

Michael A. Kramer
 Greenhill & Co., LLC
 300 Park Avenue, 23rd Floor
 New York, NY 10012
 (212) 389-1500
 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
 FIRST INTERIM APPLICATION OF GREENHILL & CO., LLC
 AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF
 COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
 FROM OCTOBER 15, 2001 THROUGH JANUARY 31, 2002**

Name of Applicant:	Greenhill & Co., LLC	
Role in Case:	Financial Advisor to the Debtors	
Fees Previously Requested:	None	
Fees Previously Awarded:	None	
Expenses Previously Requested:	None	
Expenses Previously Awarded:	None	
Fees Requested:	\$612,500.00	
Expenses Requested:	\$111,824.73	
Professional and Hours Incurred:	Robert F. Greenhill (Chairman)	143.5 Hours
	Michael A. Kramer (Managing Director)	146.0 Hours
	Nancy C. Turner (Associate)	381.5 Hours
	Jonathan M. Amiel (Analyst)	<u>515.0 Hours</u>
	Total:	1,186.0 Hours

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**FIRST INTERIM APPLICATION OF GREENHILL & CO., LLC
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FROM OCTOBER 15, 2001 THROUGH JANUARY 31, 2002**

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

This first application (the "Application") of Greenhill & Co., LLC ("Greenhill") as financial advisor to Bethlehem Steel Corporation and certain subsidiaries, debtors and debtors in possession in these Chapter 11 cases (collectively, the "Debtors") for allowance of interim compensation for professional services and reimbursement of expenses incurred in connection with such services from the commencement of Greenhill's representation on October 15, 2001 through January 31, 2002 (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"), respectfully represents:

SUMMARY OF APPLICATION

1. By this application, Greenhill seeks allowance of interim compensation for professional services rendered to the Debtors during the Application Period in the aggregate amount of \$612,500.00 and for reimbursement of expenses incurred and recorded in connection with the rendition of such services in the aggregate amount of \$111,824.73. During the Application Period, Greenhill professional expended a total of 1,186.0 hours for which compensation is requested.

2. Greenhill does not maintain, in the normal course of providing financial advisory services to its clients, detailed written time records. However, in this case, Greenhill maintained written records of the time expended by Greenhill 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 Greenhill is seeking reimbursement and the total amount for each such expense category are attached hereto as Exhibit B.
3. In preparing this Application, Greenhill 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"). Greenhill 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, Greenhill 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 Filing Date, the Debtors filed their application to retain Greenhill as Financial Advisors and Investment Bankers (the "Retention Application").
6. On December 19, 2001, the Court entered an order granting the Retention Application (the "Retention Order") barring any objections filed by February 5, 2002. As there were no objections filed, the Court's Retention Order became final on February 5, 2002, approving Greenhill's retention as financial advisor to the Debtors *nunc pro tunc* to October 15, 2001. A copy of the Retention Application is attached as Exhibit C to the Application 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, Greenhill 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. Greenhill has not filed a prior application for allowance of interim compensation and reimbursement of expenses.
8. Greenhill has received no payment or promise of payment for services rendered in this case other than pursuant to the Retainer Agreement.
9. Due to the lag in receiving invoices from third-party service firms, Greenhill 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.
10. Out-of-pocket expenses incurred by Greenhill 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. Greenhill 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 THE APPLICATION PERIOD

11. Greenhill 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 Greenhill possesses the requisite resources and is well qualified to represent the Debtors in these cases.
12. The services that Greenhill has been required to perform and has performed have been substantial and necessary in this Chapter 11 case. Greenhill has attempted to perform such services with the minimum amount of duplication of effort with the Debtors' other advisors.
13. Throughout the duration of Greenhill's retention by the Debtor, Greenhill has staffed the engagement consistent with the Debtor's objectives and in a manner that provided for thorough and efficient representation of the interests of the Debtors.
14. During the time period covered by this Application, Greenhill has worked extensively with the Debtors, the Official Committee of 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 Greenhill was required to address.

15. In summary, Greenhill has provided financial advisory services to the Debtors in the following, among other, categories:

Financial Due Diligence

Prior to the commencement of the Debtors' case, Greenhill undertook an extensive financial due diligence process to understand and assess the operational and financial position of the Debtors. This process included an in-depth review and analysis of significant amounts of historical and projected financial information, Debtors' communication with their bank group, SEC filings, Company operating reports, business plans, and bankruptcy court filings. Projects since the commencement of the Debtors' case have included an ongoing review of the Debtors' performance vs. plan, analysis of the Debtors' revised projections and new business plan, and due diligence at the Debtors' facilities.

Financial Data Analysis

Greenhill reviewed and analyzed the impact of changing market conditions, industry conditions and macroeconomic conditions on the Debtors' original business plan and revised forecasts. Additionally, Greenhill analyzed the Debtors' interim operating reports and discussed with the Debtors and factors that led to variance from the business plan. As necessary, Greenhill also analyzed the impact of various strategic alternatives on the Debtors' financial state and analyzed transactions involving the Debtors' competitors for their impact on the Debtors' affairs.

Debtor-in-Possession ("DIP") Financing

Prior to the commencement of the Debtors' case, Greenhill worked with several financial institutions to structure and confirm DIP financing for the Debtor. Since the commencement of the Debtors' case, Greenhill has tracked the Debtors' use of the DIP facility and has considered the effect of any strategic alternatives on the Debtors' DIP financing facility.

Employee Benefits/Pension Obligations Analysis

Along with Debtors' bankruptcy counsel, Greenhill reviewed and discussed various issues relating to the Debtors' obligations to their active and retired employees. Greenhill also analyzed the impact of several alternative restructurings of these employee benefits and pension obligations on the Debtors' estate.

Marketing and Sale Process

Greenhill managed, and currently continues to manage, a marketing process to solicit the interest of potential buyers for the Debtors. Greenhill is in discussions with a number of major domestic and international steel manufacturers to determine strategic alternatives for the Debtors and their stakeholders.

Meetings of Creditors and Meetings of the Debtors' Board of Directors

Greenhill has prepared materials for and attended numerous meetings of the Creditors' Committee and the Debtors' Board of Directors to discuss the Debtors' case and its progress.

FEE APPLICATION PREPARATION

16. During the Application Period, Greenhill compiled time and expense descriptions of the services it provided, and performed other tasks in order to comply with the Administrative Order. Greenhill made every effort to minimize the amount of time and fees 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. Greenhill has never billed its clients based on the number of hours expended by its professionals. Accordingly, Greenhill does not have hourly rates for its professionals and Greenhill professionals generally do not maintain detailed time records of the work performed for its clients. In the Debtors' case, however, Greenhill has maintained contemporaneous time records in compliance with the Guidelines.

