

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

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
FEB 02 2004  
KATHLEEN S. GARDNER, CLERK  
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In Re: )  
)  
NATIONAL STEEL CORPORATION, )  
)  
Debtor. )  
) Chapter 11  
) Case No. 02-08699  
) Jointly Administered  
) Hon. John H. Squires  
) Hearing Date: March 9, 2004 @ 8:30 a.m.  
) Objection Deadline: March 8, 2004

**FINAL APPLICATION FOR REIMBURSEMENT OF EXPENSES OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF NATIONAL STEEL CORPORATION FOR THE PERIOD FROM MARCH 19, 2002 THROUGH DECEMBER 19, 2003**

The Official Committee of Unsecured Creditors (the "Committee") of National Steel Corporation, by and through its attorneys, hereby files its Final Application for Reimbursement of Expenses (the "Final Application") for the Period From March 19, 2002 Through December 19, 2003 (the "Final Application Period"). In support of this Final Application, the Committee states as follows:

**I. FACTUAL BACKGROUND - GENERAL STATUS OF CASE AND JURISDICTIONAL AND STATUTORY BASIS FOR THIS APPLICATION**

1. On March 6, 2002 (the "Petition Date"), the Debtors each filed voluntary petitions in this Court for reorganization relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101-1330 9 (as amended, the "Bankruptcy Code"). Until recently, the Debtors managed and operated their businesses as Debtors-in-Possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On March 7, 2002, this Court entered that certain Administrative Order pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Periodic Compensation of Expenses of Professionals (Docket No. 34) (the "Administrative Order").

3. On March 19, 2002, the United States Trustee appointed the Committee pursuant to § 1102 of the Bankruptcy Code. The Committee was comprised of the following members: EES Coke Battery, LLC, United Steelworkers, P.B.G.C., HSBC, Jewell Coke Company, L.P., Tube City, Inc., Praxair, Inc., Bearing Headquarters Co., Noble Metal Processing, Inc., and Edward C. Levy Co.

4. Prior to May 20, 2003, the Debtors manufactured and sold a variety of flat rolled carbon steel products and the Debtors' business was one of the largest integrated steel producers in the United States.

5. The Debtors were headquartered in Mishawaka, Indiana, near South Bend. Prior to May 20, 2003, the Debtors had three principal facilities: the Granite City facility in Granite City, Illinois, the Great Lakes facility in River Rouge, Michigan; and a finishing facility, the Midwest Division, in Portage, Indiana. Approximately 70% of the Debtors' customers were located in the central region of the United States where the Debtors operated their businesses.

6. As of the Petition Date, the Debtors owed substantial sums to a wide range of secured and unsecured creditors, including trade creditors. The Debtors were liable for more than \$1,500,000,000 in unfunded pension fund liabilities and more than \$500,000,000 in underfunded "legacy costs" pursuant to its collective bargaining agreement with the USWA. The Committee believes that, as of the Petition Date, total unsecured trade payables were in the range of \$200 million.

7. On May 20, 2003, the Debtors sold substantially all of their assets, including their steel making facilities, to United States Steel Corporation ("USC") for the total purchase price of \$1,050,000,000, pursuant to an Asset Purchase Agreement dated April 21, 2003 (the "Sale").

8. On October 23, 2003 this Bankruptcy Court confirmed the Debtors' Joint Amended Plan of Liquidation ("Plan"). On December 19, 2003, the Debtors' Plan became effective.

## **II. REQUEST FOR REIMBURSEMENT OF EXPENSES**

9. On August 30, 2002, the Committee, though its undersigned counsel, filed a First Interim Application for Approval and Allowance of Reimbursement of Expenses (the "First Application") for the period from March 19, 2002 through and including July 31, 2002 requesting reimbursement of expenses in the amount of \$2,457.01. The court granted the relief requested in the First Application.

10. On December 26, 2002, the Committee, through its undersigned counsel, filed a Second Interim Application for Approval and Allowance of Reimbursement of Expenses (the "Second Application") for the period from August 1, 2002 through and including November 30, 2002 requesting reimbursement of expenses in the amount of \$4,553.40. The court granted the relief requested in the Second Application.

11. On April 25, 2003, the Committee, though its undersigned counsel, filed a Third Interim Application for Approval and Allowance of Reimbursement of Expenses (the "Third Application"). This Court preliminarily denied the relief requested in the Third Application but suggested that Rccd Smith on behalf of the Committee, reapply for allowance of almost all of the expenses requested in the Third Interim Application, with the exception of a charges totaling \$3,880.90. Consequently the Fourth Interim Application sought reimbursement of the Committee

expenses requested in the Third Interim Application as reduced by \$188.13 together with additional expenses of \$1,700.20. The court granted the relief requested in the Fourth Application

12. Pursuant to §§ 503(b)(3)(F) and 503(b)(4) of the Bankruptcy Code, a member of the Committee may be reimbursed for actual and necessary expenses for services rendered in its capacity as a Committee member, including reasonable compensation for professionals. Bankruptcy Rule 2016 provides, in part, that “[a]n entity seeking interim or final compensation for services, or reimbursement of necessary expenses, from the estate shall file an application setting forth a detailed statement of (1) the services rendered, time expended and expenses incurred, and (2) the amounts requested.”

