

Donald S. MacLachlan, Esq. (NJ SBN 21228)
 MACLACHLAN LAW OFFICES LLC
 487 Goffle Road
 Ridgewood, New Jersey 07450
 (201) 444-6100

UNITED STATES BANKRUPTCY COURT
 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)
	:	(Jointly Administered)
Debtors.	:	

SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES FOR
 REVIEWING APPLICATIONS FOR COMPENSATION AND REIMBURSEMENT OF
 EXPENSES FILED UNDER 11 U.S.C. § 330 AND 331

FIRST AND FINAL APPLICATION

NAME OF APPLICANT:	MacLachlan Law Offices LLC
TIME PERIOD:	October 15, 2001 through March 31, 2002
ROLE IN THE CASE:	Asbestos Litigation Counsel for the Debtors
CURRENT APPLICATION:	<u>Fees Incurred:</u>
	Total fees incurred: \$229,003.55
	Total expenses incurred: <u>!The Formula Not In Table</u>
	Total holdback fees: <u>!The Formula Not In Table</u>
	Total holdback expenses: <u>!The Formula Not In Table</u>
	Fees requested to be approved: <u>!The Formula Not In Table</u> (100% of total holdback fees)
<u>Table</u>	Expenses requested to be approved: <u>!The Formula Not In</u> (100% of total holdback expenses)
	Holdback amount to be paid: \$55,845.37
PRIOR APPLICATION:	Fees Previously Requested: 0
	Fees Previously Awarded: 0
	Expenses Previously Requested: 0
	Expenses Previously Awarded: 0

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

BETHLEHEM STEEL CORPORATION,
et al.

Debtors.

Chapter 11 Case Nos.

01-15288 (BRL) through
01-15302, 01-15308
through 01-15315 (BRL)
(Jointly Administered)

**FIRST AND FINAL APPLICATION OF MACLACHLAN LAW OFFICES LLC,
AS ATTORNEYS FOR THE DEBTORS, FOR INTERIM ALLOWANCE AND FINAL
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND FOR
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED
FROM OCTOBER 15, 2001 THROUGH MARCH 31, 2002**

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

MacLachlan Law Offices LLC ("MLO"), attorneys for Bethlehem Steel Corporation and its affiliated debtors in the above-captioned cases (collectively, the "Debtors"), for its first and final application (the "Application"), 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"), for the interim allowance and final compensation for professional services performed by MLO for the period from October 15, 2001 through March 31, 2002 (the "Compensation Period"), and for reimbursement of its actual and necessary expenses incurred during the Compensation Period, respectfully represents:

**SUMMARY OF PROFESSIONAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES REQUESTED**

1. This Application has been prepared in accordance 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 Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the "UST Guidelines") and the Amended Order Pursuant to Sections (105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order"), and collectively with the Local Guidelines and UST Guidelines, the "Guidelines"). Pursuant to the Local Guidelines, a certification regarding compliance with same is attached hereto as Exhibit "A."

2. MLO seeks approval of eighty percent (80%) of the total holdback fees as well as the additional, final twenty percent (20%) of total holdback fees as compensation for professional services rendered to the Debtors during the Compensation Period in the total amount of \$49,003.55, and for reimbursement of one-hundred percent (100%) of total holdback expenses incurred in connection with the rendering of such services in the aggregate amount of **!The Formula Not In Table**. During the Compensation Period, MLO attorneys, paraprofessionals and staff expended a total of **!The Formula Not In Table** hours for which interim and final compensation is requested. MLO is seeking approval of both the eighty percent (80%) interim allowance and the twenty percent (20%) final payment of holdback fees and one hundred percent (100%) of the total holdback expenses incurred for professional services rendered during the Compensation Period in this first and final fee application.

3. There is no agreement or understanding between MLO and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

4. The fees charged by MLO in these cases are billed in accordance with its existing billing rates and procedures in effect during the Compensation Period. The rates MLO charged for the services rendered by its professionals, paraprofessionals and staff to the Debtor during the Compensation Period are the same rates MLO charges for professional, paraprofessional and staff services rendered in comparable non-bankruptcy-related matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable non-bankruptcy cases in a competitive national legal market.