DISBURSEMENTS

17. Greenhill has disbursed \$111,824.73 as expenses incurred and recorded in providing professional services during the Application Period. These charges are intended to cover Greenhill's direct costs, which costs are not incorporated into the Greenhill monthly fees. Greenhill is seeking reimbursement for expenses incurred exclusively on behalf of the Debtors and in connection with the Debtors' cases.
18. 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.
19. The time constraints imposed by the circumstances of these cases have required Greenhill'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. Greenhill does not charge for any overtime expense, but, in accordance with the provisions of the Guidelines, Greenhill seeks reimbursement for expenses related to working meals and transportation consistent with the provisions of the Guidelines.
20. Greenhill 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.
21. Attached hereto as Exhibit B is a summary of reasonable out-of-pocket expenses incurred by Greenhill during the Application Period in the aggregate of \$111,824.73.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

22. 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).

23. 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 at 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)

24. As set forth in greater detail above, Greenhill 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. Greenhill’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. Greenhill’s professionals performed these services without unnecessary duplication of effort. The compensation sought by Greenhill 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, Greenhill respectfully requests the Court’s approval for compensation in the amount of \$612,500 for services rendered by Greenhill during the Application Period. This amount reflects \$175,000 for the period ending November 15, 2001, \$175,000 for the period ending December 15, 2001, \$175,000 for the period ending January 15, 2002 and \$87,500 for the period of January 16, 2002 through January 31, 2002.

STATEMENTS OF GREENHILL

25. No agreement or understanding prohibited by Section 504 of the Bankruptcy Code exists between Greenhill and 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 Greenhill 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. Greenhill has made no agreement or understanding prohibited by 18 U.S.C. § 155.

26. Pursuant to Bankruptcy Rule 2016, Greenhill states that no payments have heretofore been made or promised to Greenhill 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) Steven J. Selden, Bethlehem Steel Corporation, (ii) Mike Hughes, Creditors' Committee and (iii) the U.S. Trustee; (iv) Donald Bernstein, Davis Polk & Wardwell, (v) Thomas Mayer, Kramer Levin Naftalis & Frankel and (vi) Lee S. Attanasio, Sidley Austin brown & Wood.

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, Greenhill respectfully requests that the Court waive the requirement that Greenhill 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 Joint Fee Review Committee dated January 23, 2002.

WHEREFORE, Greenhill respectfully requests that this Court enter an order awarding Greenhill an interim allowance of compensation and expense reimbursement for the period of October 15, 2001 through January 31, 2002 in the amounts set forth below and provide such other and further relief as may be just and equitable.

Professional Fees Requested	\$612,500.00
Reimbursement of Expenses	\$111,824.73

Dated: New York, NY
March 15, 2002

GREENHILL & CO., LLC

By: 
Michael A. Kramer
Managing Director
300 Park Avenue, 23rd Floor
New York, NY 10022

Financial Advisor to the Debtors

Michael A. Kramer
Greenhill & Co., LLC
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et al.)	01-15302, 01-15308 through
)	01-15315 (BRL)
Debtors.)	(Jointly Administered)

**CERTIFICATION PURSUANT TO GUIDELINES FOR FEES AND DISBURSEMENTS FOR
PROFESSIONALS IN RESPECT OF FIRST INTERIM APPLICATION OF GREENHILL &
CO., LLC FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, Michael A. Kramer, hereby certify that:

1. I am a Managing Director at Greenhill & Co., LLC (“Greenhill”) and the professional designated by Greenhill 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 Greenhill’s first interim application, dated March 15, 2002 (the “Application”) including the exhibits annexed thereto, for interim compensation and reimbursement of expenses for the period commencing October 15, 2001 through January 31, 2002 (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 my 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 Greenhill and generally accepted by Greenhill's clients; and
- (D) In providing a reimbursable service, Greenhill does not make a profit on that service, whether Greenhill 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, Greenhill does not waive or release any rights or entitlements it has under the order of this Court, dated December 19, 2001, approving Greenhill's retention as financial advisor *nunc pro tunc* to October 15, 2001, pursuant to Greenhill's normal billing and customary reimbursement and disbursement practices.

Dated: New York, NY
March 15, 2002

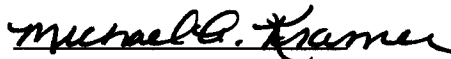
By: 
Michael A. Kramer
Managing Director
Greenhill & Co., LLC

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
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**EXHIBIT A TO THE
FIRST INTERIM APPLICATION OF GREENHILL & CO., LLC
AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
FROM OCTOBER 15, 2001 THROUGH JANUARY 31, 2002**

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
10/15/01 - 10/31/01	221.0	Robert F. Greenhill (11), Michael A. Kramer (22.5), Nancy C. Turner (80.5) and Jonathan M. Amiel (107).
11/01/01 - 11/30/01	400.0	Robert F. Greenhill (48), Michael A. Kramer (24.5), Nancy C. Turner (166.5) and Jonathan M. Amiel (161).
12/01/01 - 12/31/01	295.5	Robert F. Greenhill (58), Michael A. Kramer (57), Nancy C. Turner (67.5) and Jonathan M. Amiel (113).
01/01/02 - 01/31/02	269.5	Robert F. Greenhill (26.5), Michael A. Kramer (42), Nancy C. Turner (67) and Jonathan M. Amiel (134).
TOTAL	1186.0	Robert F. Greenhill (143.5), Michael A. Kramer (146), Nancy C. Turner (381.5) and Jonathan M. Amiel (515).

Summary of Hours Incurred – Robert F. Greenhill (Chairman)

Date	Tasks	Hours
10/15/01	Conference call with Duane Dunham, Guss Moffitt, Bill Graham, Len Anthony, Chuck Campbell (2). Call	3.0
10/23/01	Conference call with Steve Miller regarding M&A alternatives (2)	2.0
10/24/01	Conference call with Steve Miller (2)	2.0
10/25/01	Reviewed strategy outline (1), call with Harvey Miller (1).	2.0
10/26/01	Conference call with Harvey Miller (1)	1.0
10/30/01	Conference call with Harvey Miller (1)	1.0
10/15/01 - 10/31/01		11.0
11/05/01	Call with Steve Miller (1).	1.0
11/09/01	Conference call with Harvey Miller (1)	1.0
11/10/01	Reviewed M&A Strategy Overview (2).	2.0
11/11/01	Discussed M&A Strategy Overview with Steve Miller (2).	2.0
11/12/01	Travel to Dusseldorf, Meetings with Ulrich Middelmann and Steve Miller (20).	20.0
11/13/01	Travel to Paris, Meetings with Francis mer and Steve Miller (20).	20.0
11/20/01	Call with Harvey Miller (1).	1.0
11/21/01	Call with Steve Miller (1).	1.0
11/01/01-11/30/01		48.0
12/03/01	Call with Harvey Miller (1).	1.0
12/04/01	All Hands conference call regarding status update (2), reviewed transaction overview and analysis (3).	5.0
12/10/01	Travel to Paris, Meetings with Mssrs. Sudo, Hayashida, Chihaya, Miller and Dunham (20).	20.0
12/11/01	Travel to Bethlehem for Board of Directors Meeting with Michael Kramer (10).	10.0
12/14/01	Call with Harvey Miller (1).	1.0
12/17/01	Call with Steve Miller (1).	1.0
12/19/01	Call with Harvey Miller (1).	1.0
12/20/01	Travel to Pittsburgh for USWA meeting with Michael Kramer (10).	10.0
12/26/01	Call with Harvey Miller (1).	1.0
12/27/01	Travel to Pittsburgh for USWA meeting with Steve Miller (8).	8.0
12/01/01-12/31/01		58.0
01/03/02	Conversation with potential merger partner (1).	1.0
01/10/02	Call with Harvey Miller (1).	1.0
01/11/02	Meetings with potential merger partner in Paris with Steve Miller and Duane Dunham (10).	10.0
01/21/02	Call with Steve Miller (1).	1.0
01/23/02	Call with Harvey Miller (1).	1.0
01/24/02	Calls with potential merger partner (2), Harvey Miller (0.5) and Steve Miller (1).	3.5
01/29/02	Call with Steve Miller (1).	1.0
01/30/02	Strategic Alternative meetings at Bethlehem (8).	8.0
01/01/02-01/31/02		26.5
TOTAL		143.5

