

Michael A. Kramer  
 Greenhill & Co., LLC  
 300 Park Avenue, 23<sup>rd</sup> 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**

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

**SUMMARY COVER SHEET FOR  
 SECOND INTERIM APPLICATION OF GREENHILL & CO., LLC  
 AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF  
 COMPENSATION FOR PROFESSIONAL SERVICES RENDERED  
 FROM FEBRUARY 1, 2002 THROUGH MAY 31, 2002**

<b>Name of Applicant:</b>	Greenhill & Co., LLC
<b>Role in Case:</b>	Financial Advisor to the Debtors

<b>Fees Previously Requested:</b>	\$612,500.00
<b>Fees Previously Awarded:</b>	\$612,500.00

<b>Expenses Previously Requested:</b>	\$110,125.38
<b>Expenses Previously Awarded:</b>	\$110,125.38

<b>Fees Requested:</b>	\$700,000.00
<b>Expenses Requested:</b>	\$ 42,450.25
<b>Credit - First Interim Fee Application:</b>	\$( 1,699.35)

<b>Professional and Hours Incurred:</b>	Robert F. Greenhill (Chairman)	140.0 Hours
	Michael A. Kramer (Managing Director)	190.0 Hours
	Nancy C. Turner (Associate)	530.0 Hours
	Jonathan M. Amiel (Analyst)	<u>562.0 Hours</u>
	<b>Total:</b>	<b>1,422.0 Hours</b>

Michael A. Kramer  
Greenhill & Co., LLC  
300 Park Avenue, 23<sup>rd</sup> 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**

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

**SECOND INTERIM APPLICATION OF GREENHILL & CO., LLC  
AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF  
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED  
FROM FEBRUARY 1, 2002 THROUGH MAY 31, 2002**

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

This second 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 February 1, 2002 through May 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 \$700,000.00 and for reimbursement of expenses incurred and recorded in connection with the rendition of such services in the aggregate amount of \$42,450.25 and against which \$1,699.35 should be credited as an adjustment of expense reimbursement requested in Greenhill's First Interim Fee Application in this matter. During the Application Period, Greenhill professional expended a total of 1,422.0 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 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, 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.
9. 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

10. 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.
11. 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.
12. 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.
13. 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.
14. 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

15. 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

16. Greenhill has disbursed \$42,450.25 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.

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. 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.
19. 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.
20. 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 \$42,450.25.
21. Greenhill wishes to issue a credit against expense reimbursement requested herein in the amount of \$1,699.35 for expenses billed in its First Interim Fee Application, but not in accordance with 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 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 \$700,000 for services rendered by Greenhill during the Application Period. This amount reflects \$87,500 for the period ending February 15, 2002, \$175,000 for the period ending March 15, 2002, \$175,000 for the period ending April 15, 2002, \$175,000 for the period ending May 15, 2002 and \$87,500 for the period of May 16, 2002 through May 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.

#### 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 February 1, 2002 through May 31, 2002 in the amounts set forth below and provide such other and further relief as may be just and equitable.

<b>Professional Fees Requested</b>	<b>\$700,000.00</b>
<b>Reimbursement of Expenses</b>	<b>\$42,450.25</b>
<b>Credit: First Interim Fee Application</b>	<b>\$(1,699.35)</b>

Dated: New York, NY  
July 16, 2002

GREENHILL & CO., LLC

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

Financial Advisor to the Debtors



Michael A. Kramer  
Greenhill & Co., LLC  
300 Park Avenue, 23<sup>rd</sup> 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**

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

**CERTIFICATION PURSUANT TO GUIDELINES FOR FEES AND DISBURSEMENTS FOR  
PROFESSIONALS IN RESPECT OF SECOND 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 second interim application, dated July 16, 2002 (the “Application”) including the exhibits annexed thereto, for interim compensation and reimbursement of expenses for the period commencing February 1, 2002 through May 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  
July 16, 2002

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

**EXHIBIT A**

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

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

**EXHIBIT A TO THE  
SECOND INTERIM APPLICATION OF GREENHILL & CO., LLC  
AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF  
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED  
FROM FEBRUARY 1, 2002 THROUGH MAY 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:

