

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

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<b>In re</b>	<b>:</b>	<b>Chapter 11 Case Nos.</b>
	<b>:</b>	
<b>BETHLEHEM STEEL CORPORATION,</b>	<b>:</b>	<b>01-15288 (BRL) through</b>
<b>et al.</b>	<b>:</b>	<b>01-15302, 01-15308 through</b>
	<b>:</b>	<b>01-15315 (BRL)</b>
<b>Debtors.</b>	<b>:</b>	<b>(Jointly Administered)</b>
	<b>:</b>	
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**ORDER ESTABLISHING PROCEDURES FOR  
INTERIM COMPENSATION AND REIMBURSEMENT OF  
CHAPTER 11 PROFESSIONALS AND COMMITTEE MEMBERS**

Upon the Motion dated October 15, 2001 (the "Motion") of Bethlehem Steel Corporation and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), for an order establishing procedures for interim compensation and reimbursement of chapter 11 professionals and committee members; and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of the Motion has been provided to the Office of the United States Trustee for the Southern District of New York (the "U.S. 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 that no other or further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interests of the Debtors and parties in interest; and upon the Motion and all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that except as provided in the Order Pursuant to Sections 327 and 328 of the Bankruptcy Code Authorizing Employment of Professionals Utilized in

the Ordinary Course of Business (the “Ordinary Course Order”), and except as may be otherwise provided in separate orders authorizing the retention of specific professionals, all Professionals (as that term is defined in the Motion) in these cases, including chapter 11 professionals retained by the Debtors, any professionals retained by any statutory committee (the “Committee”), and those ordinary course professionals whose fees and expenses exceed the limitations set forth in the Ordinary Course Order, shall seek compensation and reimbursement in accordance with the procedures set forth below; and it is further

ORDERED that the Professionals desiring to obtain interim compensation and reimbursement shall seek compensation and reimbursement in accordance with the following procedures:

- (a) On or before the twentieth (20<sup>th</sup>) day of each month following the month for which compensation is sought, each Professional seeking compensation under this Motion will serve a monthly statement, by hand or overnight delivery on the Debtors, the Debtors’ counsel, the United States Trustee, counsel for the Debtors’ prepetition secured lenders and postpetition lenders, and counsel for any statutory committee appointed in these cases (the “Committee”);
- (b) The monthly statement need not be filed with the Court and a courtesy copy need not be delivered to the presiding judge’s chambers since this Motion is not intended to alter the fee application requirements outlined in §§ 330 and 331 of the Bankruptcy Code and since Professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the Southern District of New York;
- (c) Each monthly fee statement must contain a list of the individuals and their respective titles (e.g. attorney,

accountant, or paralegal) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each such individual, a reasonably detailed breakdown of the disbursements incurred (no Professional should seek reimbursement of an expense which would otherwise not be allowed pursuant to the Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 dated January 30, 1996), and contemporaneously maintained time entries for each individual in increments of tenths (1/10) of an hour;

- (d) Each entity receiving a statement will have at least fifteen (15) days after receipt to review it and, in the event that the entity has an objection to the compensation or reimbursement sought in a particular statement, such entity shall, by no later than the thirty-fifth (35<sup>th</sup>) day following the month for which compensation is sought, serve upon the Professional whose statement is objected to, and the other entities designated to receive statements in paragraph (a), a written "Notice Of Objection To Fee Statement," setting forth the nature of the objection and the amount of fees or expenses at issue;
- (e) At the expiration of the thirty-five (35) day period, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified in each monthly statement to which no objection has been served in accordance with paragraph (d);
- (f) If the Debtors receive an objection to a particular fee statement, they shall withhold payment of that portion of the fee statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e);
- (g) If the parties to an objection are able to resolve their dispute following the service of a Notice Of Objection To Fee Statement and if the party whose statement was objected to serves on all of the parties listed in paragraph (a) a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors shall promptly pay, in accordance with paragraph

(e), that portion of the fee statement which is no longer subject to an objection;

- (h) All objections that are not resolved by the parties, shall be preserved and presented to the Court at the next interim or final fee application hearing to be heard by the Court (See paragraph (j), below);
- (i) The service of an objection in accordance with paragraph (d) shall not prejudice the objecting party's right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a fee statement shall not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code;
- (j) Approximately every 120 days, but no more than every 150 days, each of the Professionals shall serve and file with the Court an application for interim or final (as the case may be) Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code, of the compensation and reimbursement of expenses requested;
- (k) Any Professional who fails to file an application seeking approval of compensation and expenses previously paid under this Motion when due shall (1) be ineligible to receive further monthly payments of fees or expenses as provided herein until further order of the Court and (2) may be required to disgorge any fees paid since retention or the last fee application, whichever is later;
- (l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular statement period shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court;
- (m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on the Court's interim or final allowance of compensation and reimbursement of expenses of any Professionals; and

- (n) Counsel for any Committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of Professionals, collect and submit statements of expenses, with supporting vouchers, from members of the Committee such counsel represents; provided, however, that such Committee counsel ensures that these reimbursement requests comply with the Court's Administrative Orders dated June 24, 1991 and April 21, 1995.

and it is further

ORDERED that the Debtors shall include all payments to Professionals on their monthly operating reports, detailed so as to state the amount paid to each of the Professionals; and it is further

ORDERED that the requirement under Rule 9013 –1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a memorandum of law is waived.

DATED: New York, New York  
October 15, 2001

/s/Burton R. Lifland  
UNITED STATES BANKRUPTCY JUDGE

NO OBJECTION:  
/s/Tracy Hope Davis 10/15/2001  
Tracy Hope Davis (THD-8154)  
Office of the U.S. Trustee