Summary of Hours Incurred – Michael A. Kramer (Managing Director)

Date	Tasks	Hours
10/15/01	Review first day papers (2.5).	2.5
10/16/01	Review DIP agreement (2.5).	2.5
10/17/01	Travel to Pittsburgh, meeting with USWA (10).	10.0
10/22/01	Discussed Creditors; organizational meeting with Harvey Miller (1), call with Len Anthony (1).	2.0
10/23/01	Creditors' organizational meeting calls (2), conversations with Weil (0.5), Board of Directors call (3).	5.5
10/15/01 - 10/31/01		22.5
11/01/01	Reviewed Greenhill retention terms (2).	2.0
11/02/01	Travel to Bethlehem for meetings (8).	8.0
11/09/01	Conference call with Harvey Miller (1).	1.0
11/10/01	Reviewed M&A Strategy Overview (2).	2.0
11/21/01	Reviewed restructuring term sheet (2.5).	2.5
11/22/01	Discussed preliminary restructuring term sheet with Harvey Miller (1).	1.0
11/26/01	Meeting with Harvey Miller (1), conference call with management (2).	3.0
11/27/01	All hands conference call regarding status update (2).	2.0
11/29/01	Discussed data room alternatives with Steve Miller (1).	1.0
11/30/01	Conference call with management (2).	2.0
11/01/01-11/30/01		24.5
12/03/01	Call with Harvey Miller (0.5).	0.5
12/04/01	All hands call regarding status update (2).	2.0
12/05/01	Meeting with Harvey Miller (3).	3.0
12/11/01	Travel to Bethlehem for Board of Directors Meeting with Robert Greenhill.	10.0
12/12/01	Conference call regarding CCC (2).	2.0
12/13/01	Conference call with management (1), meeting regarding M&A opportunity (2).	3.0
12/17/01	Travel to Pittsburgh for meetings with USWA (8).	8.0
12/18/01	Conference call with LTV (2), conference call with McDonald Investments (2), reviewed Creditors' Presentation (3).	7.0
12/19/01	Creditors' presentation at Weil Gotshal (5).	5.0
12/20/01	Travel to Pittsburgh for USWA meeting with Robert Greenhill.	10.0
12/21/01	Conference call with management (1).	1.0
12/26/01	Review CCC Materials (2.5).	2.5
12/27/01	Conference call with LTV regarding CCC (3).	3.0
12/01/01-12/31/01		57.0
01/02/02	Conversation with Len Anthony (1). Conversation with Harvey Miller (1).	2.0
01/07/02	Conference Call with management and Weil to discuss structure (1).	1.0
01/10/02	Meeting with prospective merger partner (6).	6.0
01/11/02	Travel to Cleveland for CCC meetings (8).	8.0
01/14/02	Meetings with Keilin (3) and management (3) to discuss strategic alternatives.	6.0
01/17/02	Conference call with management (1).	1.0
01/23/02	Review strategy documents and recent developments (4).	4.0
01/24/02	Meetings at Bethlehem to discuss strategy (4).	4.0
01/29/02	Reviewed Board Presentation (4).	4.0
01/30/02	Bethlehem board meeting (6).	6.0
01/01/02-01/31/02		42.0
TOTAL		146.0

Summary of Hours Incurred – Nancy C. Turner (Associate)