<b>Period</b>	<b>Hours</b>	<b>Detail</b>
2/1/02 - 2/28/02	294.5	Robert F. Greenhill (37), Michael A. Kramer (47), Nancy C. Turner (98.5) and Jonathan M. Amiel (112).
3/1/02 - 3/31/02	284.5	Robert F. Greenhill (36.5), Michael A. Kramer (48.5), Nancy C. Turner (101.5) and Jonathan M. Amiel (98).
4/1/02 - 4/30/02	364.0	Robert F. Greenhill (37), Michael A. Kramer (40.5), Nancy C. Turner (134.5) and Jonathan M. Amiel (152).
5/1/02 - 5/31/02	479.0	Robert F. Greenhill (29.5), Michael A. Kramer (54), Nancy C. Turner (195.5) and Jonathan M. Amiel (200).
<b>TOTAL</b>	<b>1422.0</b>	<b>Robert F. Greenhill (140), Michael A. Kramer (190), Nancy C. Turner (530) and Jonathan M. Amiel (562).</b>

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

Date	Tasks	Hours
2/1/2002	Call with Weil	0.5
2/4/2002	Call with Steve Miller	0.5
2/5/2002	Call with Harvey Miller	0.5
2/6/2002	Conference call with creditors' advisors. Update presentation	6.0
2/7/2002	Conference call with Weil, creditors' presentation updates	8.0
2/8/2002	Bethlehem Creditors' Committee Meeting	8.0
2/11/2002	Call with Weil	0.5
2/12/2002	Call with Steve Miller	0.5
2/13/2002	Call with Weil	0.5
2/15/2002	Discuss upcoming creditors' meeting with Weil	1.0
2/16/2002	Call with management	1.0
2/19/2002	Review case update	2.0
2/20/2002	Call with Steve Miller	0.5
2/21/2002	Call with management	0.5
2/24/2002	Call with Steve Miller	0.5
2/25/2002	Review valuation materials	2.0
2/28/2002	Review strategy overview, conference call with management	4.5
<b>TOTAL</b>		<b>37.0</b>
3/1/2002	Call with Steve Miller	0.5
3/2/2002	Call with Weil	0.5
3/4/2002	Meetings with Weil	4.0
3/5/2002	Meetings with potential JV partner - Ontario	12.0
3/6/2002	Call with Steve Miller	0.5
3/7/2002	Conference call with Weil and management	6.0
3/10/2002	Review board presentation	1.5
3/12/2002	Bethlehem Finance Committee Meeting	6.0
3/13/2002	Call with Steve Miller	0.5
3/14/2002	Update conference call with management and Weil	1.0
3/15/2002	Review summary of Bethlehem Creditors' Committee Meeting	1.0
3/16/2002	Call with Steve Miller	0.5
3/17/2002	Call with Weil	0.5
3/21/2002	Review summary of meeting with Ron Bloom and Keilin	1.0
3/22/2002	Call with Weil	0.5
3/26/2002	Call with Weil	0.5
<b>TOTAL</b>		<b>36.5</b>
4/2/2002	Prepare for Bethlehem meeting with creditors' advisors	2.0
4/3/2002	Review results of meeting with creditors' advisors	1.0
4/4/2002	Call with Weil	0.5
4/5/2002	Review summary of meeting with Paul Matthys (Arcelor)	1.5
4/8/2002	Call with management	0.5
4/9/2002	Call with Weil	0.5
4/10/2002	Review business plan	8.0
4/11/2002	Update materials, review business forecast	1.5
4/16/2002	Strategy update conference call with management	3.5
4/17/2002	Call with Weil	0.5
4/20/2002	Review strategic plan summaries and evaluation, review and guide plan financial projections	1.5
4/21/2002	Review plan projections	2.0
4/22/2002	Redraft plan valuation presentation, discuss potential transaction with management	1.5
4/23/2002	Bethlehem telephonic board meeting	5.0
4/24/2002	Meetings with creditors' advisors, meetings with potential JV partner	3.0
4/27/2002	Review updated plan valuation summary and projections	1.0
4/28/2002	Review projections	1.5
4/30/2002	Review presentation	2.0
<b>TOTAL</b>		<b>37.0</b>

