONS 327(a) AND 328(a)
OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO
(i) EMPLOY CREDIT SUISSE FIRST BOSTON CORPORATION AS ADDITIONAL
FINANCIAL ADVISOR, *NUNC PRO TUNC*, TO JULY 15, 2002 AND
(ii) AMEND THE TERMS OF THE EMPLOYMENT OF GREENHILL & CO., LLC
AS FINANCIAL ADVISOR, *NUNC PRO TUNC*, TO OCTOBER 12, 2001**

Upon the motion of Bethlehem Steel Corporation and its affiliated debtors (collectively, “Bethlehem” or the “Debtors”), dated September 6, 2002 (the “Motion”), for authority pursuant to sections 327(a) and 328(a) of title 11, United States Code (the “Bankruptcy Code”), to (i) employ Credit Suisse First Boston Corporation (“CSFB”) as an additional financial advisor, *nunc pro tunc*, to July 15, 2002, in accordance with the terms of the Engagement Letter dated as of July 15, 2002, a copy of which is annexed to the Motion as Exhibit “A” (the “CSFB Engagement Letter”), and (ii) amend the terms of engagement of Greenhill & Co., LLC (“Greenhill”) as the previously approved financial advisor for Bethlehem, *nunc pro tunc*, to October 12, 2001, as set forth in the amended engagement letter annexed to the Motion as Exhibit “B” (the “Amended Greenhill Engagement Letter”); and upon the Declaration of Dhruv Narain, a managing director of CSFB (the “Narain Declaration”), a copy of which is annexed to the Motion as Exhibit “C”; and it appearing that CSFB represents or holds no interest adverse to Bethlehem or the Debtors’ estates as to the matters upon which it is to be engaged and is disinterested under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of

the Bankruptcy Code, and that the employment of CSFB and the amended terms of employment of Greenhill are appropriate and in the best interests of Bethlehem and the administration of the chapter 11 cases; and it appearing that due notice of the Motion has been given and that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that Bethlehem is authorized pursuant to sections 327(a) and 328(a) of the Bankruptcy Code to employ CSFB as financial advisor upon the terms and conditions set forth in the CSFB Engagement Letter and this Order, *nunc pro tunc*, to July 15, 2002; and it is further

ORDERED that paragraph 5 of the CSFB Engagement Letter is amended so that CSFB's engagement may be terminated at any time, with or without cause, by either CSFB or Bethlehem upon thirty (30) days' prior written notice thereof to the other party; and it is further

ORDERED that the compensation payable to CSFB pursuant to the terms of the CSFB Engagement Letter, and the indemnification provisions contained therein, are approved and shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code; and it is further

ORDERED that the Office of the United States Trustee retains all rights to object to any applications for compensation (including expense reimbursement) filed by CSFB, on any basis it deems appropriate including, but not limited to, the reasonableness standard provided for in section 330 of the Bankruptcy Code; and it is further

ORDERED that the indemnification provisions of the CSFB Engagement Letter are approved, subject to the following:

(a) all requests of CSFB for payment of indemnity, contribution, or otherwise pursuant to the indemnification provisions of the CSFB Engagement Letter shall be made by means of an application (interim or final, as the case may be) and shall be subject to review by the Court to ensure that such payment conforms to the terms of the CSFB Engagement Letter and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is requested; *provided, however*, that in no event shall CSFB be indemnified or receive contribution if it is determined that it acted in bad faith, engaged in self-dealing, or breached its fiduciary duty, if any, or committed gross negligence or willful misconduct; and

(b) in no event shall CSFB be indemnified or receive contribution or other payment under the indemnification provisions of the CSFB Engagement Letter if Bethlehem or the statutory creditors' committee asserts a claim for, and the Court determines by final order that, such claim arose out of CSFB's own bad faith, self-dealing, breach of fiduciary duty, if any, gross negligence, or willful misconduct;