5. Pursuant to the UST guidelines, annexed hereto as Exhibit "B," is a schedule setting forth all MLO professionals and paraprofessionals who have performed services at the request of the Debtors in these chapter 11 cases during the Compensation Period, the capacities in which each such individual is employed by MLO, the hourly billing rate charged by MLO for services performed by such individual, the aggregate number of hours expended in this matter and fees billed therefore, and the year in which each professional was first licensed to practice law.

6. Annexed hereto as Exhibit "C" is a schedule specifying the categories of expenses for which MLO is seeking reimbursement and the total amount for such expense category.

7. Pursuant to Section II.D of the UST Guidelines, annexed hereto as Exhibit "D" is a summary by project categories of the services performed by MLO during the Compensation Period.

8. MLO maintains computerized records of the time spent by all MLO attorneys, paraprofessionals and staff in connection with the work requested by the Debtors in a format compliant with the UST Guidelines. Annexed hereto as Exhibit "E" are MLO's full and complete work summary charts, reflecting the work performed by MLO on a case-by-case basis, as well as MLO's full and complete invoices reflecting all professional time worked by MLO and all expenses incurred by MLO at the request of the Debtors during the Compensation Period.

9. Prior to the commencement of these cases, MLO served as one of Debtors principal litigation counsel and were paid monthly, in the ordinary course of business, for professional services rendered and for disbursements incurred regarding matters unrelated to the preparation or filing of the Debtors' chapter 11 cases.

10. MLO has not made prior application for payment of holdback fees or holdback expenses and has received no payment of any holdback fees or holdback expenses incurred from October 15, 2001 to March 31, 2002.

SUMMARY OF SERVICES

11. When Debtors filed their chapter 11 cases, there were pending throughout the United States a number of lawsuits alleging asbestos-related injuries and damages against the Debtors. Such lawsuits were under the direct supervision of Debtors General Counsel and law department, who provided instructions, supervision and made requests for services to be provided by MLO. MLO was instructed to provide services which would preserve and protect Debtors legal rights; preserve the status quo of the Debtors asbestos cases nationwide; prepare and preserve Debtors ability to seek dismissal of pending cases as being medically and factually meritless; prepare and preserve the Debtors ability to successfully defend significant priority lawsuits which could not otherwise be dismissed or resolved during pendency of the chapter 11 cases; to prepare, enhance and preserve Debtors ability to successfully defend itself and its industrial hygiene programs and practices regarding significant priority lawsuits which could not otherwise be dismissed or resolved during pendency of the chapter 11 cases; to prepare and preserve Debtors ability to defend and successfully resolve significant priority cases as a stand alone entity or other continuing entity.

The professional services rendered at the instruction of the Debtors is reflected within Exhibit "E" annexed hereto.

13. The foregoing professional services performed by MLO were necessary and appropriate to the administration of the Debtors' chapter 11 cases. The professional services

performed by MLO were in the best interests of the Debtors and other parties in interest.

Compensation for the foregoing services as requested is commensurate with the complexity, importance and nature of the problems, issues or tasks involved. The professional services were performed with expedience and in an efficient manner.

14. All of the services performed by members and associates of MLO were rendered by the Litigation Department. MLO has a preeminent practice in this area and enjoys a national reputation for its expertise in litigation matters.

15. The professional services performed by MLO on behalf of the Debtors during the Compensation Period required an aggregate expenditure of 1,861.10 recorded hours by MLO's partners, paraprofessionals and staff. Of the aggregate time expended, 398 recorded hours were expended by partners of MLO; 45.10 hours were expended by associates; 1,322.40 hours were expended by paraprofessionals; and, 95.60 hours were expended by staff. The staff time was exclusively for data entry of Debtors case-related information which could have been performed by paraprofessionals at the higher rate of \$75 per hour but, in MLO's judgment, could be performed equally well at the more economical rate of \$30 per hour by data entry staff.

16. During the Compensation Period, MLO's hourly billing rates for partners was \$255 per hour, for associates at \$165 per hour, and for paraprofessionals at \$75-125 per hour. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable litigation cases in a competitive national legal market. As noted, attached hereto as Exhibit "B" is a schedule listing each MLO professional who performed services in these cases during the Compensation Period, the hourly rate charged by MLO for services performed by each such individual and the aggregate number of hours and charges by each such individual.