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

<b>Date</b>	<b>Tasks</b>	<b>Hours</b>
5/3/2002	Meeting with potential JV partner	3.0
5/7/2002	Call with Weil	0.5
5/12/2002	Review CCC projections	1.0
5/13/2002	Review preliminary projections for joint venture	2.0
5/15/2002	Update discussion materials, review with management, review MOR, call with McDonals	6.0
5/16/2002	Conference call with creditors' advisors. Review presentation	4.0
5/18/2002	Analyze CCC update and review strategy	0.5
5/19/2002	Review strategic proposal, discuss with management	1.0
5/20/2002	Conference call with McDonald investments	3.0
5/21/2002	Revise CCC strategy overview	1.5
5/24/2002	Meeting with Weil	3.0
5/25/2002	Review creditors' presentation draft	1.0
5/29/2002	Call with management	0.5
5/30/2002	Review summary of Bethlehem creditors' meeting	1.0
5/31/2002	Review projections	1.5
<b>TOTAL</b>		<b>29.5</b>
<b>GRAND TOTAL</b>		<b>140.0</b>

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

Date	Tasks	Hours
2/4/2002	Meetings with CSN and Bethlehem management	6.0
2/5/2002	Call with Harvey Miller	0.5
2/6/2002	Conference call with creditors' advisors. Update presentation	6.0
2/7/2002	Conference call with Weil, creditors' presentation updates	8.0
2/8/2002	Bethlehem Creditors' Committee Meeting	8.0
2/11/2002	Call with Weil	0.5
2/12/2002	Call with UBS	1.0
2/13/2002	Review marketing teasers	3.0
2/15/2002	Discuss upcoming creditors' meeting with Weil	1.0
2/16/2002	Call with management	1.0
2/19/2002	Review case update	2.0
2/20/2002	Review board material	3.0
2/21/2002	Call with management	0.5
2/25/2002	Review valuation materials	2.0
2/28/2002	Review strategy overview, conference call with management	4.5
<b>TOTAL</b>		<b>47.0</b>
3/1/2002	Call with management	1.0
3/2/2002	Review projections, analyze projections and review potential acquiror's projections	1.5
3/4/2002	Meetings with Weil	4.0
3/5/2002	Discuss overview materials with Weil	1.5
3/6/2002	Meeting with Weil, review preliminary liquidation analysis	6.0
3/7/2002	Conference call with Weil and management	6.0
3/10/2002	Review board presentation	1.5
3/12/2002	Bethlehem Finance Committee Meeting	6.0
3/13/2002	Revise creditors' presentation	1.5
3/14/2002	Update conference call with management and Weil, revise presentation	3.5
3/15/2002	Bethlehem Creditors' Committee Meeting	7.0
3/16/2002	Call with creditors' advisors	3.0
3/21/2002	Meeting with Ron Bloom and Keilin	6.0
<b>TOTAL</b>		<b>48.5</b>
4/2/2002	Prepare for Bethlehem meeting with creditors' advisors	2.0
4/3/2002	Review results of meeting with creditors' advisors	2.0
4/4/2002	Review strategy memo	2.0
4/5/2002	Meeting with Paul Matthys (Arcelor)	2.0
4/8/2002	Call with management	1.0
4/9/2002	Call with Weil	0.5
4/10/2002	Review business plan	8.0
4/11/2002	Update materials, review business forecast	1.5
4/16/2002	Strategy update conference call with management	3.5
4/17/2002	Review due diligence index for potential partner	0.5
4/20/2002	Review strategic plan summaries and evaluation, review and guide plan financial projections	1.5
4/21/2002	Review plan projections	2.0
4/22/2002	Redraft strategy presentation, discuss potential transaction with management	1.5
4/23/2002	Bethlehem telephonic board meeting	5.0
4/24/2002	Meetings with creditors' advisors, meetings with potential JV partner	3.0
4/27/2002	Review updated plan valuation summary and projections	1.0
4/28/2002	Review projections	1.5
4/30/2002	Review presentation	2.0
<b>TOTAL</b>		<b>40.5</b>

