

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

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In re:	:	Chapter 11
	:	
LTV STEEL COMPANY, INC.,	:	Jointly Administered
a New Jersey corporation, <u>et al.</u> ,	:	Case No. 00-43866
	:	
Debtors.	:	Chief Judge Randolph Baxter
	:	
	x	

FINAL APPLICATION OF SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP AND AFFILIATED LAW PRACTICE  
ENTITIES, SPECIAL INTERNATIONAL TRADE COUNSEL FOR THE  
DEBTORS, SEEKING FINAL ALLOWANCE OF  
FEES IN CONNECTION WITH SERVICES RENDERED  
DURING THE PERIOD FROM JANUARY 1, 2001 TO DECEMBER 31, 2001

Skadden, Arps, Slate, Meagher & Flom LLP  
4 Times Square  
New York, New York 10036-6522  
(212) 735-3000  
Special International Trade Counsel  
for the Debtors

March 22, 2004

Name of Applicant: Skadden, Arps, Slate, Meagher & Flom  
LLP and Affiliated Law Practice Entities

Authorized to Provide Professional  
Services to: LTV Steel Company, Inc.

Date of Retention Order: April 24, 2001

Period for Which Compensation  
and Reimbursement is Sought: January 1, 2001 - December 31, 2001

Amount of Compensation and  
Expense Reimbursement Sought  
as Actual, Reasonable and Necessary: \$500,000\*

This is an:  interim  final application

Prior Applications: NONE

Fees and Expenses Previously Requested: NONE

Fees and Expenses Previously Allowed: NONE

\* Pursuant to this Court's order, Skadden, Arps was to be compensated for its services rendered during the period January 1, 2001 through December 31, 2001 through payment of a flat fee in the amount of \$500,000, payable in 12 equal monthly installments. To date, Skadden, Arps has been paid \$434,547.31 pursuant to the flat fee arrangement.

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Introduction

Skadden, Arps, Slate, Meagher & Flom LLP and Affiliated Law Practice Entities ("Skadden, Arps"), special international trade counsel for the above-captioned chapter 11 debtors (collectively, the "Debtors"), hereby submits its final fee application (the "Final Fee Application") seeking final allowance of compensation and reimbursement of expenses pursuant to 11 U.S.C. § 330 for services rendered and expenses incurred during the period from January 1, 2001 through

December 31, 2001 (the "Application Period"). In support of this Final Fee Application, Skadden, Arps represents as follows:

Background

1. On December 29, 2000 (the "Petition Date"), each of the Debtors filed a voluntary petition in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § § 101-1330, as amended (the "Bankruptcy Code"). Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors continue to operate their businesses and manage their properties as debtors-in-possession.

2. On the Petition Date, the Court entered an order providing for the joint administration of these cases pursuant to Fed. R. Bankr. P. 1015(b), and these cases have been consolidated for procedural purposes only.

3. On January 8, 2001, the Office of the United States Trustee for the Northern District of Ohio (the "U.S. Trustee") appointed a statutory committee of unsecured creditors in these chapter 11 cases (the "Creditors' Committee"). On January 19, 2001, the U.S. Trustee appointed a statutory committee of unsecured noteholders in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On February 27, 2003, the U.S. Trustee appointed an amended statutory committee of administrative creditors. On March 27, 2003, the U.S. trustee filed a Notice of Disbandment of the Unsecured Committee.

4. The Bankruptcy Court has jurisdiction over this Final Fee Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. §157(b)(2). Venue of this case in this district is proper under 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief requested is section 330 of the Bankruptcy Code.