ACTUAL AND NECESSARY DISBURSEMENTS OF MACLACHLAN LAW OFFICES LLC

17. As set forth in Exhibit "C" hereto, MLO has billed **!The Formula Not In Table** for disbursements and other charges incurred in providing professional services during the

Compensation Period. With respect to photocopying expenses, MLO charges all of its clients \$.18 per page for photocopying.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

18. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered. . .and reimbursement for actual, necessary expenses." *Id.* § 330(a)(1). 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, the extent, and value of such services, taking into account all relevant factors, including --

- (A) the time spent on such services;
- (B) the rates 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.

Id. § 330(a)(1)

19. In the instant case, MLO respectfully submits that the services for which it seeks compensation in this Application were, at the time rendered, believed to be necessary for and beneficial to the Debtors' rehabilitation and reorganization efforts. Such services and expenditures were necessary to and in the best interests of the Debtors' estates. MLO further submits that the compensation requested herein is reasonable in light of the nature, extent and value of such services to the Debtors, their estates and all parties in interest.

20. In sum, the services rendered by MLO were necessary and beneficial to the

Debtors' estates and were consistently performed in a timely manner commensurate with the complexity, importance and nature of the issues involved and approval of the compensation sought herein is warranted.

WAIVER OF MEMORANDUM OF LAW

21. This Motion includes citations to the applicable authorities and does not raise any novel issues of law. Accordingly, the Debtors respectfully request that the Court waive the requirement contained in Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York that a separate memorandum of law be submitted.

CONCLUSION

WHEREFORE MLO respectfully requests (i) allowance of interim compensation for professional services rendered during the Compensation Period by payment of eighty percent (80%) of the total holdback fees in the amount of \$39,202,84; (ii) payment of one hundred percent (100%) of the total holdback expenses in the amount of \$6,841.42 incurred during the Compensation Period; (iii) final payment of compensation for professional services rendered during the Compensation Period in the amount of twenty percent (20%) of total holdback fees in (\$9,800.71) for a total holdback fee payment to MLO of \$49,003.55; (iv) the Court grant MLO such other and further relief as is just.

Dated: December 12, 2003

/s/ Donald S. MacLachlan _____
Donald S. MacLachlan
MACLACHLAN LAW OFFICES LLC
487 Goffle Road
Ridgewood, New Jersey 07450
(201) 444-6100

ASBESTOS LITIGATION COUNSEL FOR THE
DEBTORS AND DEBTORS IN POSSESSION

Donald S. MacLachlan, Esq. (NJ SBN 21228)
 MACLACHLAN LAW OFFICES LLC
 487 Goffle Road
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 (201) 444-6100

EXHIBIT A

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

<p>In re</p> <p>BETHLEHEM STEEL CORPORATION, et al.</p> <p style="text-align: right;">Debtors.</p>	<p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p>	<p>Chapter 11 Case Nos.</p> <p>01-15288 (BRL) through 01-15302, 01-15308 through 01-15315 (BRL) (Jointly Administered)</p>
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS FOR
 PROFESSIONALS IN RESPECT OF APPLICATION OF MACLACHLAN LAW OFFICES LLC
 FOR FIRST AND FINAL COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, Donald S. MacLachlan, hereby certify that:

1. I am a partner with the applicant firm, MacLachlan Law Offices LLC (MLO), with responsibility for the asbestos litigation cases of Bethlehem Steel Corporation and its affiliated debtors in these cases (collectively, 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"), 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"), and the Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order," and collectively with the Local Guidelines and UST Guidelines, the "Guidelines") and the Court's Order Granting Application to Retain and Employ MacLachlan Law Offices LLC as counsel for the Debtors.

2. This certification is made in respect of MLO's application, dated December 12, 2003 (the "Fee Application"), for first and final compensation and reimbursement of expenses for the period commencing October 15, 2001, through and including March 31, 2002 (the "Compensation Period") in accordance with the Guidelines.

