

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

_____)	
In re:)	
)	Chapter 11
LTV STEEL COMPANY, INC.,)	
a New Jersey corporation, <u>et al.</u>)	Jointly Administered
)	Case No. 00-43866
Debtors.)	
)	Successor to
_____)	Judge William T. Bodoh

**FINAL FEE APPLICATION OF DEWEY BALLANTINE LLP FOR
ALLOWANCE OF COMPENSATION PURSUANT TO ORDER OF COURT
DATED APRIL 24, 2001 FOR THE PERIOD JANUARY 1, 2001 THROUGH AND
INCLUDING DECEMBER 31, 2001 ON BEHALF LTV STEEL COMPANY, INC.,
FOR SERVICES RENDERED AS SPECIAL INTERNATIONAL TRADE
COUNSEL TO THE DEBTORS**

Name of Applicant:	Dewey Ballantine LLP
Authorized to provide professional services to:	LTV Steel Company, Inc.
Date of Retention Order:	April 24, 2001
Period for Which Dewey Ballantine Seeks Final Court Approval:	January 1, 2001 through December 31, 2001
Total Amount of Compensation for Services Sought to be Reimbursed as Actual, Reasonable and Necessary:	\$500,000.00

Dewey Ballantine, through this application, seeks this Court's final approval of the fees billed pursuant to the Court's April 24, 2001 order.

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Dewey Ballantine LLP (“Dewey Ballantine”) hereby submits this final fee application (the “Application”) pursuant to sections 330 and 331 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), seeking entry of an order granting final allowance and directing payment for services rendered during the period from January 1, 2001 through and including December 31, 2001 (the “Fee Period”) as special international trade counsel to the above-captioned debtors and debtors-in-possession (collectively, the “Debtors” or “LTV Steel”). In support of this Application, Dewey Ballantine respectfully represents as follows:

I. INTRODUCTION

1. On December 29, 2000 (the “Petition Date”), LTV Steel company, Inc. (the “Debtors”) filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) with the clerk of this Court.

2. The Debtors continued in the management and possession of their remaining businesses and properties as debtors-in-possession pursuant to Sections 1107 and 1008 of the Bankruptcy Code. No trustee or examiner has been appointed herein.

3. On April 24, 2001, this Court approved the engagement of Dewey Ballantine as Special International Trade Counsel to the Debtors, *nunc pro tunc*, as of the Petition Date. A true and correct copy of the order approving the engagement (the “Retention Order”) is attached to this Application and marked **Exhibit A**.

4. On December 23, 2003, this Court entered the Order Authorizing LTV Steel Company, Inc. and Georgia Tubing Corporation to Establish Distribution and Dismissal Procedures and Granting Certain Related Relief (D.I. 7163). Paragraph (f) therein provides for a bar date for filing final fee applications for professionals for the period from the Petition Date to the Initial Distribution Date (January 22, 2004). The bar date therein established is 60 days after the Initial Distribution Date, or March 1, 2004, whichever is later, for professional fees and expenses rendered to the Debtors. This Application is filed pursuant to and in accordance with that Order.

SUMMARY OF COMPENSATION AND EXPENSE REIMBURSEMENT REQUESTED

5. This Application seeks final Court approval for all fees incurred by Dewey Ballantine during the period of January 1, 2001 through December 31, 2001 (the “fee period”).

6. Prior to the Petition Date, Debtors were part of a Coalition of flat-rolled steel producers that had engaged Dewey Ballantine for several years to, *inter alia* (discussed *infra*), litigate trade cases on behalf of the Coalition against unfairly traded imports of steel that materially injured Debtors. These services were beneficial to the Debtors' estates by reason of providing legal services of value to Debtors' businesses. In consideration of Debtors' status in bankruptcy, and per agreement with the Debtors, Dewey Ballantine substantially reduced Debtors' annual liabilities as part of the Coalition by approximately 80 percent. On a monthly basis, Dewey Ballantine reduced Debtors' liabilities from approximately \$235,000 to the \$41,666.67 set by the Retention Order.