Retention Of Skadden, Arps

5. On April 9, 2001, the Debtors sought authorization from the Bankruptcy Court to retain Skadden, Arps as their special international trade counsel pursuant to section 327(e) of the Bankruptcy Code (the "Retention Application"). By an order dated April 24, 2001, the Bankruptcy Court authorized the Debtors to retain Skadden, Arps as their special international trade counsel to represent them in ongoing legal and public policy efforts to mitigate the adverse effects upon the Debtors of unfairly traded imported flat-rolled carbon steel products, on the terms and subject to the conditions described below.<sup>1</sup>

6. During the Debtors' chapter 11 cases, Skadden, Arps and Dewey Ballantine LLP ("Dewey Ballantine") served as joint international trade counsel to a group of four United States producers of carbon steel flat-rolled products (the "Steel Coalition") in their ongoing efforts to secure and retain relief from unfair trade practices with respect to these products. The representation is limited to

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<sup>1</sup> A copy of the Retention Order is annexed hereto as Exhibit A.

four main line carbon steel product categories: hot-rolled flat products, plate, cold-rolled flat products, and corrosion-resistant flat products. In addition to the Debtors, the members of the Steel Coalition during the Application Period were Bethlehem Steel Corporation ("Bethlehem"), National Steel Corporation ("National"), and U.S. Steel Group, a unit of USX Corporation ("USX").

#### Fee Procedure

7. Prior to the Petition Date, Skadden, Arps and Dewey Ballantine jointly represented the members of the Steel Coalition on the basis of a fee arrangement that allocated fees based on each member's annual production tonnage of those products that were the subject of the representation (the "Prepetition Fee Arrangement").

8. Under the Retention Order, during calendar year 2001, the Debtors were to pay a flat fee to Skadden, Arps in the amount of \$500,000. Consistent with the Retention Order, Skadden, Arps submitted 12 monthly invoices of \$41,667 each (totaling \$500,000) to the Debtors during calendar year 2001. To date, Skadden, Arps has been paid \$434,547.31 on account of such invoices. Under the flat fee arrangement, the Debtors were responsible for only a fraction of the fees they would have been responsible for under the Prepetition Fee Arrangement.

Services Rendered By Skadden, Arps During Debtors' Chapter 11 Cases

9. Skadden, Arps rendered legal and public policy services to the Debtors with respect to unfairly traded flat-rolled steel products throughout the course of these chapter 11 cases. In particular, Skadden, Arps performed, among other things, the following services:

- (a) Prosecuted ongoing investigations under the antidumping law (19 U.S.C. § 1673 et. seq.) ("AD") and countervailing duty laws (19 U.S.C. § 1671 et. seq.) ("CVD") with respect to unfairly traded hot-rolled carbon steel flat products;
- (b) Prepared and prosecuted, as appropriate, and pursuant to the approval of the Debtors, additional complaints under the Antidumping and Countervailing Duty laws, and other relevant statutes (including Sections 201 and 301 of the Trade Act of 1974 and the antitrust laws of the United States), with respect to unfairly traded carbon steel hot-rolled flat products, cold-rolled flat products, plate, and corrosion-resistant flat products;
- (c) Provided advice to the Debtors with respect to all aspects of unfair trade in carbon steel flat products as it affects their interests;
- (d) Provided legal services with respect to Administrative Reviews of outstanding Antidumping and Countervailing Duty orders and appeals and remands of such reviews;
- (e) Provided legal services with respect to appeals and remand of Antidumping and Countervailing Duty orders;
- (f) Provided legal services with respect to challenges to United States decisions under the Antidumping and

Countervailing Duty laws pursuant to the Dispute Resolution procedures of the World Trade Organization;

- (g) Provided legal services and advice with respect to the negotiation, administration, and enforcement of suspension agreements with respect to Antidumping and Countervailing Duty proceedings;
- (h) Provided legal and public policy support as requested by the Debtors, with respect to Congressional legislation, hearings, and other activities and initiatives related to the problem of unfair trade in steel and the legal and public policy responses thereto;
- (i) Monitored unfair trade policies and practices in the steel industries of foreign countries to the extent that such policies and practices are relevant to ongoing or potential proceedings under the Antidumping and Countervailing duty laws, or other relevant statutes or to other public policy initiatives by the U.S. government to address the problem of unfair trade in steel; and
- (j) Provided information, as appropriate, to the United States government concerning all aspects of unfair trade in steel.