13. Michael Azar, of Noble Metal Processing, Inc., Jerry Endler and Dave Smith of EES Coke Battery, LLC, Robert Flucker of Edward C. Levy Co., Stanley Levine, Esquire, and Thomas Lippard of Tube City, Inc., and Ajit M. Gadre, of Pension Benefit Guaranty Corporation have submitted receipts for reimbursement of expenses in the aggregate amount of \$12,614.56 (which incorporates the voluntary reduction taken in the amount of \$188.13) (the “Expenses”), incurred during the Final Application Period by Noble Metal Processing, Inc., EES Coke Battery, LLC, Edward C. Levy Co., Tube City, Inc., or Pension Benefit Guaranty Corporation in connection with their roles as Committee members.

14. A summary of the Expenses, is attached hereto as **Exhibit A** and incorporated by reference herein.

15. The expenses were actual and necessary and incurred by Noble Metal Processing, Inc., EES Coke Battery, LLC, Edward C. Levy Co., Tube City, Inc. and Pension Benefit Guaranty Corporation in the course of executing their duties as members of the Committee during the Final Application Period. The Expenses include expenses incurred attending Committee meetings and/or

hearings on March 18, 2002, March 22, 2002, April 19, 2002, September 13, 2002, January 6, 2003, January 30, 2003 and March 25, 2003.

WHEREFORE, the Committee requests an order allowing and approving the final reimbursement of the Committee members, for their actual and necessary expenses in the amount of \$12,614.56 (which incorporates the voluntary reduction taken in the amount of \$188.13) as set forth in Exhibit A, and granting such other relief as the Court deems just and proper.

Respectfully Submitted,

Dated: February 2, 2004

By: 

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## EXHIBIT A

**SUMMARY OF EXPENSES INCURRED BY COMMITTEE MEMBERS OF THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS OF NATIONAL STEEL CORPORATION  
MARCH 19, 2002 THROUGH DECEMBER 19, 2003**

Date/Member	Expenses Category/ Description	Total Expenses	
3/18/02  Stanley Levine/Tube City, Inc.	Airfare, parking  Travel to Chicago for Committee meeting	Airfare  Parking  <b>TOTAL:</b>	\$1,017.50  \$16.00  <b>\$1,033.50</b>
3/18/02  Jerry Endler/EES Coke Battery, LLC	Airfare, taxi, parking, dinner  Travel to Chicago for Committee meeting	Airfare  Taxi  Parking  Dinner  <b>TOTAL:</b>	\$202.50  \$ 25.00  \$ 14.00  \$ 6.77  <b>\$248.27</b>
3/18/02  Dave Smith/EES Coke Battery, LLC	Airfare, taxi, tolls, dinner  Travel to Chicago for Committee meeting	Airfare  Taxi  Parking  Dinner  Misc.  <b>TOTAL:</b>	\$202.50  \$ 27.00  \$ 14.00  \$ 11.19  \$ 4.50  <b>\$282.19</b>
3/18/02  Ajit M. Gadre/Pension Benefit Guaranty Corporation	Air travel, taxi, public transportation and meal while traveling to Chicago for Organizational meeting	Airfare  Taxi/ Public Transportation  Meal  <b>TOTAL:</b>	\$200.00  \$ 44.35  \$ 5.00  <b>\$249.35</b>
3/22/02  Jerry Endler/EES Coke Battery, LLC	Airfare, parking  Travel to Pittsburgh for Committee meeting	Airfare  Parking  <b>TOTAL:</b>	\$774.50  \$ 14.00  <b>\$788.50</b>