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

Date	Tasks	Hours
5/3/2002	Meeting with potential JV partner	3.0
5/7/2002	Meeting with McDonald Investments, Bethlehem conference call	6.0
5/12/2002	Review CCC projections	1.0
5/13/2002	Review preliminary projections for joint venture	2.0
5/15/2002	Update discussion materials, review with management, review MOR, call with McDonald	6.0
5/16/2002	Conference call with creditors' advisors. Review presentation	4.0
5/18/2002	Analyze CCC update and review strategy, update presentation	2.0
5/19/2002	Review strategic proposal, discuss with management	1.0
5/20/2002	Conference call with McDonald investments	3.0
5/21/2002	Revise CCC strategy overview	1.5
5/22/2002	Conference call with BSC management, update discussion materials	8.0
5/24/2002	Meeting with Weil	3.0
5/25/2002	Review creditors' presentation draft	1.0
5/29/2002	Advisors' call to discuss creditors' presentation	4.0
5/30/2002	Bethlehem creditors' meeting	7.0
5/31/2002	Review projections	1.5
TOTAL		54.0
<b>GRAND TOTAL</b>		<b>190.0</b>



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

Date	Tasks	Hours
2/1/2002	Meetings in Bethlehem, prepare confidentiality agreements	9.0
2/2/2002	Review draft creditors' presentation, analyze potential business combinations	8.0
2/3/2002	Review creditors' presentation draft	3.0
2/4/2002	Meetings with CSN, update creditors' presentation	8.0
2/5/2002	Revise creditors' presentation	4.0
2/6/2002	Conference call with creditors' advisors. Update presentation	6.0
2/7/2002	Conference call with Weil, creditors' presentation updates	8.0
2/8/2002	Bethlehem Creditors' Committee Meeting	8.0
2/9/2002	Distribute creditors' presentation to prepetition lenders	2.0
2/12/2002	Call with UBS	1.0
2/13/2002	Review marketing teasers	3.0
2/14/2002	Review Bethlehem filing, update marketing teasers, review bond performance	8.0
2/15/2002	Discuss upcoming creditors' meeting with Weil	1.0
2/19/2002	Discuss retention program with Company, prepare case update	5.0
2/20/2002	Prepare material for Board	6.0
2/23/2002	Develop overview materials	6.0
2/24/2002	Update overview materials	4.0
2/25/2002	Revise overview materials	3.0
2/28/2002	Prepare presentation for Weil and Bethlehem Board	5.5
<b>TOTAL</b>		<b>98.5</b>
3/1/2002	Discuss projections with management	3.5
3/2/2002	Review projections, analyze projections and review potential acquiror's projections	8.0
3/4/2002	Meetings with Weil	8.5
3/5/2002	Discuss overview materials with Weil	3.0
3/6/2002	Meeting with Weil, review preliminary liquidation analysis, discuss actuarial calculations with mgt	8.0
3/7/2002	Conference call with Weil and management	6.0
3/8/2002	Review competitor's filings	6.0
3/9/2002	Revise board presentation	5.0
3/10/2002	Review board presentation	3.5
3/11/2002	Update board presentation and create summary	5.0
3/12/2002	Create draft creditors' presentation	8.0
3/13/2002	Revise and circulate creditors' presentation	2.0
3/14/2002	Update conference call with management and Weil, revise presentation	8.0
3/15/2002	Bethlehem Creditors' Committee Meeting	7.0
3/16/2002	Call with creditors' advisors, review recent press	5.0
3/19/2002	Reviewed Company filings, analyze financial position	5.0
3/21/2002	Attend meeting with USWA in Pittsburgh, Review USWA releases, review CSC documentation	10.0
<b>TOTAL</b>		<b>101.5</b>