#### Standing At The Bar And Experience

10. Skadden, Arps assembled a highly qualified team of attorneys to service the Debtors during their chapter 11 cases. Skadden, Arps attorneys have extensive experience with respect to the application of legal and public policy measures in response to unfair trade in general, and unfairly traded steel imports in particular. Indeed, Skadden, Arps has represented the major producers of flat-rolled

steel, including the Debtors, with respect to unfairly traded imported steel continuously since 1988, and has been engaged in AD and CVD litigation on the industry's behalf against unfairly traded imported steel on a regular basis since 1991.

11. Skadden, Arps is intimately familiar with various forms of unfair trade practices employed by foreign producers, and with the subsidies extended by foreign governments, in the carbon steel flat-rolled products market, and the effects of these policies and practices on United States producers, including the Debtors.

12. Pursuant to the requirements of the United States AD and CVD laws, Skadden, Arps regularly gathers detailed financial, operational, competitive and sales information from United States producers, including the Debtors during their chapter 11 cases. Skadden, Arps has extensive experience in conducting research in foreign countries which are the subject of AD and CVD investigations. Skadden, Arps is well acquainted with the adverse effects of unfairly traded imports on the United States producers' capacity utilization rates, revenues, cost structure, financial results, and access to capital. Skadden, Arps has a thorough knowledge of all aspects of the flat-rolled steel production process. Skadden, Arps has the computerized data analysis capability which is required to analyze rapidly the thousands or tens of thousands of transactions that are commonly involved in AD investigations.

This substantial expertise and experience proved helpful in Skadden Arps' representation of the Debtors.

13. Robert E. Lighthizer, one of the partners primarily responsible for the engagement, is the leader of the Skadden Arps' International Trade Department. He divides his time between traditional trade litigation, policy advice and legislative initiatives. His clients include large United States corporations and coalitions. He represents heavy manufacturing, agricultural and high-tech companies, as well as financial services institutions. He has been lead counsel in scores of antidumping and countervailing duty cases during the last several years and is currently active in numerous pending cases and administrative reviews. In recent years he has also focused on market-opening trade actions on behalf of United States companies seeking access to foreign markets.

The Requested Compensation Should Be Allowed

14. 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." 11 U.S.C. § 330(a)(1). Section 330 of the

Bankruptcy Code 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 shall consider the nature, the extent, and the 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.

11 U.S.C. § 330(a)(3).

15. In the instant case, Skadden, Arps respectfully submits that the services for which it seeks compensation in this Final Fee Application were, at the time rendered, believed to be necessary for and beneficial to the Debtors' rehabilitation and reorganization effort. Such services and expenditures were necessary to and in the best interests of the Debtors' estates. Skadden, Arps 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.

Conclusion

WHEREFORE, Skadden, Arps respectfully requests allowance of compensation for the professional services rendered during the Application Period in the amount of \$500,000.

Dated: March 22, 2004

SKADDEN, ARPS, SLATE, MEAGHER &  
FLOM LLP  
Special International Trade Counsel for  
the Debtors

By: /s/ Robert E. Lighthizer  
Robert E. Lighthizer  
1440 New York Avenue, N.W.  
Washington, D.C. 20005  
(202) 371-7000

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Debtors.	:	Chief Judge Randolph Baxter
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CERTIFICATE OF ROBERT E. LIDTHIZER

Robert E. Lighthizer, under penalty of perjury, certifies as follows:

1. I am a partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps"). I make this certification in accordance with (a) paragraph II.E of the Guidelines for Compensation and Expense Reimbursement of Professionals adopted by the Office of the United States Trustee and (b) paragraph 6 of General Order No. 93-1 regarding the contents of applications for compensation and expenses (the "Order").

2. I have read the Final Application Of Skadden, Arps, Special International Trade Counsel For The Debtors, Seeking Final Allowance Of Fees In

Connection With Services Rendered During The Period From January 1, 2001 To December 31, 2001 (the "Final Fee Application"), a copy of which has been sent to the above-captioned debtors.

3. To the best of my knowledge, information and belief, formed after reasonable inquiry, the compensation and expense reimbursement sought in the Final Fee Application conforms with the requirements of the Order, except as specifically noted therein.

Dated: March 22, 2004

/s/ Robert E. Lighthizer  
Robert E. Lighthizer