7. As set forth in the Retention Order, Dewey Ballantine did not bill the Debtors for legal services on an hourly basis, but on a flat fee basis. Dewey Ballantine was not required to submit interim fee applications or distinguish between fees and expenses, but was compensated in *pro rata* flat payments of \$41,666.67 per month. As such, no individual time entries are tied to specific monthly invoices. The Retention Order provided, in relevant part, as follows:

“Dewey Ballantine shall be compensated for its services through payment of a flat annual fee of \$500,000, payable in 12 equal monthly installments at the end of each calendar month, for the period January 1, 2001 through December 31, 2001, subject only to the filing of a final fee application by Dewey Ballantine and final allowance by this Court at the conclusion of these cases.”

8. Set forth in **Exhibit B** is a chart summarizing all bills sent by Dewey Ballantine to the Debtors pursuant to the Retention Order, the date on which the bills were sent, the amount of the flat monthly fee, those amounts which were paid, and those amounts which remain unpaid.

SUMMARY OF SERVICES RENDERED

9. During the Fee Period, Dewey Ballantine rendered professional legal, economic and foreign trade research-related services to the Debtors. In general, Dewey Ballantine has been involved in the following activities on behalf of the Debtors:

A. Trade Litigation – Legal Services

10. During the Fee Period, Dewey Ballantine's representation of the Debtors was limited to certain international trade matters. During the Fee Period, Dewey Ballantine has represented the Debtors with respect to appeals and administrative and five-year reviews based on initial requests for the imposition of antidumping duties (“AD”) and countervailing duties (“CVD”) on various imported steel products submitted to the U.S. Government in 1992, 1996, 1998, 1999, 2000, and 2001 by the Debtors and other petitioners¹ (collectively, the “Petitioners”).

11. The relief sought by the domestic steel producers was and is the imposition of *ad valorem* duties on imports of the subject merchandise to offset the margin of dumping and/or the rate of subsidization. AD and CVD duties are assessed against entries of the subject merchandise by the U.S. Customs Service (“Customs”) upon liquidation, and are paid by the importer of record, which in many cases will be a person or entity that does not produce the subject merchandise and is not a party to the investigation. Following an affirmative preliminary determination of dumping or subsidization, Customs suspends liquidation of entries of the subject imported merchandise and requires the importer of record to post a cash deposit or bond equal in

¹ Co-petitioners were AK Steel Corp.; Geneva Steel; Gulf States Steel; Laclede Steel Co.; Bethlehem Steel Corporation; National Steel Corporation; Sharon Steel Corp.; USX Corp./U.S. Steel Group; Lukens Steel Company; Inland Steel Industries, Inc.; and Warren Consolidated Industries, Inc.

amount to the *ad valorem* rates set in the preliminary determination. If an affirmative final finding is made by the U.S. Department of Commerce (the “Commerce Department”) with respect to dumping or subsidization, as the case may be, and a final affirmative finding is made by the U.S. International Trade Commission (the “Commission”) that such dumped or subsidized imports have materially injured a U.S. industry, the Department will issue an AD or CVD duty order as appropriate. Upon entry of an AD or CVD duty order, the importer of record is liable for duties on *ad valorem* rates calculated in the final affirmative AD or CVD determination. The duties may subsequently be continued, revoked, adjusted upward or downward, or otherwise modified, by the Commerce Department and the Commission following administrative and five-year reviews that are conducted from time to time after the final determination, based on changes in the level of dumping or subsidization, or on the magnitude and likelihood of injury suffered by the domestic industry, as the case may be.

12. To the extent Petitioners were successful in the AD and CVD investigations, the result was the imposition of *ad valorem* duties on the importation of certain cut-to-length carbon steel plate, as well as hot-rolled, cold-rolled and corrosion-resistant carbon steel flat products, which compete with LTV Steel's products. The net effect of the investigations has been to enhance LTV Steel's sales opportunities and to diminish the prospect that LTV Steel will be injured by unfairly traded foreign steel.

13. Administrative reviews of existing AD and CVD orders were commenced by the Commerce Department with respect to products from various countries and were ongoing during the Fee Period. The goal of Petitioners' participation in the review process is to minimize any potential AD and CVD duty reductions. As the

result of completion of an administrative review, the Commerce Department will assess AD and CVD duties on entries of the merchandise manufactured by the foreign producer during the period of review based on the actual margin of dumping or subsidization during that period, and will require the posting of a cash deposit equal to that margin of dumping for all future entries of the merchandise sold by the foreign producer.