Date	Tasks	Hours
10/15/01	Attended Bankruptcy Court session and post-session discussions (5.0), reviewed and edited board presentation	8.0
10/16/01	Reviewed DIP credit agreement and first day orders (4)	4.0
10/17/01	Edited BSC M&A Strategy overview (2.5), discussed USWA information request with Weil Gotshal (0.5)	3.0
10/18/01	Discussed USWA information request with Blaise Derrico and Lonnie Arnett (1.0), reviewed M&A strategy overview (3.0), reviewed materials for board meeting (3.5).	7.5
10/19/01	Reviewed first day orders (4), discussed M&A strategy with Carl Meitzner (3).	7.0
10/20/01	Reviewed merger analysis and analyzed business implications of combination (4).	4.0
10/21/01	Review and refine merger analysis (4).	4.0
10/22/01	Travel to Bethlehem (2). Met with USWA and their advisors to discuss Company's projections (6). Travel to New York (2) Updated M&A strategy analysis (3).	13.0
10/23/01	Attended creditors' meeting at WG&M (4), revised M&A strategy overview (1).	5.0
10/24/01	Reviewed talking points for Steve Miller (4), phone conversation with Brian Riley (0.5).	4.5
10/25/01	Discussed strategy with Len Anthony (2).	2.0
10/28/01	Followed up on Keilin information request with Blaise Derrico (1), assembled due diligence materials (2).	3.0
10/29/01	Reviewed September comparative report (4), reviewed bond indentures and contracts (3), reviewed and distributed capital reports (2).	9.0
10/30/01	Reviewed information request response to Keilin & Co. (2), discussed information request with Lonnie Arnett	4.0
10/31/01	Distributed DIP lender presentation to Blaise Derrico (0.5), discussed presentation with Blaise Derrico (1). Discussed debt schedule with Lonnie Arnett and distributed debt schedule (1).	2.5
10/15/01 - 10/31/01		80.5
11/01/01	Discussed distribution list with Davis Polk (1), updated working group list (2), revised Greenhill retention letter (2), discussed debt schedule with Unn Boucher (1).	6.0
11/02/01	Reviewed Keilin's second information request (2) and discussed it with Lonnie Arnett (1), discussed retention issues with George Davis (1).	4.0
11/05/01	Discussed November debt forecast with Jeff Faloba and Blaise Derrico (2), reviewed BSC November debt forecast (4).	6.0
11/06/01	Reviewed November debt forecast with Blaise Derrico (3) and analyzed debt forecast and projections (4).	7.0
11/07/01	Attended creditors' due diligence in Bethlehem (14).	14.0
11/08/01	Reviewed retention documents (3) analyzed professional fee forecast with Blaise Derrico (3)	6.0
11/09/01	Assembled M&A overview (6), discussed productivity strategy with Harvey Miller (1).	7.0
11/11/01	Reviewed M&A overview information for Steve Miller (7).	7.0
11/12/01	Updated steel bond pricing (1), discussed plant visits with KPMG (2), discussed creditor committee makeup with Blaise Derrico and Tyson Lomazow (2).	9.0
11/13/01	Discussed case with McDonald (1), reviewed bond indentures (2), attended case conference (4).	7.0
11/14/01	Updated working group list (2), discussed letters of credit with Renee Horwath (2), discussed contact list with Rachel Morrissey at Kramer Levin (1).	5.0
11/15/01	Reviewed November business forecast (3), discussed plant tours with Lonnie Arnett (2), corresponded with Unn Boucher (1), updated bond prices (1).	7.0
11/19/01	Reviewed M&A strategy overview (5). Meeting with potential merger partner and Bob Greenhill (2).	7.0
11/20/01	Created preliminary restructuring term sheet (9).	9.0
11/21/01	Revised term sheet (3).	3.0
11/22/01	Revised term sheet (8).	8.0
11/25/01	Discuss meeting with potential merger partner with Carl Meitzner (1.5).	1.5
11/26/01	Travel to Bethlehem (2). Meeting with potential acquiror in Bethlehem (8). Discussed plant visits with Blaise Derrico, Sparrows Point mgt, and Kramer Levin (3).	13.0
11/27/01	Sparrows Point due diligence (12), reviewed restructuring term sheet (3).	15.0
11/28/01	Sparrows Point due diligence (12).	12.0
11/29/01	Revised restructuring term sheet (5), performed financial analysis on projections (4).	9.0
11/30/01	Conference call regarding case update with management to discuss LTV (CCC) update and union discussions (2). Researched bond indenture (2).	4.0
11/01/01-11/30/01		166.5

Summary of Hours Incurred – Nancy C. Turner (Associate) (Continued)

12/03/01	Reviewed data room alternatives and discussed with providers and company (4).	4.0
12/04/01	Assembled transaction overview and analysis (4), prepared materials for International Steel Conference (3).	7.0
12/05/01	Burns Harbor due diligence (5).	5.0
12/06/01	Burns Harbor due diligence (14).	14.0
12/07/01	Burns Harbor due diligence (12).	12.0
12/10/01	Discussed information request status with KPMG (1) and Company (2).	3.0
12/11/01	Strategy call regarding current status (2), fee application review (2).	4.0
12/12/01	M&A opportunity calls and review (3).	3.0
12/13/01	Meeting regarding prospective M&A opportunities (1), fee application workup (4)	5.0
12/14/01	Prepared M&A transactional overview (2), news update and review (1), conversation with Chad Apaliski of USWA (1).	4.0
12/18/01	Conference call with Blackstone regarding CCC (0.5). Call with Eric Klentz from McDonald to discuss Creditor's Meeting presentation (0.5).	1.0
12/21/01	Conference call regarding CCC with Blackstone and Bethlehem management (1.5). Discuss CCC analysis with Carl Meitzner (0.5). Review Sparrows Point information provided to joint venture partner (2).	4.5
12/27/01	Call with LTV, Blackstone and BSC re: CCC (1).	1.0
12/01/01-12/31/01		67.5
01/02/02	Call with Len Anthony and Mike Kramer re: due diligence room (0.5). Call with Carl Minzner re: CCC and due diligence room (0.5).	1.0
01/03/02	Call with Mike at BSC re: CCC analysis (1.5). Discuss CCC valuation with Jonathan (0.5).	2.0
01/04/02	Review analysis of CCC and the different strategies available (2.0).	2.0
01/07/02	Call with Greenhill Team, Weil Team and Bethlehem Management to discuss restructuring strategy and feasibility of options available (1).	1.0
01/08/02	Reviewed projections and liabilities subject to compromise, as well as preliminary year-end financials (5).	5.0
01/09/02	Conversation with Jeff tanenbaum (2). Discussed CA and overviews with Frankfurt (2). Reviewed teaser (2).	6.0
01/10/02	Reviewed DIP document and team (1). Updated CCC valuation (2).	3.0
01/11/02	Review CCC valuation and legal implications of acquisition (3). Reviewed DIP document (2).	5.0
01/14/02	Reviewed CA's (2).	2.0
01/17/02	Reviewed teasers (2).	2.0
01/22/02	Travel to Bethlehem for meetings with creditors' advisors (11).	11.0
01/23/02	Reviewed draft board presentation and projections/valuations (5).	5.0
01/24/02	Reviewed board materials (4).	4.0
01/25/02	Reviewed recent steel news and revised news summary (3).	2.0
01/26/02	Reviewed cash flows for valuations and model (3).	3.0
01/29/02	Revise plan valuations (1), update strategic alternatives outline and discussion (3), follow up on confidentiality agreement (2).	6.0
01/30/02	Reviewed agenda for creditors' meeting (1), discussed with Weil (1), drafted presentation (5).	7.0
01/01/02-01/31/02		67.0
TOTAL		381.5

Summary of Hours Incurred – Jonathan M. Amiel (Analyst)