(c) in the event CSFB seeks reimbursement from Bethlehem for attorneys' fees pursuant to the CSFB Engagement Letter, the invoices and supporting time records from such attorneys shall be included in CSFB's applications for compensation, and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of this Court without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code; and

(d) to the extent this Order is inconsistent with the CSFB Engagement Letter, the terms of this Order shall govern; and it is further

ORDERED that the amended terms of the Debtors' employment of Greenhill described in the Motion and set forth in the Amended Greenhill Engagement Letter, are approved *nunc pro tunc* to October 12, 2001; and it is further

ORDERED that this Court shall retain exclusive jurisdiction to construe and enforce the terms of the Motion, the CSFB Engagement Letter, the Amended Greenhill Engagement Letter, and this Order; and it is further

ORDERED that the requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a separate memorandum of law is waived and dispensed with.

Dated: New York, New York
September __, 2002

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT D

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re	:	Chapter 11 Case Nos.
	:	
BETHLEHEM STEEL CORPORATION,	:	01-15288 (BRL) through
et al.	:	01-15302, 01-15308
	:	through 01-15315 (BRL)
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**FINAL ORDER PURSUANT TO SECTIONS 327(a)
AND 328(a) OF THE BANKRUPTCY CODE AUTHORIZING
THE DEBTORS TO (i) EMPLOY CREDIT SUISSE FIRST BOSTON
CORPORATION AS ADDITIONAL FINANCIAL ADVISOR,
NUNC PRO TUNC TO JULY 15, 2002, AND (ii) AMEND THE
TERMS OF THE EMPLOYMENT OF GREENHILL & CO., LLC AS
FINANCIAL ADVISOR, NUNC PRO TUNC TO OCTOBER 12, 2001**

Upon the motion of Bethlehem Steel Corporation and its affiliated debtors (collectively, “Bethlehem” or the “Debtors”), dated September 6, 2002 (the “Motion”), for authority pursuant to sections 327(a) and 328(a) of title 11, United States Code (the “Bankruptcy Code”), to (i) employ Credit Suisse First Boston Corporation (“CSFB”) as an additional financial advisor, *nunc pro tunc* to July 15, 2002, in accordance with the terms of the Engagement Letter, dated as of July 15, 2002, substantially in the form annexed hereto as Exhibit “A” (the “CSFB Engagement Letter”), and (ii) amend the terms of engagement of Greenhill & Co., LLC (“Greenhill”) as the previously approved financial advisor for Bethlehem, *nunc pro tunc* to October 12, 2001, as set forth in the amended engagement letter annexed to the Motion as Exhibit “B” (the “Amended Greenhill Engagement Letter”); and the indemnification provisions to the CSFB Engagement Letter and Amended Greenhill Engagement Letter having been modified and replaced by the indemnification provisions annexed hereto as Exhibit “B” (the “Revised Indemnification Provisions”); and upon the Declaration of Dhruv Narain, a

managing director of CSFB (the “Narain Declaration”), a copy of which is annexed to the Motion as Exhibit “C”; and the Debtors having served notice of the Motion upon all creditors of their estates for the purpose of providing such creditors an opportunity to object to the indemnification provisions contained in the CSFB Retention Letter and/or the provisions of this Order authorizing CSFB’s retention pursuant to section 328 of the Bankruptcy Code; and on October 7, 2002 the Court having entered an order approving the Motion on an interim basis; and Maritime Systems Inc., Mary and John Rettburg, Joyce Cavett, and Lillian C. Kellog having objected to the Motion by objections dated October 7, 2002, October 9, 2002, October 11, 2002, and October 15, 2002, respectively (collectively, the “Objections”); and a hearing having been held on October 24, 2002 to consider the Motion and the Objections; and it appearing that due notice of the Motion has been given and that no other or further notice need be provided; and it appearing that CSFB represents or holds no interest adverse to Bethlehem or the Debtors’ estates as to the matters upon which it is to be engaged and is disinterested under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that the employment of CSFB and the amended terms of employment of Greenhill are appropriate and in the best interests of Bethlehem and the administration of the chapter 11 cases; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Objections are overruled; and it is further