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

Date	Tasks	Hours
4/2/2002	Prepare for Bethlehem meeting with creditors' advisors	4.0
4/3/2002	Meetings with creditors' advisors, review LTV offering materials	12.0
4/4/2002	Prepare summary of meetings and revised strategy memo	3.0
4/8/2002	Call with Keilin, call with management	3.0
4/10/2002	Review business plan, analyze impact on strategy	8.0
4/11/2002	Update materials, review business forecast	6.0
4/15/2002	Call with Glenn Peabody	2.0
4/16/2002	Attend court hearings., strategy update conference call with management	10.0
4/17/2002	Prepare due diligence index for potential partner	2.0
4/18/2002	PA Division tour and meetings	12.0
4/19/2002	PA Division tour and meetings	12.0
4/20/2002	Prepare strategic plan summaries and evaluation, review and guide plan financial projections	10.0
4/21/2002	Review plan projections	6.0
4/22/2002	Redraft plan valuation presentation, discuss potential transaction with management	8.0
4/23/2002	Bethlehem telephonic board meeting	5.0
4/24/2002	Meetings with creditors' advisors, meetings with potential JV partner	10.0
4/26/2002	Review division business forecasts, review financial model	6.0
4/27/2002	Update plan valuation summary and projections	3.5
4/28/2002	Review projections	6.5
4/29/2002	Update presentation	5.5
<b>TOTAL</b>		<b>134.5</b>
5/1/2002	Sparrows point tour and meetings, conference call with creditors' advisors	12.0
5/2/2002	Sparrows point tour and meetings	12.0
5/3/2002	Meeting with Usinor	5.0
5/7/2002	Meeting with McDonald Investments, Bethlehem conference call	6.0
5/8/2002	Call with Glenn Peabody re: plant tours, assemble tour objectives	1.5
5/9/2002	Burns Harbor tours and meetings	12.0
5/10/2002	Burns Harbor tours and meetings	12.0
5/12/2002	Review CCC projections	6.5
5/13/2002	Analyze CCC orders and strategic rationale, review preliminary projections for joint venture	5.5
5/14/2002	Update discussion materials	3.0
5/15/2002	Update discussion materials, review with management, review MOR, call with McDonald	12.0
5/16/2002	Conference call with creditors' advisors. Update presentation	6.0
5/18/2002	Analyze CCC update and review strategy, update presentation	8.0
5/19/2002	Review strategic proposal, discuss with management	3.0
5/20/2002	Review CCC financials, build updated model, review forecast bookings	10.0
5/21/2002	Update CCC strategy overview	4.0
5/22/2002	Conference call with BSC management, update discussion materials	8.0
5/23/2002	Update CCC discussion materials, review liquidity position, review draft agenda for creditors	10.0
5/24/2002	Update creditors' presentation	6.0
5/25/2002	Review creditors' presentation draft	6.0
5/27/2002	Revise creditors' presentation, circulate internally	6.0
5/28/2002	Review inventory position, revise creditors' presentation, discuss model with Keilin	10.0
5/29/2002	Advisors' call to discuss creditors' presentation	15.0
5/30/2002	Discuss financial metrics with creditors' advisors, Bethlehem creditors' meeting	12.0
5/31/2002	Review projections	4.0
<b>TOTAL</b>		<b>195.5</b>
<b>GRAND TOTAL</b>		<b>530.0</b>