Date	Tasks	Hours
10/15/01	Attended Bankruptcy Court session and post-session discussions (5), assembled and forwarded board presentations to Blaise Derrico (2).	7.0
10/16/01	Updated and distributed working group list (3), reviewed DIP credit agreement and first day orders (3),	7.5
10/17/01	Assembled BSC M&A Strategy overview (6), discussed USWA information request with Weil (1)	7.0
10/18/01	Discussed USWA information request with Blaise Derrico and Lonnie Arnett (1), updated working group list (3), assembled M&A strategy overview (5), prepared materials for board meeting (3).	12.0
10/19/01	Researched steel bond pricing (3), reviewed DIP credit agreement and first day orders (2), talked to Unn Boucher about debt structure, updated M&A strategy overview and discussed with Carl Meitzner (3).	8.0
10/20/01	Updated debt schedule and forwarded to Jeff Tanenbaum (1), assembled merger analysis (4).	4.0
10/21/01	Updated merger analysis (4).	4.0
10/22/01	Met with USWA/Keilin in Bethlehem (14), updated M&A strategy book (3).	17.0
10/23/01	Distributed working group list (0.5), attended creditors' meeting (4), distributed M&A overview (1).	5.5
10/24/01	Updated retention application (2), drafted talking points for Steve Miller (4), phone conversation with Brian Riley (0.5), updated steel bond prices for Ron Bloom (1).	7.5
10/25/01	Updated M&A strategy overview (1), created strategy outline (4), conversation with Ron Bloom (1).	6.0
10/28/01	Followed up on Keilin information request with Blaise Derrico (1), assembled due diligence materials (2), updated bond prices (1).	6.0
10/29/01	Reviewed September comparative report (4), reviewed bond indentures and contracts (3), reviewed and distributed capital reports (2).	9.0
10/30/01	Distributed information request response to Keilin & Co. (2), discussed information request with Lonnie	4.0
10/31/01	Distributed DIP lender presentation to Blaise Derrico (0.5), discussed presentation with Blaise Derrico (1), Distributed debt schedule (1).	2.5
10/15/01 - 10/31/01		107.0
11/01/01	Discussed distribution list with Davis Polk (1), updated working group list (2), revised Greenhill retention letter (2), discussed debt schedule with Unn Boucher (1).	6.0
11/02/01	Reviewed Keilin's second information request (2) and discussed it with Lonnie Arnett (1), discussed retention issues with George Davis (1), updated steel bond pricing (2).	6.0
11/05/01	Discussed November debt forecast with Blaise Derrico (2), reviewed BSC November debt forecast (4).	6.0
11/06/01	Reviewed November debt forecast with Blaise Derrico (3) and analyzed debt forecast and projections (4).	7.0
11/07/01	Attended creditors' due diligence in Bethlehem (14).	14.0
11/08/01	Reviewed retention documents and precedent fees (3), analyzed professional fees with Blaise Derrico (3)	6.0
11/09/01	Assembled M&A overview (4), updated working group list (2), discussed strategy with Harvey Miller (1).	7.0
11/11/01	Assembled M&A overview information for Steve Miller (7).	7.0
11/12/01	Updated steel bond pricing (1), discussed plant visits with KPMG (2), discussed creditor committee makeup with Blaise Derrico and Tyson Lomazow (2).	9.0
11/13/01	Coordinated KPMG information request (3), discussed case with David Powlen at McDonald (1), reviewed bond indentures (2), attended case conference (4), reviewed November performance report (2).	12.0
11/14/01	Updated working group list (2), discussed letters of credit with Renee Horwath (2), discussed contact list with Rachel Morrissey at Kramer Levin (1).	5.0
11/15/01	Reviewed November business forecast (3), discussed plant tours with Lonnie Arnett (2), corresponded with Unn Boucher (1), updated bond prices (2).	7.0
11/19/01	Phone conversation with Chad Apaliski regarding steel bond market (2), assembled M&A overview (4).	6.0
11/20/01	Created preliminary restructuring term sheet (9).	9.0
11/21/01	Revised term sheet (3).	3.0
11/22/01	Revised term sheet (8).	8.0
11/26/01	Discussed plant visits with Blaise Derrico, Sparrows Point mgt, and Kramer Levin (3).	3.0
11/27/01	Sparrows Point due diligence (12), reviewed restructuring term sheet (3).	15.0
11/28/01	Sparrows Point due diligence (12).	12.0
11/29/01	Revised restructuring term sheet (3), analyzed on projections (4), researched data room alternatives (2).	9.0
11/30/01	Conference call with management (2), researched bond indenture (2).	4.0
11/01/01-11/30/01		162.0

Summary of Hours Incurred – Jonathan M. Amiel (Analyst) (Continued)

Date	Tasks	Hours
12/03/01	Met with service provider regarding data room alternatives (3.5), set up data room alternative review (2).	5.5
12/04/01	Assembled transaction overview/analysis (4), prepared materials for International Steel Conference (3).	7.0
12/05/01	Burns Harbor due diligence (5).	5.0
12/06/01	Burns Harbor due diligence (14).	14.0
12/07/01	Burns Harbor due diligence (12).	12.0
12/10/01	Discussed information request status with KPMG (1) and Company (2).	3.0
12/11/01	Strategy call regarding current status (2), fee application review (2).	4.0
12/12/01	M&A opportunity calls and review (3).	3.0
12/13/01	Meeting regarding prospective M&A opportunities (1), fee application workup (4).	5.0
12/14/01	Prepared M&A transactional overview (2), news update and review (1), conversation with USWA (1).	4.0
12/17/01	Updated M&A working group list (2), reviewed due diligence material for UBS (3), prepared material for creditors' meeting (5).	10.0
12/18/01	Discussed financials with Dennis Dodds (0.5), reviewed financials (2), edited creditors' presentation (11).	13.5
12/19/01	Prepared creditors' presentation materials (5), attended creditors' presentation (4).	9.0
12/20/01	Sent UBS due diligence materials (2).	2.0
12/21/01	Conference call with LTV regarding CCC (2), researched competitors (4).	6.0
12/27/01	Conference call with LTV regarding CCC (2).	2.0
12/28/01	Updated financial model (3).	3.0
12/29/01	Worked on contribution analysis (2).	2.0
12/31/01	Worked on contribution analysis (3).	3.0
12/01/01-12/31/01		113.0
01/02/02	Discussed financials with Jeff Faloba (1), worked on contribution analysis (2).	3.0
01/03/02	Assembled sample due diligence index for Company use (3). Discussed with Carl Meitzner (2). Develop teaser documents (4).	9.0
01/04/02	Develop teaser documents for Company assets (4). Discuss due diligence index with Carl Meitzner (1).	5.0
01/05/02	Assemble industry overview information for consolidation discussions (5).	5.0
01/07/02	Develop confidentiality agreements for M&A purposes (4). Discuss CA's with Weil (1).	5.0
01/08/02	Analyze liabilities subject to compromise (3). Call with Jeff Tanenbaum regarding liabilities subject to compromise (1). Analyze Pension/OPEB expenses and contribution (4). Update projections (2).	10.0
01/09/02	Analyzed closing 2001 Year End Balance Sheet (2). Conversation with Jeff Tanenbaum (0.5). Discuss pension with Tom Mountain (2). Update teaser (2). Discuss teaser with Carl Meitzner (1).	6.5
01/10/02	Reviewed DIP document and team (1). Developed CCC valuation (5). Discussed Pension/OPEB with Tom Mountain (2).	8.0
01/11/02	Call with Carl Meitzner (1). Develop CCC valuation (5). Discuss with Mike Rice (2). Updated CA's (2).	10.0
01/16/02	Travel to Bethlehem for meetings with PWC, Lonnie Arnett, McDonald, KPMG and Carl Meitzner (11).	11.0
01/17/02	Received comments on teasers and edited document (5). Finalized Confidentiality Agreements (2).	7.0
01/22/02	Travel to Bethlehem for meetings with creditors' advisors (11).	11.0
01/23/02	Reviewed draft board presentation and analyzed projections/valuations (8). Reviewed CCC valuation (3).	11.0
01/24/02	Updated confidentiality agreement (1), discussed and distributed with potential merger partner (2). Reviewed board materials (4).	7.0
01/25/02	Reviewed recent steel news and compiled news summary (3).	3.0
01/26/02	Revised projections for board materials (4), discussed with Blaise Derrico (1), updated model (4).	9.0
01/29/02	Revise plan valuations (1), update strategic alternatives outline and discussion (3), follow up on confidentiality agreement (2).	6.0
01/30/02	Prepared materials for RFG trip and discussions (3). Updated agenda for creditors' meeting (2), discussed CA with merger partner (0.5), discuss meeting logistics with Lonnie Arnett (1).	6.5
01/31/02	Discussed creditors' meeting with Tyson Lomazow (1).	1.0
01/01/02-01/31/02		134.0
TOTAL		515.0