ORDERED that Bethlehem is authorized pursuant to sections 327(a) and 328(a) of the Bankruptcy Code to employ CSFB as financial advisor upon the terms and conditions set forth in the CSFB Engagement Letter, as modified by the Revised

Indemnification Provisions, and this Order, *nunc pro tunc* to July 15, 2002; and it is further

ORDERED that the compensation payable to CSFB pursuant to the terms of the CSFB Engagement Letter and the Revised Indemnification Provisions, is approved and shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code; and it is further

ORDERED that the Office of the United States Trustee retains all rights to object to any applications for compensation (including expense reimbursement) filed by CSFB, on any basis it deems appropriate, including but not limited to, the reasonableness standard provided for in section 330 of the Bankruptcy Code; and it is further

ORDERED that the Revised Indemnification Provisions to the CSFB Engagement Letter are approved, subject to the following:

(a) all requests of CSFB for payment of indemnity, contribution or otherwise pursuant to the Revised Indemnification Provisions to the CSFB Engagement Letter shall be made by means of an application (interim or final, as the case may be) and shall be subject to review by the Court to ensure that such payment conforms to the terms of the CSFB Engagement Letter, as modified by the Revised Indemnification Provisions, and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is requested; *provided, however*, that in no event shall CSFB be indemnified or receive contribution if it is determined that it acted in bad faith, engaged in self-dealing or breached its fiduciary duty, if any, or committed gross negligence or willful misconduct; and

(b) in no event shall CSFB be indemnified or receive contribution or other payment under the Revised Indemnification Provisions to the CSFB Engagement Letter if Bethlehem or the statutory creditors' committee asserts a claim for, and the Court determines by final order that, such claim arose out of CSFB's own bad faith, self-dealing, breach of fiduciary duty, if any, gross negligence or willful misconduct;

(c) in the event that CSFB seeks reimbursement from Bethlehem for attorneys' fees pursuant to the CSFB Engagement Letter, the invoices and supporting time records from such attorneys shall be included in CSFB's applications for compensation, and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of this Court without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code; and

(d) to the extent that this Order is inconsistent with the CSFB Engagement Letter, the terms of this Order shall govern; and it is further

ORDERED that the amended terms of the Debtors' employment of Greenhill described in the Motion and set forth in the Amended Greenhill Engagement Letter, as modified by the Revised Indemnification Provisions, are approved, *nunc pro tunc* to October 12, 2001; and it is further

ORDERED that this Court shall retain exclusive jurisdiction to construe and enforce the terms of the Motion, the CSFB Engagement Letter, the Amended Greenhill Engagement Letter, the Revised Indemnification Provisions and this Order; and it is further

Exhibit A

Amended and Restated
as of July 15, 2002

Bethlehem Steel Corporation
1170 Eighth Ave.
Bethlehem, PA 18016

Attention: Robert S. Miller
Chairman and CEO

This letter agreement (the "Agreement") will confirm the understanding between Bethlehem Steel Corporation and its subsidiaries (collectively, the "Company") and Credit Suisse First Boston Corporation and its affiliates, successors and assign, as appropriate ("CSFB"), pursuant to which the Company has retained CSFB to render financial advisory services to the senior management of the Company (in their capacity as such, "Senior Management"), on the terms and subject to the conditions set forth herein, in connection with the prosecution of the Company's reorganization cases and other matters set forth herein. This Agreement shall become effective only when an order pursuant to Sections 327 and 328(a) of the Bankruptcy Code satisfactory in form and in substance to CSFB has been issued by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approving all aspects of this Agreement pursuant to the application for such order to be submitted promptly after the execution of this Agreement by the Company. CSFB acknowledges that the Company has previously engaged Greenhill & Company LLC ("Greenhill") as its exclusive financial advisor and that as a result of the Company's recent determination to pursue a "stand alone" plan of reorganization, the Company and Greenhill have agreed that additional financial advisory services are required by the Senior Management in respect of, inter alia, the major issues relating to the Company's obligations under its existing Collective Bargaining Agreement with United Steel Workers of America ('USWA'), as well as its OPEB costs and the need to reorganize its operations to generate net income and attract capital. In that context, this engagement is to complement the continuing financial advisory services to be performed by Greenhill as the principal advisor to the Company's Board of Directors in the pursuit of a comprehensive reorganization under the Bankruptcy Code.