14. Five-year reviews of existing AD and CVD orders were commenced by both the Commerce Department and the Commission with respect to products from various countries and were ongoing during the Fee Period. The results of such reviews determine whether the existing orders will be continued or revoked. The goal of Petitioners' participation in such reviews is to prevent potential revocation of AD and CVD duty orders, where the revocation is likely to lead to recurrence of dumping, subsidization, or the injurious effects to the domestic industry, as the case may be.

15. Dewey Ballantine appeared during the Fee Period on behalf of domestic steel producers, including the Debtors, in appeals of Commerce Department and Commission determinations to the U.S. Court of International Trade and the Court of Appeals for the Federal Circuit. Additionally, Dewey Ballantine rendered services to the Debtors and other domestic steel producers in matters related to foreign governments' challenges to certain CVD measures under the World Trade Organization ("WTO") Dispute Settlement process. These appeals and challenges have been taken with respect to specific issues relating to the determination of the margin of dumping or subsidization, or the magnitude and likelihood of the injurious effects of imported steel products, as the case may be, and will potentially affect the AD or CVD margin ultimately established, as well as the continuation of the AD or CVD order.

16. Under the Continued Dumping and Subsidy Offset Act (“CDSOA”), the duties collected by Customs under an AD or CVD order are distributed to the petitioners. Dewey Ballantine performed various tasks in order to ensure that the duties imposed under the existing AD and CVD orders are collected at the correct rate and distributed accordingly, where appropriate. In addition, Dewey Ballantine rendered services to the Debtors and other domestic steel producers in matters related to WTO proceedings commenced by foreign governments challenging the CDSOA.

17. Separately, in June 2001 President Bush directed the United States Trade Representative (“USTR”) to request the initiation of an investigation of injury to the U.S. steel industry by the International Trade Commission under Section 201 of the Trade Act of 1974 (“Section 201”). The International Trade Commission determined unanimously that the flat-rolled steel industry, of which LTV Steel was a part, has been seriously injured by imported steel. This finding allowed the President to order measures designed to counter the adverse effects that imported steel cause to the domestic steel industry. On March 5, 2002, the President announced significant tariffs against key product lines of LTV Steel. The remedy enhanced LTV Steel's sales opportunities and diminished the prospect that LTV Steel will be injured by foreign steel imports.

B. Trade Litigation – Economic Services

18. A group of economists, trade analysts, statisticians, and other paraprofessionals provides economic consulting services and trade analysis that is an integral part of Dewey Ballantine’s representation of LTV Steel in international trade matters. This support work extends from statistical and econometric research in trade

litigation to assistance in preparing analytical studies and materials used in the public forum to advocate the steel industry's trade policy interests.

19. During the Fee Period, Dewey Ballantine's economic staff was utilized for both litigation and trade policy matters, including the Section 201 proceeding and litigation before the Commerce Department, the U.S. International Trade Commission, and courts.

20. The Section 201 investigation initiated by President Bush resulted in significant tariffs benefiting LTV Steel's main product lines. The President initiated this investigation because of the continuing problem of low-priced foreign steel that seriously injured the domestic steel industry. Dewey Ballantine's economic staff performed an important role in the litigation of this investigation and the public policy debate. Services during the Fee Period included: (1) analysis and processing of data for Section 201-related matters; (2) substantial data analysis to prepare presentation and briefing materials used in meetings with Administration officials; and (3) technical analysis of product specifications and related quantitative analysis, used in response to numerous parties' requests for exclusion of their products from the Section 201 trade remedy measures.

21. Support for the trade litigation activities undertaken on behalf of LTV Steel during the Fee Period was provided by the economic staff through analysis of various steel import and price data.

C. Trade Litigation – Foreign Market Research

22. The Dewey Ballantine's ability to identify and document foreign anticompetitive practices -- such as government subsidies to foreign steel companies,

cartel arrangements by foreign producers, and other activities by foreign governments and manufacturers aimed at protecting their home markets -- is instrumental in supporting both the steel litigation efforts and in advocating LTV Steel's interests with respect to trade policy. Specific activities in this area during the Fee Period included efforts relating to the international steel talks to achieve a reduction in global excess production capacity, foreign market research support for the Section 201 litigation, and documentation of global steel cartels and other anticompetitive practices.