EXHIBIT B

**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)

**EXHIBIT B TO THE
FIRST INTERIM APPLICATION OF GREENHILL & CO., LLC
AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
FROM OCTOBER 15, 2001 THROUGH JANUARY 31, 2002**

The following is a summary schedule and detailed descriptions of the expenses for which Greenhill is seeking reimbursement and the total amount for each such expense category:

Category	Description	Dates	Amount
Computerized Research	TF Investext	10/15/01 – 11/19/01	\$155.83
Local Meals	Lunch Meeting	11/27/01	49.22
Overtime – Car Services	Towncar/East Coast	10/15/01 – 12/30/01	683.61
Overtime – Meals	Amiel/Turner	10/15/01 – 01/10/02	2,078.55
Overtime – Taxi	Amiel/Turner	10/15/01 – 01/10/02	926.00
Postage, Courier & Freight	Delivery Charges	10/15/01 – 01/14/02	250.51
Telephone – Cellular	Amiel/Greenhill/Kramer/Turner	10/15/01 – 01/10/02	702.99
Telephone – Conference	Global Crossing	10/30/01	555.35
Travel – Airfare	Air Travel ¹	10/17/01 – 01/11/02	97,242.19
Travel – Car Rental	Travel to Bethlehem	10/22/01 – 12/05/01	906.29
Travel – Car Service	Amiel/Greenhill/Kramer	10/15/01 – 12/11/01	4,013.21
Travel – Hotel	Amiel/Greenhill/Turner	10/22/01 – 12/11/01	2,690.40
Travel – Meals	Amiel/Greenhill/Turner	10/23/01 – 12/11/01	697.08
Travel – Taxi	Amiel/Kramer/Turner	10/17/01 – 01/11/02	254.00
Travel – Telephone	Greenhill/Turner	10/22/01 – 12/10/01	55.50
Travel – Tolls	Turner	10/22/01 – 12/05/01	25.00
Travel – Train	Amiel/Turner	11/26/01 – 12/11/01	539.00
Total			\$111,824.73

¹ Includes travel between New York, Pittsburgh, Cleveland, Chicago, Paris and Dusseldorf for Bethlehem Officers, Greenhill and Weil.

EXHIBIT C

WEIL, GOTSHAL & MANGES LLP
Attorneys for the Debtors
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Harvey R. Miller (HM 6078)
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-___ (___) through
et al.	:	01-___ (___)
	:	
Debtors.	:	(Jointly Administered)
	:	
----- X		

**APPLICATION OF THE DEBTORS FOR ENTRY OF
AN ORDER PURSUANT TO SECTIONS 327(a) AND 328(a) OF
THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT
OF GREENHILL & CO., LLC AS FINANCIAL ADVISORS**

Bethlehem Steel Corporation and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), respectfully represent:

Jurisdiction

1. This Court has jurisdiction over this Motion 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.

Background

2. On the date hereof (the “Commencement Date”), each of the Debtors commenced a case under chapter 11 of title 11, United States Code (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.

3. The Debtors employ approximately 13,200 persons (collectively, the “Employees”), approximately 80% of whom are covered by one master collective bargaining agreement and a number of plant specific agreements and settlement agreements with the United Steel Workers of America (collectively, the “Represented Employees”).

4. Bethlehem Steel Corporation 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.

5. Bethlehem Steel Corporation is the second largest integrated steelmaker in the United States. Its principal operations are comprised of three divisions – Burns Harbor, Sparrows Point, and Pennsylvania Steel Technologies. 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 and two facilities in Pennsylvania – Coatesville and Conshohocken. Sales of products produced at the Burns Harbor and Sparrows Point Divisions, primarily steel sheet and plate, generate approximately 95% of Bethlehem Steel Corporation’s revenues. The Pennsylvania Steel Technologies Division,

the nation's largest rail producer and a manufacturer of specialty blooms, carbon and alloy bars and large diameter pipe, operates a facility in Steelton, Pennsylvania.

6. In addition to Bethlehem Steel Corporation's steel production and manufacturing facilities, the Debtors (i) own former industrial sites and redevelop, market and sell such sites as commercial, industrial, light industrial and mixed-use properties, (ii) through subsidiaries, operate eight shortline and switching railroads, and trucking and intermodal facilities and provide logistics services, (iii) have residual interests in formerly owned plants and facilities, (iv) participate in a number of joint ventures, partnerships and limited liability companies that own and operate iron ore mines and reserves, sheet steel coating and processing facilities, metal product fabrication facilities, heavy machinery and rolling mill grinding facilities, and clinics for providing healthcare services to employees and retirees, (v) own shutdown coal mines and coal reserves in Pennsylvania, West Virginia and Kentucky and (vi) operate Great Lakes ore carrying vessels.

7. For the fiscal year ended December 31, 2000, Bethlehem Steel Corporation and its consolidated subsidiaries reported net sales of approximately \$4.2 billion and a net loss of approximately \$118 million. As of September 30, 2001, Bethlehem Steel Corporation's books and records reflected, on a consolidated basis, approximately \$4.2 billion in assets and total liabilities of approximately \$4.5 billion in accordance with generally accepted accounting principles. Bethlehem Steel Corporation and its consolidated subsidiaries reported net sales of \$2.6 billion and incurred a net loss of approximately \$1.4 billion for the nine months ended September 30, 2001.

8. The Debtors sponsor several tax-qualified noncontributory defined benefit pension plans that provide benefits for substantially all of the Employees. The Debtors annually fund the minimum amount required by the Employee Retirement Income Security Act of 1974, as amended, plus additional amounts as appropriate based on liquidity and business outlook. The Debtors also provide other post-employment benefits (“OPEB”) for health care and life insurance to most retirees and their dependents, and to surviving spouses of many deceased employees and retirees. In respect of retiree health and medical benefits in 2000, after using trust funds of approximately \$64 million, Bethlehem Steel Corporation and its consolidated subsidiaries paid directly \$130 million. Bethlehem Steel Corporation projects that it together with its consolidated subsidiaries will pay \$175 million for retiree health and medical benefits in 2001, in addition to payments from trust funds of approximately \$28 million. Bethlehem Steel Corporation and its consolidated subsidiaries estimate that their 2002 cash requirements for OPEB will be in the range of \$205 to \$215 million. Using September 30, 2001 market values and interest rates, Bethlehem Steel Corporation and its consolidated subsidiaries’ unfunded pension and OPEB obligations of approximately \$1.85 billion and \$3 billion, respectively, increase Bethlehem’s total liabilities, on a pro forma basis, to approximately \$6.75 billion.