1. Certain Definitions. For the purposes of this Agreement, all defined references shall have the meanings as set forth herein (including the schedules hereto).
2. Retention. CSFB agrees to act as the principal financial advisor to the Senior Management of the Company, in connection with the prosecution of the Company's reorganization cases, until the close of business, on the Termination Date.

In that regard, CSFB will provide the Senior Management with the following services, as requested and appropriate:

- (a) primary advice with respect to the resolution of the Company's needs to restructure its operating costs and, in particular, the attainment of a new Collective Bargaining Agreement with the USWA or other resolution of labor issues relating to staffing, OPEB, outsourcing, wages, etc. to assist the Company in achieving a Restructuring Transaction including the terms and timing of such transaction, *provided, however*, that the Company shall retain its own legal counsel and accountants for legal and tax advice;
- (b) assistance in preparing Offer Documents to the extent that such documents relate to the terms of a Restructuring Transaction;
- (c) assistance in formulating a plan or plans of reorganization, and/or analyzing any plan or plans of reorganization proposed, including assistance in the plan negotiation and plan confirmation process, preparation and presentation of expert testimony relating to financial matters, if required; and
- (d) assistance in evaluating and negotiating any M&A Transaction (as defined below).

3. Further Agreements. At any time during the term of this agreement and prior to the expiration of one year after the termination hereof, CSFB will have the right to act as a lead advisor (on terms no less favorable than the terms offered to Greenhill) in connection with any merger transaction, joint venture, sale or other combination involving the Company or its affiliates, lead managing underwriter, exclusive placement agent or lead arranger for the Company in connection with any sale of its securities or incurrence of bank or similar financing. As compensation for any of the foregoing services not covered by paragraphs 2 and 4 hereof, CSFB will be paid customary fees to be mutually agreed upon at the appropriate time. The terms of any such additional engagements will be set forth in separate letter agreements containing terms and conditions to be mutually agreed upon, including without limitation appropriate indemnification provisions.

Notwithstanding any other provision contained herein, this Agreement does not constitute any agreement, express or implied, on the part of CSFB or any commitment by CSFB to underwrite, purchase, place, or cause the placement of any securities or indebtedness. Any such commitment by CSFB shall be at CSFB's option and would, in each case, be subject to, among other things, the satisfactory completion by CSFB of an appropriate due diligence investigation of the Company and the execution and delivery by CSFB and the issuer of the securities of a customary agreement acceptable to CSFB and its counsel.

4. Compensation. As compensation for services rendered and to be rendered hereunder by CSFB, the Company agrees, subject to the provisions of paragraph 5 below, to pay CSFB (or cause CSFB to be paid) non-refundable fees as follows:
- (a) CSFB shall be entitled to receive a monthly non-refundable cash fee of \$150,000 per month (the "Monthly Fee"), with the first installment payable upon the one month anniversary of execution of this Agreement and subsequent

installments payable on each subsequent monthly anniversary of the date hereof;