23. During the Fee Period, Dewey Ballantine represented LTV Steel with respect to the Administration's international negotiations with foreign governments to reduce the global excess steel producing capacity. The domestic integrated industry believes that the global excess steel capacity is largely to blame for the import crisis that has seriously injured U.S. steel companies and workers. A reduction in the global excess steel capacity will alleviate the importing pressure into the United States, and normalize the global steel trading system. Additionally, the industry has a vested interest in ensuring that multilateral negotiations are not used to weaken the existing antidumping and countervailing duty trade laws. The Dewey Ballantine's research undertaken during the Fee Period regarding the measures of foreign governments with respect to subsidies and other assistance programs was an important step in providing the U.S. negotiators with arguments and data to respond to the arguments brought forth by their counterparts. To that end, Dewey Ballantine conducted research and analysis of the causes and status of excess steel production capacity abroad, as well as anticompetitive and other restrictive arrangements adopted by foreign steel producers and governments.

D. Public Policy

24. Dewey Ballantine's trade litigation activities before the various Administrative branches and federal courts are supplemented by advocating the domestic integrated producers' interests before key Administration officials and Members of Congress. During the Fee Period, Dewey Ballantine continued to play an active role in promoting legislation that is favorable for LTV Steel's interests. The severe steel import problem occurring during the Fee Period required substantial efforts geared towards Congress and the Administration to explain the nature of the problem and to raise support for administrative and legislative solutions. To protect the domestic integrated producers' interests in the public policy area, Dewey Ballantine worked in close coordination with LTV Steel's and the other domestic integrated producers' representatives (the "Representatives"). Examples of activities in the legislative and executive branch area included efforts relating to raising Congressional and public support for the Section 201 trade remedy; preparing materials and briefing steel company officials for Congressional hearings regarding steel trade issues; promoting various trade law proposals; developing a legislative defense to the numerous WTO cases brought against U.S. trade relief measures; developing strategy to protect the U.S. fair trade laws in international negotiations; and responding to the numerous requests for information from Congressional members, officials of the Administration, as well as various think tanks and the media.

25. During the Fee Period, Dewey Ballantine prepared and distributed materials summarizing the domestic producers' key arguments in the Section 201 debate. In preparation for meetings between steel company CEOs and Administration officials,

Dewey Ballantine prepared talking points and briefed steel company officials on the pertinent issues. Dewey Ballantine also worked with the companies' Representatives to prepare responses to the allegations put forth by various consumer groups and foreign interests who mounted a vigorous lobbying effort to force the Administration to reduce the level of the relief granted to the domestic industry. These materials were prepared with the support and analysis of the economic and foreign market research teams.

26. During the Fee Period, Dewey Ballantine also worked to develop a legislative defense to the numerous WTO cases brought against U.S. trade relief measures. Dewey Ballantine's efforts in this respect were aimed at introducing a provision to U.S. trade law diminishing the possibility that U.S. trade relief measures beneficial to the Debtors will eventually be lifted as a result of an adverse ruling by a WTO Dispute Settlement Panel. Specific tasks undertaken during the Fee Period in connection with such efforts included conducting research, drafting and circulating memoranda summarizing the results of such research and analysis, and assisting in conveying the Debtors' and other domestic steel producers' views on the impacts of adverse WTO rulings to U.S. legislators and their staff.

27. During the Fee Period, Dewey Ballantine routinely responded on behalf of the domestic integrated producers for requests for information related to various policy issues from the media, Members of Congress, and Administration officials. Frequently, these requests were made by the various parties to gain a better understanding of the issues and to respond to arguments brought forth by parties representing the interests of those opposed to the imposition of relief for the domestic industry.

28. During the Fee Period, Dewey Ballantine also engaged in efforts to advocate LTV Steel's position that multilateral negotiations must not be used to weaken existing trade laws such as the antidumping and countervailing duty laws. Dewey Ballantine closely monitored the developments and provided updates to steel company officials. Dewey Ballantine also communicated with various government officials who represent the United States' in ongoing multilateral trade negotiations in order to convey the views of the domestic steel industry on these matters.