9. Despite nearly \$300 million in net costs reductions since the middle of 1998, the Debtors have not been able to overcome the injury caused by record levels of unfairly traded steel imports that have severely reduced production, shipments and prices and reduced revenues by approximately \$1.3 billion annually. The resulting

operating losses of approximately \$500 million and negative cash flow since the middle of 1998 has severely impaired the Debtors' financial condition.

10. The entire domestic steel industry is suffering from the onslaught of record steel imports since 1998, resulting in over twenty (20) prior bankruptcy filings. The events of September 11, 2001 have contributed to a further weakening of demand for consumer products that rely on steel, such as automobiles, appliances and new homes.

11. The Debtors are seeking protection under Chapter 11 of the Bankruptcy Code to provide the necessary time to stabilize their finances and develop and implement a strategic plan to return their businesses to sustained profitability. Key objectives of the plan will include improving the Debtors' capital structure, working with the United Steelworkers of America ("USWA") to improve productivity and further 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 global steel capacity and foster domestic steel industry consolidation.

Retention of Greenhill & Co., LLC

12. Subject to approval of this Court, the Debtors have employed the firm of Greenhill & Co., LLC ("Greenhill") as their financial advisors in connection with their chapter 11 cases. Pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors request the Court to approve the employment of Greenhill to provide financial advisory services and other related services in their chapter 11 cases, effective as of the Commencement Date of these cases.

13. The Debtors have selected Greenhill as their financial advisors because of the firm's extensive experience with and knowledge of the Debtors' businesses and financial affairs. Greenhill has been performing financial advisory services for the Debtors since June 15, 2001. Since that time Greenhill has perform a number of services for the Debtors (the "Prepetition Services"), including, among other things, review and analysis of the business, operations, properties, financial condition and prospects of the Debtors, evaluation of the Debtors' debt capacity in light of their projected cash flows, and assistance in the determination of an appropriate capital structure for the Debtors. As a consequence, Greenhill is extremely familiar with the Debtors' businesses and affairs and has the necessary background to assist the Debtors in dealing effectively with many of the needs and problems of the Debtors that may arise in the context of these chapter 11 cases.

14. Greenhill is well qualified to serve as the Debtors' financial advisors. Greenhill's restructuring professionals have extensive experience in advising debtors and other constituents in chapter 11 cases and have served as consultants and financial advisors to numerous debtors and creditors in restructurings involving, among others, Amresco, Regal Cinemas, Inc., United Artists Theatre Circuit, Inc., AmeriServe Food Distribution, Inc., US Office Products, Inc. and Weblink Wireless, Inc. Given Greenhill's background, expertise, and historical performance, the Debtors believe that Greenhill is both well qualified and uniquely able to perform the necessary financial advisory services to the Debtors in their chapter 11 cases in a most efficient and timely manner.

15. The services of Greenhill are necessary to enable the Debtors to execute faithfully their duties as debtors and as debtors-in-possession. Subject to further order of the Court, Greenhill will be engaged to render the following financial advisory services, in each case to the extent requested by the Debtors:

a. General Financial Advisory Services.

- i. to the extent it deems necessary, appropriate and feasible, review and analyze the business, operations, properties, financial condition and prospects of the Debtors;
- ii. evaluate the Debtors' debt capacity in light of its projected cash flows;
- iii. assist in the determination of an appropriate capital structure for the Debtors;
- iii. determine a range of values for the Debtors on a going concern basis and on a liquidation basis;
- iv. advise and attend meetings of the Debtors' Boards of Directors;
- v. if necessary, participate in hearings before the Court with respect to matters upon which Greenhill has provided advice, including, as relevant, coordinating with the Debtors' counsel with respect to testimony in connection therewith.

b. Restructuring Services. If the Debtors pursue a Restructuring (as defined in the Retention Letter):

- i. provide financial advice and assistance to the Debtors in developing and seeking approval of a chapter 11 plan (the "Plan");
- ii. in connection therewith, provide financial advice and assistance to the Debtors in structuring any new securities, other consideration or other inducements to be offered and/or issued under the Plan;
- iii. assist the Debtors and/or participate in negotiations with entities or groups affected by the Plan; and
- iv. assist the Debtors in preparing documentation required in connection with the Plan.

- c. Sale Services. If the Debtors pursue a Sale (as defined in the Retention Letter):
- i. provide financial advice and assistance to the Debtors in connection with a Sale, identify potential acquirors and, at the Debtors' request, contact such potential acquirors;
 - ii. assist the Debtors in preparing a memorandum (with any amendments or supplements thereto); and
 - iii. assist the Debtors and/or participate in negotiations with potential acquirors.

16. Greenhill has stated its desire and willingness to act in these cases and to render the necessary professional services as financial advisors for the Debtors.

17. To the best of the Debtors' knowledge, information and belief, Greenhill is a "disinterested person," as such term is defined in section 101(14) of the Bankruptcy Code and, other than in connection with these cases, Greenhill has no connection with, and holds no interest adverse to, the Debtors, their estates, their creditors, or any other party in interest herein, or their respective attorneys, in the matters for which Greenhill is proposed to be retained, except as disclosed in the Affidavit of Michael A. Kramer, a Managing Director of Greenhill, sworn to on the 14th day of October, 2001 (the "Kramer Affidavit"), a copy of which is annexed hereto as Exhibit "A." The Debtors' knowledge, information and belief regarding the matters set forth in this Application are based, and made in reliance upon, the Kramer Affidavit.

18. Prior to the filing of these cases, the Debtors paid to Greenhill approximately \$810,000 in the aggregate for the Prepetition Services rendered and expenses incurred in connection therewith.

19. Greenhill intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Local Rules of the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”).

20. The terms of Greenhill’s proposed retention are set forth in an engagement letter, dated October 12, 2001 (the “Retention Letter”), a copy of which is annexed hereto as Exhibit “B.” The Debtors in accordance with the Retention Letter, and subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, propose to pay Greenhill a Monthly Advisory Fee (as defined in the Retention Letter) of \$175,000, a Transaction Fee (as defined in the Retention Letter) of \$12 million and, in the event of a sale of all or a substantial portion of the Debtors’ assets, a Sale Transaction Fee (as defined in the Retention Letter), which may be credited against the Transaction Fee.