- (b) in connection with any Restructuring Transaction, a fee equal to \$6,000,000, payable upon consummation thereof (the "Completion Fee"); provided however, that to the extent not credited under paragraph 4(c) hereof, the Company will credit any of the fees paid under paragraph 4(a) hereof after the thirteenth month from the execution of this Agreement (i.e. after receipt of twelve monthly payments under paragraph 4(a) hereof) against the aggregate amount of fees that become payable pursuant to this paragraph 4(b);
- (c) in connection with any M&A Transaction, a fee ("M&A Fee") equal to the greater of (i) \$2,000,000 and (ii) an amount based on a percentage, as set forth below, of the Aggregate Consideration (as defined below) in connection with any M&A Transaction, payable upon each closing in connection with such M&A Transaction; subject to the limitations and conditions specified in paragraphs 4(a) and 4(b) above; provided, however, that, to the extent not credited under paragraph 4(b) hereof, the Company will credit any of the fees paid under paragraph 4(a) hereof after the thirteenth month from the execution of this Agreement (i.e. after receipt of twelve monthly payments under paragraph 4(a) hereof) against the aggregate amount of fees that become payable pursuant to this paragraph 4(c); provided further, however, the aggregate amount of fees payable under paragraphs (b) and (c) of this paragraph 4 shall not exceed \$6,000,000;

Aggregate Consideration	M&A Fee Percentage
Less than or equal to \$100,000,000	2.00%
\$200,000,000	1.50%
\$500,000,000	1.00%
\$750,000,000	0.80%

The amount described in clause (ii) of paragraph (c) above shall be calculated by multiplying the applicable Aggregate Consideration by the M&A Fee Percentage provided above. For a M&A Transaction in which the Aggregate Consideration is between two values shown in the above table, the applicable M&A Fee Percentage shall be determined by interpolation from the two nearest fee percentages.

For purposes of this agreement, the term “M&A Transaction” shall be defined to include, without limitation, (i) any investment in or acquisition of all or a substantial portion of the capital stock or assets of any third party by the Company or its affiliates, regardless of the form any such investment or acquisition takes or (ii) any sale of all or a substantial portion of the capital stock or assets of the Company or any of its affiliates or any merger, joint venture or other business or strategic combination. Also, the term “Aggregate Consideration” shall mean the total fair market value (at the time of closing) of all consideration (including cash, securities, property, all debt and other obligations directly or indirectly assumed, retired or defeased in connection with the M&A Transaction and any other form of consideration) paid or payable, or otherwise to be distributed, directly or indirectly, to the selling entity or its stockholders in connection with the M&A Transaction; and

- (d) in addition to the compensation to be paid to CSFB as provided above, and without regard to whether any Restructuring Transaction is consummated, the Company shall pay to, or on behalf of CSFB, promptly as billed, all reasonable out-of-pocket expenses (including all reasonable fees and expenses of CSFB's counsel) incurred by CSFB in connection with its services to be rendered hereunder.

CSFB's compensation set forth in this Paragraph 4, and payments made pursuant to clause (d) above and the indemnity provisions in this agreement (including Schedule I hereto), shall be entitled to priority as expenses of administration under Sections 503 (b) (1) (A) and 507 (a) (1) of the Bankruptcy Code. The Company acknowledges that the fees set forth in this paragraph constitute reasonable terms and conditions of employment as such terms are used in Section 328(a) of the Bankruptcy Code.

- 5. Termination or Resignation. Subject to Section 9 hereof, CSFB's engagement hereunder may be terminated at any time, with or without cause, by either CSFB or the Company upon thirty days' prior written notice thereof to the other party; provided, however, that in the event of any termination of CSFB's engagement hereunder by the Company or if CSFB resigns due to a disagreement over the terms

of any Restructuring Transaction or M&A Transaction and the Company within twelve months from the date of resignation proceeds with a Restructuring Transaction or M&A Transaction on terms (or, with respect to a M&A Transaction, with a party) proposed by CSFB, CSFB will continue to be entitled to the full amount of any applicable Completion Fee and M&A Fee provided for herein in the event that at any time prior to the expiration of 12 months after any such termination the Company or any affiliate of the Company proceeds with any Restructuring Transaction or M&A Transaction; and provided, further that no termination of CSFB's engagement hereunder shall affect the Company's obligations to pay the accrued Monthly Fee and other fees and expenses to the extent provided for herein and accrued or incurred prior to termination.