29. During the Fee Period, Dewey Ballantine's work relating to the international government-to-government discussions regarding the elimination of global inefficient and excess steelmaking capacity included participating in meetings and holding conferences with USTR and Commerce Department officials in preparation for the OECD steel talks. Dewey Ballantine briefed the officials on past capacity discussions in the steel sector, criteria for identifying uneconomic capacity, and the means by which the United States can obtain market-driven outcomes. Dewey Ballantine briefed steel company officials on the progress of the OECD meetings, followed-up with the Administration officials, and responded to inquiries from the media and policy institutions advocating U.S. steel producers' positions.

30. All services rendered by Dewey Ballantine on behalf of the Debtors were performed at the request of the Debtors and have been beneficial to the Debtors' estates by reason of providing legal services of value to Debtors' businesses.

Allowance of Compensation

31. Dewey Ballantine hereby seeks final compensation for legal services rendered to the Debtors pursuant to the Retention Order. As detailed above,

Dewey Ballantine has rendered various extensive and valuable professional legal, economic and foreign trade-related research services to the Debtors, which services have been demanding of time, effort, and expertise. Therefore, Dewey Ballantine respectfully submits that the quality of services rendered, the results obtained and the nature of these cases warrant the allowance of Dewey Ballantine's request for compensation for legal services and reimbursement of Expenses for the Fee Period.

32. Section 330 of the Bankruptcy Code prescribes the general standards for determining the reasonableness of the amount of compensation sought, including interim compensation allowable under section 331 of the Bankruptcy Code. 3 Collier on Bankruptcy, ¶ 331.03 at 331-12 (15th ed. rev. 1999). Section 330(a) of the Bankruptcy Code provides for the compensation of reasonable and necessary services rendered by professionals based upon the time, nature, extent and value of the services rendered, as well as the cost of comparable services in non-bankruptcy cases.

33. The concept of strict economy of administration of cases under the former Bankruptcy Act is no longer the rule. In re Ames Dep't Stores, Inc., 76 F.3d 66, 71 (2d Cir. 1996); In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 19-20 (Bankr. S.D.N.Y. 1991). Congress enacted Bankruptcy Code section 330 to liberalize the practice of granting allowance of compensation to professionals in bankruptcy cases, in order to ensure “that attorneys be reasonably compensated and that future attorneys not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation.” Ames Dep't Stores, 76 F.3d at 72 (quoting In re UNR Indus., Inc., 986 F.2d 207, 208-09 (7th Cir. 1993)). See also In re RBS Indus. Inc., 104 B.R. 579, 582 (Bankr. D. Conn. 1989) (stating that the Bankruptcy Code provides for marketplace fees “so that the best

and the brightest professionals are encouraged to practice in our bankruptcy courts”). Simply stated, fee awards in bankruptcy cases are to be commensurate with those available in other areas of law. See Ames Dep't Stores, 76 F.3d at 71; H. Rep. No. 95-595, 9th Cong., 1st Sess., 329-30 (1977).

34. Section 330 of the Bankruptcy Code provides that fees awarded to professionals must be both necessary and reasonable. In re Keene Corp., 205 B.R. 690, 696 (Bankr. S.D.N.Y. 1997). The test for determining necessity is objective, focusing on what services a reasonable lawyer would have performed in the same circumstances. In re Angelika Films 57th Inc., 227 B.R. 29, 42 (Bankr. S.D.N.Y. 1998). This test does not rely on hindsight to determine the ultimate success or failure of the attorney's actions. See id.; Keene, 205 B.R. at 696. Ultimately, "if the services of a debtor's attorney are reasonably likely to benefit the debtor's estate, they should be compensable." Angelika Films, 227 B.R. at 42.