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

Date	Tasks	Hours
2/1/2002	Meetings in Bethlehem, prepare confidentiality agreements	10.0
2/2/2002	Prepare draft creditors' presentation, analyze potential business combinations	10.0
2/3/2002	Review creditors' presentation draft	3.0
2/4/2002	Meetings with CSN, update creditors' presentation	6.0
2/5/2002	Revise creditors' presentation	5.0
2/6/2002	Conference call with creditors' advisors. Update presentation	7.0
2/7/2002	Conference call with Weil, creditors' presentation updates and production	13.0
2/8/2002	Bethlehem Creditors' Committee Meeting	8.0
2/9/2002	Distribute creditors' presentation to prepetition lenders	2.0
2/12/2002	Call with UBS	1.0
2/13/2002	Develop marketing teasers	8.0
2/14/2002	Review Bethlehem filing, update marketing teasers, review bond performance	8.0
2/15/2002	Discuss upcoming creditors' meeting with Weil	1.0
2/19/2002	Discuss retention program with Company, prepare case update	6.0
2/20/2002	Prepare material for Board	4.0
2/23/2002	Develop overview materials	6.0
2/24/2002	Update overview materials	4.0
2/25/2002	Revise overview materials	2.0
2/26/2002	Revise overview materials	2.0
2/28/2002	Prepare presentation for Weil and Bethlehem Board	6.0
<b>TOTAL</b>		<b>112.0</b>
3/1/2002	Discuss projections with management	4.0
3/2/2002	Review projections, analyze projections and review potential acquiror's projections	8.0
3/3/2002	Prepare fee application	4.0
3/4/2002	Meetings with Weil	6.0
3/5/2002	Discuss overview materials with Weil	3.0
3/6/2002	Meeting with Weil, prepare preliminary liquidation analysis, discuss actuarial calculations with mgt	9.0
3/7/2002	Conference call with Weil and management	6.0
3/8/2002	Review competitor's filings	4.0
3/9/2002	Circulate board presentation	2.0
3/10/2002	Review board presentation	4.0
3/11/2002	Update board presentation and create summary, update liquidation analysis	6.0
3/12/2002	Create draft creditors' presentation	8.0
3/13/2002	Revise and circulate creditors' presentation	3.0
3/14/2002	Update conference call with management and Weil, revise presentation, production	13.0
3/15/2002	Bethlehem Creditors' Committee Meeting	7.0
3/16/2002	Update fee application	2.0
3/17/2002	Update fee application	2.0
3/19/2002	Reviewed Company filings	3.0
3/21/2002	Review USWA releases, review CSC documentation	4.0
<b>TOTAL</b>		<b>98.0</b>

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

Date	Tasks	Hours
4/2/2002	Prepare for Bethlehem meeting with creditors' advisors	4.0
4/3/2002	Meetings with creditors' advisors, review LTV offering materials	12.0
4/8/2002	Call with Keilin	2.0
4/10/2002	Review business plan	6.0
4/11/2002	Update materials, review business forecast	6.0
4/15/2002	Call with Glenn Peabody, prepare PA Division tour materials	6.0
4/16/2002	Attend court hearings, strategy update conference call with management	10.0
4/17/2002	Prepare due diligence index for potential partner	5.0
4/18/2002	PA Division tour and meetings	12.0
4/19/2002	PA Division tour and meetings	12.0
4/20/2002	Prepare strategic plan summaries and evaluation, model plan financial projections	12.0
4/21/2002	Review plan projections	4.0
4/22/2002	Redraft plan valuation presentation, discuss potential transaction with management	10.0
4/23/2002	Bethlehem telephonic board meeting	5.0
4/24/2002	Meetings with creditors' advisors, meetings with potential JV partner	10.0
4/25/2002	Review division business forecasts, assemble financial model	8.0
4/26/2002	Review division business forecasts, assemble financial model	8.0
4/27/2002	Update plan valuation summary and projections	6.0
4/28/2002	Review projections	8.0
4/29/2002	Update presentation	6.0
<b>TOTAL</b>		<b>152.0</b>
5/1/2002	Sparrows point tour and meetings, conference call with creditors' advisors	12.0
5/2/2002	Sparrows point tour and meetings	12.0
5/8/2002	Call with Glenn Peabody re: plant tours, prepare tour materials	2.0
5/9/2002	Burns Harbor tours and meetings	12.0
5/10/2002	Burns Harbor tours and meetings	12.0
5/12/2002	Review CCC projections	6.0
5/13/2002	Analyze CCC orders and strategic rationale, review preliminary projections for joint venture	8.0
5/14/2002	Update discussion materials, conference call with Tyson Lomazow	6.0
5/15/2002	Update discussion materials, review with management, review MOR, call with McDonald	12.0
5/16/2002	Conference call with creditors' advisors. Update presentation	6.0
5/17/2002	Update working group list	5.0
5/18/2002	Analyze CCC update and review strategy, update presentation	8.0
5/19/2002	Review strategic proposal, discuss with management	3.0
5/20/2002	Review CCC financials, build updated model, review forecast bookings	10.0
5/21/2002	Update CCC strategy overview	4.0
5/22/2002	Conference call with BSC management, update discussion materials	8.0
5/23/2002	Update CCC discussion materials, review liquidity position, review draft agenda for creditors	10.0
5/24/2002	Update creditors' presentation	6.0
5/25/2002	Review creditors' presentation draft	6.0
5/27/2002	Revise creditors' presentation, circulate internally	6.0
5/28/2002	Review inventory position, revise creditors' presentation, discuss model with Keilin	10.0
5/29/2002	Advisors' call to discuss creditors' presentation, production	20.0
5/30/2002	Discuss financial metrics with creditors' advisors, Bethlehem creditors' meeting	12.0
5/31/2002	Review projections	4.0
<b>TOTAL</b>		<b>200.0</b>
<b>GRAND TOTAL</b>		<b>562.0</b>