6. Indemnity. As CSFB will be acting on behalf of the Company, the Company agrees to indemnify the Indemnified Persons as set forth in Schedule I hereto, which is incorporated herein and made a part hereof.
7. Further Covenants of the Company. The Company agrees as follows:
 - (a) Except as required by judicial process, no advice rendered by CSFB, whether formal or informal, may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without our prior consent (not to be unreasonably withheld). In addition, CSFB may not be otherwise referred to without its prior written consent (not to be unreasonably withheld).
 - (b) In connection with CSFB's activities hereunder, the Company agrees to furnish CSFB with all information concerning the Company that the CSFB reasonably deems appropriate and agrees to provide CSFB with reasonable access to its accountants, counsel, consultants and other appropriate agents and representatives. The Company acknowledges that CSFB may rely upon the completeness and accuracy of information and data furnished to it by the Company's officers, directors, employees, agents and representatives without an independent verification of such information and data or an appraisal of the Company's assets; and
 - (c) The Company acknowledges and agrees that CSFB has been retained solely to provide the advice or services set forth in this Agreement. CSFB shall act as an independent contractor, and any duties of CSFB arising out of its engagement hereunder shall be owed solely to the Senior Management of the Company.
8. Confidentiality. Except to the extent authorized by the Company or required by any Federal or state law, rule or regulation or any decision or order of any court or regulatory authority, CSFB agrees that it will refrain from disclosing to any person, other than to holders of the Company's securities, any official committee appointed in the Company's bankruptcy reorganization case, the Company's unions and their affiliates, representatives and agents, and any agents, attorneys, accountants, employees, officers, and directors of CSFB who need to know the information in connection with CSFB's engagement hereunder, any confidential information which has not become public (other than through disclosure in violation of this Section 10),

about the Company received by CSFB from the Company or its agents, attorneys or accountants in connection with the services rendered hereunder.

9. Survival of Certain Provisions. The compensation and expense reimbursement provisions contained in Section 4, the obligation to offer CSFB certain roles as provided in Section 3, the termination provisions contained in Section 5, this Section 9, and the indemnity and contribution agreements contained in Section 6 and Schedule I of this Agreement shall remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of CSFB or by or on behalf of any affiliate of CSFB, any Indemnified Person, or any person controlling any of them, (b) consummation of any Restructuring Transaction or Asset Disposition, or (c) any termination or expiration of this Agreement, and shall be binding upon, and shall inure to the benefit of, any successors, assigns, heirs and personal representatives of the Company, CSFB, the Indemnified Persons and any such person.
10. Notices. Notice given pursuant to any of the provisions of this Agreement shall be in writing and shall be mailed or delivered to the Company at 1170 Eighth Avenue, Bethlehem, PA 18016, Attention: Mr. Robert S. Miller and to CSFB at 11 Madison Ave, New York, NY 10010, Attention: Mr. Peter Matt.
11. Construction. This Agreement incorporates the entire understanding of the parties and supersedes all previous agreements and shall be governed by, and construed in accordance with, the laws of the State of New York as applied to contracts made and performed in such State, without regard to principles of conflict of laws.
12. Severability. Any determination that any provision of this Agreement may be, or is, unenforceable shall not affect the enforceability of the remainder of this Agreement.
13. Headings. The section headings in this Agreement have been inserted as a matter of convenience for reference and are not an effective part of this Agreement.
14. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
15. Third Party Beneficiaries. This Agreement has been and is made solely for the benefit of the Company, CSFB and the other Indemnified Persons referred to in Section 5 hereof and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.
16. Succession. This Agreement shall be binding upon and inure to the benefit of the Company, CSFB, the Indemnified Persons and their respective successors, assigns, heirs and personal representatives.