35. As to the requirement of reasonableness under section 330, "Bankruptcy Courts now utilize the 'lodestar' method." Drexel Burnham, 133 B.R. at 21-22 (footnote omitted). While some courts have considered the twelve factors enumerated in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974), when considering fee awards,² "[I]t is now settled that the 'lodestar' method of fee calculation developed by the Third Circuit, is the method to be used to determine a 'reasonable'

² The Johnson factors are: (1) the time and labor required; (2) the novelty and difficulty of the questions; (3) the skill requisite to perform the legal services properly; (4) the preclusion of other employment by the attorney because of acceptance of the case; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations imposed by the client or other circumstances; (8) the amount involved and the results obtained; (9) the experience, reputation and ability of the attorneys; (10) the undesirability of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases.

attorney fee in all federal courts, including the bankruptcy courts.” In re Cena's Fine Furniture, Inc., 109 B.R. 575, 581 (E.D.N.Y. 1990) (citation omitted).³

36. The lodestar is calculated by multiplying the number of hours reasonably performed by a reasonable hourly rate. Savoie v. Merchants Bank, 166 F.3d 456, 460 (2d Cir. 1999). There is a “strong presumption’ that the lodestar product is reasonable under [Bankruptcy Code] § 330.” Drexel Burnham, 133 B.R. at 22. Indeed, the Supreme Court has found that “the lodestar figure includes most, if not all, of the relevant factors constituting a ‘reasonable’ attorney’s fee.” Pennsylvania v. Delaware Valley Citizens’ Council for Clean Air, 478 U.S. 546, 563, 106 S.Ct. 3088, 3097 (1986). The Supreme Court has further found that the lodestar figure incorporates such factors as “the novelty and complexity of the issues,’ ‘the special skill and experience of counsel,’ the ‘quality of representation,’ and the ‘results obtained’ from litigation.” Cena's Fine Furniture, 109 B.R. at 575 (quoting Blum v. Stenson, 465 U.S. 886, 898-900, 104 S.Ct. 1541, 1548-49 (1983)).

A. The Time And Labor Required

37. Under the lodestar method, the first relevant factor to be considered is the number of hours devoted by Dewey Ballantine to the Debtors’ cases. As described above, Dewey Ballantine spent numerous hours (i) analyzing the voluminous submissions and electronic data filed by the many domestic and foreign interested parties in the AD and CVD investigations and reviews, the Section 201

³ A number of courts, including courts in this district, have found that the lodestar approach has replaced the Johnson method of computing attorneys’ fees. See Drexel Burnham, 133 B.R. at 22 (n. 5); Cena's Fine Furniture, 109 B.R. at 581. Cf. Masterwear, 233 B.R. at 278 (“Adjustments to the ‘lodestar’ amount are proper only in rare and exceptional cases supported by specific evidence and detailed findings.”) (citing Pennsylvania v. Delaware Valley Citizens’ Council for Clean Air, 478 U.S. 546, 565 (1986)).

investigation and various court and WTO proceedings, and preparing submissions filed with the Department of Commerce, the International Trade Commission, the Office of U.S. Trade Representative, WTO Dispute Settlement Panels, and various courts; (ii) researching and analyzing foreign private and government measures that cause significant trade flow distortions in international steel trade; and (iii) working with steel company officials to promote the domestic industry's public policy agenda.

38. Dewey Ballantine has endeavored to restrict the number of lawyers and other professionals actively involved in these cases and to ensure that there has been no duplication of effort by Dewey Ballantine's attorneys. In addition, Dewey Ballantine assigned the performance of all tasks to the least senior attorney, economist, analyst, statistician or researcher capable of performing such tasks consistent with the goal of sound legal representation. Dewey Ballantine has also worked closely with the Debtors to ensure that there is no duplication of services among the Debtors' other professionals. Indeed, Dewey Ballantine believes that the services it has performed, as described herein, has been complimentary to the services provided by the Debtors' other professionals.

39. In assessing the reasonableness of the number of hours devoted to these cases by Dewey Ballantine, the novelty and difficulty of the issues presented should be considered. Dewey Ballantine has been faced with numerous complex legal and factual issues in the approximately 50 separate matters that were actively litigated during the Fee Period. Since the trade cases involve a large number of countries, and typically several foreign producers or exporters for each country, the issues presented differ substantially from case to case and even from producer to producer. Adding to the complexity of this type of litigation is the fact that many new legal and factual issues that

are specific to a certain country and/or producer typically arise during the course of an investigation or review. This requires extensive legal and factual research, and coordination with, depending on the issue at hand, LTV Steel, Petitioners, co-counsel, and Commerce Department, International Trade Commission, U.S. Trade Representative, and numerous court officials. As each investigation and review has a separate factual record, each case must be litigated on the unique facts pertaining to that matter. Both foreign and domestic steel producers and other interested parties that participate in the AD, CVD, Section 201, and other proceedings submit large quantities of business confidential data. Each case therefore has a separate Administrative or Judicial Protective Order, further adding to the complexity of litigating international trade proceedings.