**EXHIBIT B**

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

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

**EXHIBIT B TO THE  
SECOND INTERIM APPLICATION OF GREENHILL & CO., LLC  
AS FINANCIAL ADVISOR TO THE DEBTORS FOR INTERIM ALLOWANCE OF  
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED  
FROM FEBRUARY 1, 2002 THROUGH MAY 31, 2002**

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

Category	Amount
Airfare	28,686.08
Business Meals (Detail on Next Page)	283.89
Car Rental	2,068.75
Car Service	5,558.73
Cellular	629.95
Hotel Accommodation	1,487.78
Information Services	419.58
Miscellaneous	362.95
Overtime Meals (Detail on Next Page)	1,406.07
Postage / Delivery	45.57
Taxi	915.67
Telephone	259.93
Travel Meals (Detail on Next Page)	325.30
<b>Total</b>	<b>\$42,450.25</b>

## Detail of Meals Included in Reimbursable Expenses

Date	Category	Description	Employee	Amount
1/4/2002	Business Meals	Dinner (2 People)	Kramer	40.00
1/26/2002	Business Meals	Dinner (2 People)	Kramer	40.00
2/1/2002	Business Meals	Catering (10 People)	Greenhill	135.03
2/1/2002	Business Meals	Lunch (3 People)	Greenhill	60.00
3/22/2002	Business Meals	Meal in Pittsburgh	Kramer	8.86
Jan 02	Overtime Meals	10 Meals	Amiel	200.00
Jan 02	Overtime Meals	2 Meals	Turner	37.20
Feb 02	Overtime Meals	18 Meals	Amiel	356.55
Feb 02	Overtime Meals	1 Meal	Turner	20.00
Mar 02	Overtime Meals	12 Meals	Amiel	240.00
Mar 02	Overtime Meals	1 meal	Turner	15.00
Apr 02	Overtime Meals	7 Meals	Amiel	140.00
May 02	Overtime Meals	1 Meal	Turner	17.32
May 02	Overtime Meals	15 Meals	Amiel	300.00
Jun 02	Overtime Meals	4 Meals	Amiel	80.00
1/24/2002	Travel Meals	Trip to Bethlehem	Amiel	10.00
2/21/2002	Travel Meals	Travel Meals (2 People)	Turner	40.00
3/12/2002	Travel Meals	Trip to Bethlehem	Amiel	5.20
4/17/2002	Travel Meals	Travel Meals (6 People)	Turner	103.60
5/9/2002	Travel Meals	Travel (6 Meals)	Turner	120.00
5/23/2002	Travel Meals	Bethlehem	Amiel	6.50
5/23/2002	Travel Meals	Sparrows Point (2 Meals)	Amiel	40.00

**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	
<b>In re</b>	: <b>Chapter 11 Case Nos.</b>
	: :
<b>BETHLEHEM STEEL CORPORATION,</b>	: <b>01-___ (___) through</b>
<b>et al.</b>	: <b>01-___ (___)</b>
	: :
<b>Debtors.</b>	: <b>(Jointly Administered)</b>
	: :
----- 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 respectfully 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 31<sup>st</sup>, 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