3. In respect of Section B.1 of the Local Guidelines, I certify that:

- a. I have read the Fee Application;
- b. to the best of my knowledge, information and belief formed after reasonable inquiry, the fees, disbursements and other charges sought fall within the Local Guidelines;
- c. the fees, disbursements and other charges sought are billed at rates in accordance with practices customarily employed by MLO and generally accepted by MLO's clients; and
- d. in providing a reimbursable service, MLO does not make a profit on that service, whether the service is performed by MLO in-house or through a third party.

4. MLO billed the Debtors on a monthly basis.

5. In respect of Section B.3 of the Local Guidelines, I certify that the Debtors and the United States Trustee for the Southern District of New York are being provided with a copy of the Fee Application.

Dated: December 12, 2003

/s/ Donald S. MacLachlan
Donald S. MacLachlan
MACLACHLAN LAW OFFICES LLC
487 Goffle Road
Ridgewood, New Jersey 07450
(201) 444-6100

ASBESTOS LITIGATION COUNSEL FOR THE
DEBTORS AND DEBTORS IN POSSESSION

EXHIBIT B

BETHLEHEM STEEL CORPORATION
PROFESSIONAL SERVICES RENDERED BY
MACLACHLAN LAW OFFICES LLC
ON BEHALF OF THE DEBTORS
OCTOBER 15, 2001 THROUGH MARCH 31, 2002

Name of Professional	Department and Year Admitted	Hourly Rate	Total Hours Billed	Total Compensation
PARTNERS:				
MacLachlan, Donald S.	Litigation - 1981	255.00	0.00	\$ 0.00
Total Partners			0.00	\$ 0.00

Name of Professional	Department and Year Admitted	Hourly Rate	Total Hours Billed	Total Compensation
ASSOCIATES:				
Tarr, Philip S.	Litigation - 1998	165.00	0.00	\$ 0.00
Total Associates			0.00	\$ 0.00

Name of Professional	Department	Hourly Rate	Total Hours Billed	Total Compensation
PARAPROFESSIONALS:				
Fill, Susan A	Litigation	85.00	2,590.60	\$229,800.05
Gallagher, Louise Knetzger	Litigation	85.00	1.30	\$110.50
Bello, Gloria E.	Litigation	75.00	2,436.50	\$218,229.55
McNamara, Kathleen L.	Litigation	75.00	2,159.50	\$197,454.55
Bowers-Johnson, Susan, MD, MPH	Medical-Litigation	125.00	1,893.80	\$164,242.55
Embarrato,Carolynn, RN, BSN, MA	Medical-Litigation	95.00	1,684.60	\$144,368.55
Linda E. Crosby, RN, BSN	Medical-Litigation	75.00	0.00	\$ 0.00
Total Paraprofessionals			0.00	\$ 0.00

Name of Professional	Department	Hourly Rate	Total Hours Billed	Total Compensation
STAFF CATEGORY:				
Victoria Walther	Data Entry-Litigation	30.00	0.00	\$ 0.00
Total Staff			0.00	\$ 0.00

TOTALS:	PROFESSIONALS	Blended Rate	Total Hours Billed	Total Compensation
	PARTNERS	\$255.00	3,324.20	\$454,523.20
	ASSOCIATES	\$165.00	3,279.10	\$447,081.70
	PARAPROFESSIONALS	\$88.00	\$2,698.20	\$407,261.15
	STAFF		\$ 0.00	\$327,010.15
	Total Fees Incurred		\$ 0.00	\$98,007.10
	Total Holdback Fees (100%)			\$ \$ 0.00
	Total Fees Requested			\$ \$ 0.00

EXHIBIT C

BETHLEHEM STEEL CORPORATION

**ACTUAL AND NECESSARY DISBURSEMENTS AND OTHER CHARGES
INCURRED BY MACLACHLAN LAW OFFICES LLC
ON BEHALF OF THE DEBTORS
OCTOBER 15, 2001 THROUGH MARCH 31, 2002**

EXPENSES	AMOUNTS
Copy Charges	6,482.70
Federal Express	359.12
	\$6,841.82

EXHIBIT D

INVOICE SUMMARY CHARTS

INVOICES