3/22/02	Airfare, parking	Airfare	\$774.50
Dave Smith/EES Coke Battery, LLC	Travel to Pittsburgh for Committee meeting	Parking	\$ 14.00
		<b>TOTAL:</b>	<b>\$788.50</b>
4/18/02	Air travel, taxi, public transportation, lodging and meal while traveling to and from Chicago for meeting w/Debtor.	Airfare	\$200.00
Ajit M. Gadre/Pension Benefit Guaranty Corporation		Taxi/ Public Transportation	\$ 37.20
		Lodging	\$178.10
		Meals	\$ 25.00
		<b>TOTAL:</b>	<b>\$ 440.30</b>
4/19/02	Airfare, parking, misc.	Airfare	\$360.00
Dave Smith/EES Coke Battery, LLC	Travel to Chicago for Committee meeting	Parking	\$ 9.00
		Misc.	\$3.55
		<b>TOTAL:</b>	<b>\$372.55</b>
9/12/02 - 9/13/02	Air Travel	Airfare	\$770.00
Robert Flucker/Edward C. Levy Co.	Travel to Pittsburgh for Executive Committee and company meetings	<b>TOTAL:</b>	<b>\$770.00</b>
9/13/02	Air travel and public transportation while traveling to and from Pittsburgh for meeting w/Debtor	Airfare	\$612.50
Ajit M. Gadre/Pension Benefit Guaranty Corporation		Public Transportation	\$ 6.10
		<b>TOTAL:</b>	<b>\$ 618.60</b>
9/13/02	Lodging, hotel dinner	Hotel	\$174.59
Robert Flucker/Edward C. Levy Co.	Travel to Pittsburgh for Executive Committee and company meetings	<i>(includes lodging and dinner)</i>	
		<b>TOTAL:</b>	<b>\$174.59</b>



9/13/02	Parking/Taxi	Parking/Taxi	\$30.00
Robert Flucker/Edward C. Levy Co.	Travel to Pittsburgh for Executive Committee and company meetings	<b>TOTAL:</b>	<b>\$30.00</b>
9/13/02	Air Travel	Airfare	\$776.62
Jerry Endler/EES Coke Battery, LLC	Travel to Pittsburgh for Executive Committee and company meetings	<b>TOTAL:</b>	<b>\$776.62</b>
9/13/02	Air Travel	Airfare	\$757.19
David Smith/EES Coke Battery, LLC	Travel to Pittsburgh for Executive Committee and company meetings	<b>TOTAL:</b>	<b>\$757.19</b>
9/13/02	Air Travel	Airfare	\$774.50
Michael Azar/Noble Metal Processing, Inc.	Travel to Pittsburgh for Executive Committee and company meetings	<b>TOTAL:</b>	<b>\$774.50</b>
9/13/02	Air Travel	Airfare	\$1,022.50
Michael Gricus/Bearing Headquarters, Inc.	Travel to Pittsburgh for Executive Committee and company meetings	<b>TOTAL:</b>	<b>\$1,022.55</b>
9/13/02	Air Travel	Airfare	\$1,022.50
Robert Singer/Bearing Headquarters, Inc.	Travel to Pittsburgh for Executive Committee and company meetings	<b>TOTAL:</b>	<b>\$1,022.55</b>
1/6/03	Airfare, hotel, mileage, tips	Airfare	\$1,026.50
Thomas Lippard/Tube City, Inc.	Travel to Chicago for Committee meeting	Hotel	\$512.53
		<i>(Includes car service and 1 meal)</i>	
		<i>Less Voluntary Reduction</i>	<u>\$188.13</u>
			\$324.40
		Mileage	\$12.50

		Tips	\$20.00
		<b>TOTAL:</b>	<b>\$1,571.53</b>
		<b>Voluntary Reduction</b>	<b><u>\$ 188.13</u></b>
		<b>TOTAL</b>	<b>1,383.40</b>
1/30/03	Airfare, parking, cabs	Airfare	\$611.50
Thomas Lippard/Tube City, Inc.	Travel to Chicago for Committee meeting/hearings	Parking	\$16.00
		Cabs:	\$62.00
		<b>TOTAL:</b>	<b>\$689.50</b>
1/6/03	Air travel, taxi/public transportation while traveling to and from Chicago for meeting w/Debtor.	Airfare	\$168.00
Ajit M. Gadre/Pension Benefit Guaranty Corporation		Taxi/Public Transportation	\$ 45.35
		<b>TOTAL:</b>	<b>\$213.35</b>
3/25/03	Air travel, taxi/public transportation and parking while traveling to and from Chicago for meeting w/Debtor.	Airfare	\$168.00
Ajit M. Gadre/Pension Benefit Guaranty Corporation		Taxi/Public Transportation	\$ 8.35
		Parking	\$ 2.25
		<b>TOTAL:</b>	<b>\$178.60</b>
<b>Total</b>			<b>\$12,614.56</b>

**CERTIFICATE OF SERVICE**

I, Dean C. Gramlich, hereby certify that on January 30, 2004, I caused copies of the Final Application for Reimbursement of Expenses of Official Committee of Unsecured Creditors of National Steel Corporation for the Period March 19, 2002 to December 19, 2003 to be served via first class U.S. mail, postage prepaid, on all persons on the attached Monthly Statement Service List.

A handwritten signature in black ink, appearing to read "Dean Gramlich", written over a horizontal line.

Dean C. Gramlich

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