B. Dewey Ballantine's Hourly Rate

40. Pursuant to agreement with Debtors, as set forth in the Retention Order, Dewey Ballantine provided legal services as international special trade counsel to the Debtors at a deeply discounted rate and did not bill the Debtors for legal services on an hourly basis, but on a flat fee basis. Dewey Ballantine was not required to submit interim fee applications or distinguish between fees and expenses, but was compensated in *pro rata* flat payments of \$41,666.67 per month. As such, no individual time entries are tied to specific monthly invoices. Debtors' contribution was limited to a fixed fee of \$500,000, to be paid in month installments, over the course of the Fee Period.

41. As described above, “[t]he reasonable hourly rates are the prevailing rates for similar services by lawyers of reasonably comparable skill, experience and reputation in the relevant market” Masterwear, 233 B.R. at 278; see also

In re Busy Beaver Bldg. Centers, Inc., 19 F.3d 833, 849 (3d Cir. 1994) (“The unambiguous policy inspiring [Bankruptcy Code] § 330(a) . . . is that professionals and paraprofessionals in bankruptcy cases should earn the same income as their non-bankruptcy counterparts”). As set forth in the Retention Order, Dewey Ballantine provided its services on a deeply discounted flat fee basis. By this Application, Dewey Ballantine seeks compensation for legal services based on its customary fee for similar matters at rates which are comparable to those charged by law firms of a similar size and expertise in Dewey Ballantine's relevant market. Dewey Ballantine's request for reimbursement of Expenses also comports with its general policy of collection in full of all such Expenses incurred on behalf of clients in non-bankruptcy cases, as modified by the Guidelines.

42. When considering the reasonableness of a law firm's hourly fee rate, an important factor to be considered is the experience, reputation, and ability of the attorneys. Dewey Ballantine, in one form or another, has been engaged in the practice of law for more than ninety years. In addition to its group of attorneys specializing in international trade and related matters, Dewey Ballantine has a group of economists, analysts, statistician and researchers with a particular expertise in international trade.

43. No agreement or understanding exists between Dewey Ballantine and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with these cases.

44. No prior application has been made in this or in any other Court for the relief requested herein.

LBR 9013-1(b) Waiver

45. Dewey Ballantine respectfully requests that the Court waive the requirement under LBR 9013-1(b) that a separate memorandum of law be filed in support of this Application. Dewey Ballantine reserves the right to submit a reply memorandum of law in the event objections to the Application are filed.

CERTIFICATION

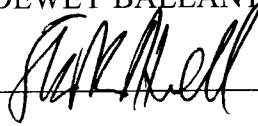
46. The undersigned hereby certifies that Debtors were provided with all invoices referenced herein and further certifies that Dewey Ballantine has complied with the Retention Order. The undersigned has read this Application and to the best of his knowledge, information, and belief, formed after reasonable inquiry, the compensation sought comports with the Guidelines, unless otherwise specifically noted herein. The undersigned further certifies that the compensation for which Court approval is sought are billed at rates and are in accordance with practices no less favorable to the Debtors than those customarily employed by Dewey Ballantine generally, unless otherwise specifically noted herein.

47. WHEREFORE, Dewey Ballantine respectfully requests the entry of an order: (a) granting final approval for the allowance for compensation of professional services rendered to the Debtors during the Fee Period; (b) authorizing and directing the Debtors to make immediate payment of all outstanding fees; and (c) granting such other and further relief as this Court may deem just and proper.

* * *

Dated: Washington, DC
March 19, 2004

DEWEY BALLANTINE LLP



Alan Wm. Wolff
Thomas R. Howell
1775 Pennsylvania Avenue, N.W.
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Special International Trade Counsel
for Debtors and Debtors-in-Possession