17. Advertisements. CSFB shall have the right to place advertisements in financial and other newspapers and journals at its own expense describing their services to the Company hereunder; provided, that (i) CSFB shall have submitted a copy of any such proposed advertisement to the Company for its prior approval, which approval shall not be unreasonably withheld or delayed and (ii) the publication of such advertisement shall comply with applicable law.
18. Cooperation. CSFB shall use reasonable efforts to cooperate with Greenhill in furtherance of the Company's reorganization efforts and assist Senior Management in presenting to the Company's Board of Directors, the Statutory Creditors' Committee, the Committee of Secured Creditors and other parties in interest as may be directed by Senior Management.
19. Court Appearances. CSFB shall, if reasonably requested assist and, if necessary, testify in any proceedings involving matters as to which CSFB is being engaged.
20. Acknowledgements. CSFB is a full service securities firm engaged in securities trading and brokerage activities as well as investment banking and financial advisory services. In the ordinary course of our trading and brokerage activities, CSFB or its affiliates may hold positions, for its own account or the accounts of customers, in equity, debt or other securities of the Company or any other company that may be involved in the matters contemplated by this agreement.
21. Bankruptcy Court Approval. This Agreement and the rights and obligations hereunder shall have no force or effect unless and until approved by the Bankruptcy Court.

If the foregoing terms correctly set forth our agreement, please confirm this by signing and returning to CSFB the duplicate copy of this letter. Thereupon this letter, as signed in counterpart, shall constitute our agreement on the subject matter herein.

CREDIT SUISSE FIRST BOSTON CORPORATION

By: _____
Richard H. Bott
Vice Chairman

Confirmed and Agreed to:
BETHLEHEM STEEL CORPORATION

By: _____
Robert S. Miller
Chairman and Chief Executive Officer

SCHEDULE I

Indemnification

The Company agrees to indemnify and hold harmless the Indemnified Persons from and against, and the Company agrees that no Indemnified Person shall have any liability to the Company or its affiliates, security holders or creditors for, any Losses, except for any Losses that are finally determined by a court of competent jurisdiction to have resulted primarily from the gross negligence or willful misconduct of such Indemnified Person. If such indemnification is for any reason not available or insufficient to hold an Indemnified Person harmless, the Company agrees to contribute to the Losses involved in such proportion as is appropriate to reflect the Relative Benefits received by the Company and the Advisor with respect to the engagement or, if such allocation is determined by a court of competent jurisdiction to be unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of the Company on the one hand and of the Advisor on the other hand; provided, however, that, to the extent permitted by applicable law, the Indemnified Persons shall not be responsible for expenses and Losses which in the aggregate are in excess of the amount of all fees actually received by the Advisor from the Company under the engagement. The Company also agrees to reimburse each Indemnified Person for its reasonable expenses (including without limitation the costs and expenses incurred in connection with investigating, preparing for and responding to third party subpoenas or enforcing the engagement), including reasonable legal fees, as such expenses are incurred, if they become involved in any capacity in any Action.

Defined Terms

(a) the term “Action” means any claim, suit, investigation or proceeding, actual or threatened, brought by or against any person, including stockholders of the Company, in connection with or as a result of the engagement or any matter referred to in the engagement, whether or not any Indemnified Person is a party;

(b) the term “Advisor” means Greenhill & Co., LLC or Credit Suisse First Boston, as the case may be;

(c) the term “Indemnified Persons” means Advisor and its affiliates, the respective directors, officers, partners, agents and employees of Advisor and its affiliates, and any person controlling Advisor or any of its affiliates;

(d) the term “Losses” means any losses, claims, damages or liabilities (including actions or proceedings in respect thereof) related to or arising out of the engagement, Advisor’s performance thereof or any other services Advisor is asked to provide to the Company (in each case, including related activities prior to the date hereof); and

(e) the “Relative Benefits received by the Company and Advisor with respect to the engagement” shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received or proposed to be received by the Company and its security holders, as the case may be, pursuant to the transactions(s), whether or not consummated, contemplated by the engagement, bears to (ii) all fees paid to Advisor under the engagement.

SCHEDULE II

- (a) the term "Restructuring Transactions" shall mean any recapitalization or restructuring (including, without limitation, through any refinancing, sale, merger, repurchase, exchange, conversion, cancellation, forgiveness, retirement and/or a material modification or amendment of the terms, conditions or covenants thereof) of substantially all or a significant portion of the Company's equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements, OPEB, pension and other contract or tort obligations), including pursuant to an exchange transaction, a Plan or a solicitation of consents, waivers, acceptances or authorizations or an acquisition related transaction.
- (b) the term "Termination Date" means the earlier of (i) the date, if any, that the Company terminates CSFB's services under this Agreement pursuant to Section 5, and (ii) the date, if any, that CSFB resigns pursuant to Section 5;
- (c) the term "Offer Documents" means each document that is filed with the bankruptcy court or that is otherwise made publicly available or that is sent or given to the holders of securities or creditors in connection with any Restructuring Transaction (which may include, but is not limited to, the following: (i) disclosure statement, plan of reorganization, offering circular(s), sales memoranda, private placement memoranda or other selling material, explanatory statement(s) filed with the SEC under the Securities Act of 1933, as amended, (ii) each registration statement, preliminary and final prospectus required to be filed with the SEC, (iii) each document required to be filed with the SEC pursuant to the provisions of the Securities Exchange Act of 1934, as amended, pertaining to any Restructuring Transaction, and (iv) each appendix, attachment, amendment or supplement to any of the foregoing and all related documents, including but not limited to, each related letter of transmittal and each related letter to holders of Old Securities).

Exhibit B

Indemnification

The Company agrees to indemnify and hold harmless the Indemnified Persons from and against, and the Company agrees that no Indemnified Person shall have any liability to the Company or its affiliates, security holders or creditors for, any Losses, except for any Losses that are finally determined by a court of competent jurisdiction to have resulted primarily from the gross negligence or willful misconduct of such Indemnified Person. If such indemnification is for any reason not available or insufficient to hold an Indemnified Person harmless, the Company agrees to contribute to the Losses involved in such proportion as is appropriate to reflect the Relative Benefits received by the Company and the Advisor with respect to the engagement or, if such allocation is determined by a court of competent jurisdiction to be unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of the Company on the one hand and of the Advisor on the other hand; provided, however, that, to the extent permitted by applicable law, the Indemnified Persons shall not be responsible for expenses and Losses which in the aggregate are in excess of the amount of all fees actually received by the Advisor from the Company under the engagement. The Company also agrees to reimburse each Indemnified Person for its reasonable expenses (including without limitation the costs and expenses incurred in connection with investigating, preparing for and responding to third party subpoenas or enforcing the engagement), including reasonable legal fees, as such expenses are incurred, if they become involved in any capacity in any Action.

Defined Terms

(a) the term “Action” means any claim, suit, investigation or proceeding, actual or threatened, brought by or against any person, including stockholders of the Company, in connection with or as a result of the engagement or any matter referred to in the engagement, whether or not any Indemnified Person is a party;

(b) the term “Advisor” means Greenhill & Co., LLC or Credit Suisse First Boston, as the case may be;

(c) the term “Indemnified Persons” means Advisor and its affiliates, the respective directors, officers, partners, agents and employees of Advisor and its affiliates, and any person controlling Advisor or any of its affiliates;

(d) the term “Losses” means any losses, claims, damages or liabilities (including actions or proceedings in respect thereof) related to or arising out of the engagement, Advisor’s performance thereof or any other services Advisor is asked to provide to the Company (in each case, including related activities prior to the date hereof); and

(e) the “Relative Benefits received by the Company and Advisor with respect to the engagement” shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received or proposed to be received by the Company and its security holders, as the case may be, pursuant to the transactions(s), whether or not consummated, contemplated by the engagement, bears to (ii) all fees paid to Advisor under the engagement.

ORDERED that the requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a separate memorandum of law is waived and dispensed with.

Dated: New York, New York
February 26, 2003

/s/Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE