

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

HEARING DATE: December 17, 2003  
HEARING TIME: 10:00 A.M.

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In re : Case Nos. 01 B 15288 through 01 B 15302,  
: 01 B 15308 through 01 B 15315 (BRL)  
BETHLEHEM STEEL CORPORATION, et al., :  
: (Chapter 11)  
Debtors. :  
: Jointly Administered  
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**RESPONSE OF THE UNITED STATES  
TRUSTEE TO FINAL FEE APPLICATIONS**

**TO THE HONORABLE BURTON R. LIFLAND, BANKRUPTCY JUDGE:**

The United States Trustee for the Southern District of New York (the “United States Trustee”) respectfully submits this response regarding the following fee applications in connection with the administration of the above captioned chapter 11 cases of Bethlehem Steel Corporation, et al. for the time period between October 15, 2001 through, and including, October 22, 2003.<sup>1/</sup>

<b>Applicant</b>	<b>Fees</b>	<b>Expenses</b>
Weil, Gotshal & Manges LLP, counsel to the Debtors	\$12,332,105.55	\$653,824.03
Skadden, Arps, Slate, Meagher & Flom LLP, special corporate counsel to the Debtors	\$4,662,177.50	\$221,324.00
Dewey Ballantine, LLP, special corporate counsel to the Debtors	\$5,278,003.69	\$303,645.89

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<sup>1/</sup> A copy of the instant objection has been provided to each of the members of the Joint Fee Review Committee (the “Fee Committee”), which was established pursuant to the Order of the Court dated January 23, 2002. It is anticipated that a telephonic conference of the Fee Committee will be held in advance of the December 17<sup>th</sup> hearing on the instant fee applications. The instant objection, however, contains only the views of the United States Trustee with respect to the fee final applications.

Cravath, Swaine & Moore, special corporate counsel to the Debtors	\$677,472.50	\$15,613.03
PricewaterhouseCoopers, LLP, accountants and tax auditors for the Debtors	\$1,439,167.20	\$48,427.58
Kramer Levin Naftalis & Frankel LLP, counsel to the official committee of unsecured creditors (the “Committee”)	\$2,240,488.20	\$173,770.34
McDonald Investment, Inc., investment banker and restructuring advisor for the Committee	\$2,100,000.00	\$133,478.00
KPMG LLP-US and KPMG LLP-Canada, accountants for the Committee	\$2,999,841.00	\$191,791.00
McDermott, Will & Emery LLP, special counsel to the Committee	\$409,255.75	\$24,876.08
Drinker Biddle & Reath LLP, counsel to the 1114 Retiree Committee	\$311,297.60	\$12,472.32
Gazes & Associates LLP, Preference Counsel to the Debtors	\$64,205.25	\$9,771.39

In support of her objection, the United States Trustee alleges as follows:

**BACKGROUND**

1. On October 15, 2001 (the “Petition Date”), Bethlehem Steel Corporation, Alliance Coatings Company, LLC, Bethenergy Mines Inc., Bethlehem Cold Roll Corporation, Bethlehem Development Corporation, Bethenergy Mines, Inc., Bethlehem Development Corporation, Bethlehem Rail Corporation, Bethlehem Steel De Mexico, S. de D.V., Bethlehem Steel Export Company of Canada, Limited, Bethlehem Steel Export Corporation, Bethplan Corporation, Chicago Cold Rolling, LLC (“CCR”), Eagle Nest, Inc., Encoat-North Arlington, Inc., Energy Coatings Company, Greenwood Mining Corporation, HPM Corporation, Kenacre Land Corporation, LI Service Company, Marmorton Mining Company, Ltd., Mississippi Coatings

Limited Corporation, Mississippi Coatings Lime Corporation, Ohio Steel Service Company, LLC and Primeacre Land Corporation (collectively, the Debtors) filed separate petitions for relief under the Bankruptcy Code. Since the Petition Date, the Debtors have continued in the possession of their properties and have operated and managed their businesses as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

2. On October 23, 2001, the United States Trustee appointed a nine member official committee of unsecured creditors (the “Committee”) in these cases.

3. On October 22, 2003, the Court approved the Debtors’ plan of reorganization.

#### **RESPONSE**

4. The United States Trustee has reviewed Applicants’ fee applications and has no objection to the full award of (i) the interim and final fees in the amounts requested and (ii) the reimbursement of expenses incurred by the Applicants for the periods indicated above.

**WHEREFORE**, the United States Trustee respectfully requests that the Court grant the relief requested in the applications, as modified herein, and grant such other and further relief as it may deem just and proper.

Dated: New York, New York  
December 15, 2003

Respectfully Submitted,

UNITED STATES TRUSTEE

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