21. Notwithstanding any provision in the Retention Letter to the contrary, with respect to Greenhill’s pre-bankruptcy conduct and its provision of postpetition services, Greenhill hereby irrevocably and unconditionally submits to the exclusive jurisdiction of this Court over any suit, action or proceeding arising out of or relating to the Retention Letter or the Order attached hereto, and over the approval of its request for any fees and expenses (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 Greenhill’s employment pursuant to the Retention Letter. This Court

will retain jurisdiction to construe and enforce the terms of the Application, the Retention Letter, and the proposed Order attached hereto.

22. The retention of Greenhill as the Debtors' financial advisors on the terms and conditions set forth herein and in the Retention Letter is necessary, essential, and in the best interest of the Debtors' estates and should be approved.

23. No trustee, examiner, or creditors' committee has been appointed in the Debtors' chapter 11 cases. Notice of this Application has been given to the United States Trustee, the attorneys for the Debtors' prepetition lenders and proposed postpetition lenders and to the holders of the thirty (30) largest claims against the Debtors. In light of the nature of the relief requested, the Debtors respectively submit that no further notice need be given.

24. 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.

25. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE the Debtors respectfully request entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: Bethlehem, Pennsylvania
October 15, 2001

Bethlehem Steel Corporation, et al.
Debtors in Possession

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

EXHIBIT D

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

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

**SUPPLEMENTAL ORDER PURSUANT TO SECTIONS 327(a)
AND 328(a) OF THE BANKRUPTCY CODE AUTHORIZING
THE EMPLOYMENT OF GREENHILL & CO., LLC AS
FINANCIAL ADVISORS FOR THE DEBTORS**

Upon consideration of the application dated October 15, 2001 (the “Application”) of Bethlehem Steel Corporation and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), seeking an order pursuant to sections 327(a) and 328(a) of title 11, United States Code (the “Bankruptcy Code”) authorizing and approving the employment and retention of Greenhill & Co., LLC (“Greenhill”) as their financial advisors effective as of the commencement of these cases; and upon the affidavit annexed to the Application of Michael A. Kramer, a Managing Director of Greenhill, sworn to on the 14th day of October, 2001 (the “Kramer Affidavit”); and on October 15, 2001 the Court having entered an order approving the Application on an interim basis; and the Court being satisfied that Greenhill represents no interest adverse to the Debtors’ estates with respect to the matters upon which it is to be engaged and is disinterested as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that the employment of Greenhill is necessary and would be in the best interests of the Debtors and their estates; and it appearing that due notice of the

Application has been given to the Office of the United States Trustee, the attorneys for the Debtors' prepetition lenders and proposed postpetition lenders and to the holders of the thirty (30) largest unsecured claims against the Debtors, and it further appearing that, subject to the Court's determination of any timely objection to the Application as provided below, Greenhill does not have or represent any interest materially adverse to the interests of the Debtors, or their estates, creditors or interest holders, and that Greenhill is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that the retention and employment of Greenhill is necessary and in the best interests of the Debtors and their estates, and that the terms of the Greenhill engagement as set forth in the Application, and the retention letter, annexed as Exhibit A hereto (the "Retention Letter") are reasonable for purposes of section 328(a) of the Bankruptcy Code, and that (except as provided below) no other or further notice need be given and sufficient cause appearing therefor, it is

ORDERED that, in accordance with sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors, be, and they hereby are, authorized to employ Greenhill as their financial advisors upon the terms and conditions set forth in the Application, and Retention Letter effective as of the commencement date of these cases; and it is further

ORDERED that, subject to the Court's determination of any timely objection to the Application pursuant to this Order, the fees to be paid to Greenhill pursuant to the terms of the Retention Letter, as approved, and shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code; provided,

however, that any Restructuring Fee or Sale Transaction Fee (each as defined in the Retention Letter) in excess of \$8,000,000 shall be subject to review under section 330 of the Bankruptcy Code; and it is further

ORDERED that the Office of the United States Trustee retains all rights to object to Greenhill's interim and final fee applications (including expense reimbursement) 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, subject to the foregoing, Greenhill shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Federal Rules of Bankruptcy Procedure as may then be applicable from time to time, and such procedures as may be fixed by order of this Court; and it is further

ORDERED that, subject to the Court's determination of any timely objection to the Application pursuant to this Order, the indemnification provisions of the Retention Letter are approved, subject to the following:

(a) all requests of Greenhill for payment of indemnity, contribution or otherwise pursuant to the indemnification provisions of the Retention 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 revised Retention 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 Greenhill 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 Greenhill be indemnified or receive contribution or other payment under the indemnification provisions of the Retention Letter if the Debtors, the estates, or the statutory committee of unsecured creditors, asserts a claim for, and the Court determines by final order that such claim arose out of, Greenhill's own bad faith, self-dealing, breach of fiduciary duty, if any, gross negligence, or willful misconduct; and

(c) in the event Greenhill seeks reimbursement for attorneys' fees from the Debtors pursuant to the Retention Letter, the invoices and supporting time records for such attorneys shall be included in Greenhill's own applications (both interim and final), 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 the Bankruptcy Court, under the standards of sections 330 and 331 of the Bankruptcy Code 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 Retention Letter, the terms of this order shall govern; and it is further

ORDERED that this Court shall retain exclusive jurisdiction to construe and enforce the terms of the Application, the Retention Letter and this Order; and it is further

ORDERED that the Debtors shall serve a copy of the notice of the Application annexed hereto as Exhibit B upon all creditors of their estates for the purpose

of providing such creditors an opportunity to object to the indemnification provisions contained in the Retention Letter and/or the provisions of this Order authorizing Greenhill's retention pursuant to section 328 of the Bankruptcy Code; and it is further

ORDERED that if timely objections are received there shall be a hearing held on February 5, 2002 at 10:00 a.m. (the "Final Hearing") to consider such objections and such objections shall be filed with the Court, One Bowling Green, New York, New York 10004-1408, by no later than January 31st, 2002 at 4:00 p.m. and served on the Office of the United States Trustee, 300 Whitehall Street, 21st Floor, New York, New York 10004, Attention: Carolyn Schwartz, Esq., and Weil, Gotshal & Manges LLP, Attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153, Attention: George A. Davis, Esq. so as to be actually received by such filing deadline; and it is further

ORDERED that objections, if any, to the relief requested in the Application shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and Local Rules and Orders of the Bankruptcy Court, shall set forth the name of the objecting party, the nature and amount of claims or interests held or asserted against the Debtors' estates or properties, the basis for the objection, and the specific grounds therefor; and it is further

ORDERED if no objections are timely filed, served, and received in accordance with this Order, this Order shall be deemed a final order without further notice or hearing and Greenhill's retention shall be effective nunc pro tunc to the date of the commencement of these chapter 11 cases.

DATED: New York, New York
December 19, 2001

/s/Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE