FORM 10-K 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2001
OR
[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____to ____

Commission file number 1-16811

UNITED STATES STEEL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	25-1897152
(State of Incorporation)	(I.R.S. Employer Identification No.)

600 Grant Street, Pittsburgh, PA 15219-2800
(Address of principal executive offices)
Tel. No. (412) 433-1121
Securities registered pursuant to Section 12 (b) of the Act:*

Title of Each Class	
United States Steel Corporation	10% Senior Quarterly Income Debt Securities
Common Stock, par value $1.00	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for at least the past 90 days. Yes X ** NO ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K ((S)229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of Common Stock held by non-affiliates as of February 28, 2002: $1.5 billion. The amount shown is based on the closing price of the registrant's Common Stock on the New York Stock Exchange composite tape on that date. Shares of Common Stock held by executive officers and directors of the registrant are not included in the computation. However, the registrant has made no determination that such individuals are "affiliates" within the meaning of Rule 405 under the Securities Act of 1933.

There were 89,629,108 shares of United States Steel Corporation Common Stock outstanding as of February 28, 2002.

Documents Incorporated By Reference:
Proxy Statement dated March 11, 2002 is incorporated in Part III.

* These securities are listed on the New York Stock Exchange. In addition, the Common Stock is listed on The Chicago Stock Exchange and the Pacific Exchange.
** The registrant relies on the reporting history of USX Corporation for reports filed prior to January 1, 2002.

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The Management's Discussion and Analysis of Financial Condition and Results of Operations, the Financial Statements, the Selected Quarterly Financial Data and the Five-Year Financial Summary contained in this Annual Report on Form 10-K have been updated from the corresponding sections of the Current Report on Form 8-K dated March 1, 2002 and in the Annual Report to Shareholders that accompanied the Proxy Statement dated March 11, 2002 to make immaterial corrections and to reflect developments since March 1, most notably the imposition of tariffs and quotas on imports of steel products under Section 201 of the Trade Relief Act of 1974.

NOTE ON PRESENTATION

United States Steel Corporation ("United States Steel" or the "Corporation") owns and operates the former steel businesses of USX Corporation, now named Marathon Oil Corporation ("Marathon"). Prior to December 31, 2001, the businesses of United States Steel comprised an operating unit of Marathon. Marathon had two outstanding classes of common stock: USX-Marathon Group common stock, which was intended to reflect the performance of Marathon's energy business, and USX- U. S. Steel Group common stock ("Steel Stock"), which was intended to reflect the performance of Marathon's steel business. On December 31, 2001, United States Steel was capitalized through the issuance of 89.2 million shares of common stock to holders of Steel Stock in exchange for all outstanding shares of Steel Stock on a one-for-one basis (the "Separation").

The accompanying consolidated balance sheet as of December 31, 2001 reflects the financial position of United States Steel as a separate, stand-alone entity. The combined balance sheet as of December 31, 2000 and the combined statements of operations and of cash flows for each of the three years in the period ended December 31, 2001 represent a carve-out presentation of the businesses comprising United States Steel, owned and operated by Marathon, and are not intended to be a complete presentation of the financial position, results of operations and cash flows of United States Steel on a stand-alone basis. Marathon's net investment in United States Steel represents the combined net assets of the businesses comprising United States Steel and is presented in lieu of common stockholders' equity in the combined balance sheet as of December 31, 2000. The allocations and estimates included in these combined financial statements are determined using methodologies described in United States Steel's Notes to Financial Statements.

For information regarding accounting matters and policies affecting United States Steel's financial statements, see "Financial Statements and Supplementary Data - Notes to Financial Statements - 1. Basis of Presentation and - 3. Summary of Principal Accounting Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates". For information regarding dividend limitations and dividend policies affecting holders of United States Steel common stock, see "Market for Registrant's Common Equity and Related Stockholder Matters."

For a Glossary of Certain Defined Terms used in this document, see page 55.

FORWARD-LOOKING STATEMENTS

Certain sections of United States Steel's Form 10-K, particularly Item 1. Business, Item 3. Legal Proceedings, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 7A. Quantitative and Qualitative Disclosures About Market Risk, include forward-looking statements concerning trends or events potentially affecting United States Steel. These statements typically contain words such as "anticipates", "believes", "estimates", "expects" or similar words indicating that future

outcomes are uncertain. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in forward-looking statements. For additional factors affecting the businesses of United States Steel, "see Supplementary Data-Disclosures About Forward-Looking Statements".

PART I

Item 1. BUSINESS

United States Steel Corporation owns and operates the former steel businesses of USX Corporation, now named and referred to herein as Marathon Oil Corporation ("Marathon"). Prior to December 31, 2001, Marathon had two outstanding classes of common stock: USX-Marathon Group common stock, which was intended to reflect the performance of Marathon's energy business, and USX-U. S. Steel Group common stock ("Steel Stock"), which was intended to reflect the performance of Marathon's steel business. On December 31, 2001, Marathon converted each share of Steel Stock into the right to receive one share of United States Steel Corporation common stock (the "Separation"). United States Steel Corporation was subsequently capitalized through the issuance of 89.2 million shares of common stock to the holders of Steel Stock. The net assets of United States Steel Corporation on December 31, 2001 were approximately the same as the net assets attributed to Steel Stock at the time of the Separation, except for a $900 million value transfer in the form of additional net debt and other obligations retained by Marathon. The terms "United States Steel" and "Corporation" when used herein refer to United States Steel Corporation or United States Steel Corporation and its subsidiaries, as required by the context. For more information regarding the Separation and the ongoing relationship with Marathon, see Note 2 to the Financial Statements.

United States Steel, through its Domestic Steel segment, is engaged in the production, sale and transportation of steel mill products, coke, taconite pellets and coal; the management of mineral resources; real estate development; and engineering and consulting services. Its U. S. Steel Kosice ("USSK") segment, primarily located in the Slovak Republic, produces and sells steel mill products and coke primarily for the Central European market. Certain business activities are conducted through joint ventures and partially-owned companies, such as USS-POSCO Industries ("USS-POSCO"), PRO-TEC Coating Company ("PRO-TEC"), Clairton 1314B Partnership and Rannila Kosice, s.r.o.

The following table sets forth the total revenues of United States Steel for each of the last three years.

<TABLE>
<CAPTION>

Revenues and other income

(Millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Revenues by product:			
Sheet and semi-finished steel products...	$3,163	$3,288	$3,433
Tubular products.....	755	754	221
Plate and tin mill products.....	1,273	977	919
Raw materials (coal, coke and iron ore)..	485	626	549
Other/(a)/.....	610	445	414
Income (loss) from investees.....	64	(8)	(89)
Net gains on disposal of assets.....	22	46	21
Other income.....	3	4	2
Total revenues and other income.....	$6,375	$6,132	$5,470

</TABLE>

/(a)/ Includes revenue from the sale of steel production by-products, real estate development, resource management, engineering and consulting services and, beginning in 2001, transportation services.

Steel Industry Background and Competition

The steel industry is cyclical and highly competitive and is affected by excess world capacity, which has restricted price increases during periods of economic growth and led to price decreases during economic contraction. In addition, the domestic and international steel industries face competition from producers of materials such as aluminum, cement, composites, glass, plastics and wood in many markets.

United States Steel is the largest integrated steel producer in North America and, through its subsidiary USSK, the largest integrated flat-rolled producer in Central Europe. United States Steel competes with many domestic and foreign steel producers. Competitors include integrated producers which, like

United States Steel, use iron ore and coke as primary raw materials for steel production, and mini-mills, which primarily use steel scrap and, increasingly, iron bearing feedstocks as raw materials. Mini-mills generally produce a narrower range of steel products than integrated producers, but typically enjoy certain competitive advantages in the markets in which they compete through lower capital expenditures for construction of facilities and non-unionized work forces with lower employment costs and more flexible work rules. An increasing number of mini-mills utilize thin slab casting technology to produce flat-rolled products. Through the use of thin slab casting, mini-mill competitors are increasingly able to compete directly with integrated producers of flat-rolled products. Depending on market conditions, the additional production generated by flat-rolled mini-mills could have an adverse effect on United States Steel's selling prices and shipment levels.

Steel imports to the United States accounted for an estimated 24%, 27% and 26% of the domestic steel market demand for 2001, 2000 and 1999, respectively. In 2001, imports of steel pipe increased 9% and imports of hot rolled sheets decreased 59%, compared to 2000.

The recent combination of high import levels, increased domestic mini-mill capability and reduced domestic economic activity has resulted in dramatically reduced domestic prices for most products and extreme financial distress in the domestic steel industry. Since January 1998, a total of 32 steel companies have filed for protection under Chapter 11 of the U.S. Bankruptcy Code.

On November 13, 2000, United States Steel joined with eight other producers and the Independent Steelworkers Union to file trade cases against hot-rolled carbon steel flat products from 11 countries (Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand and Ukraine). Three days later, the United Steelworkers of America ("USWA") also entered the cases as a petitioner. Antidumping ("AD") cases were filed against all the countries and countervailing duty ("CVD") cases were filed against Argentina, India, Indonesia, South Africa and Thailand. The U.S. Department of Commerce ("Commerce") has found margins in all of the cases. The International Trade Commission ("ITC") had previously found material injury to the domestic industry in the cases against Argentina and South Africa, and, on November 2, 2001, the ITC found material injury to the domestic industry in the cases against the remaining countries.

On September 28, 2001, United States Steel joined with seven other producers to file trade cases against cold-rolled carbon steel flat products from 20 countries (Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela). AD cases were filed against all the countries and CVD cases were filed against Argentina, Brazil, France, and Korea. On November 13, 2001, the ITC determined that there is a reasonable indication that the U.S. industry is materially injured or threatened with material injury by reason of the imports in question. These cases will be the subject of continuing investigations at both Commerce and the ITC.

United States Steel believes that the remedies provided by AD and CVD cases are insufficient to correct the widespread dumping and subsidy abuses that currently characterize steel imports into our country and has, therefore, urged the U.S. government to take actions such as those in President Bush's three-part program to address the excessive imports of steel that have been depressing markets in the United States. The program involves: (1) negotiations with foreign governments to eliminate inefficient excess capacity; (2) negotiations with foreign governments to establish rules that will govern steel trade in the future and eliminate subsidies; and (3) an investigation by the ITC under Section 201 of the Trade Act of 1974 to determine whether steel is being imported into the U.S. in such quantities as to be a substantial cause of serious injury to the U.S. steel industry. United States Steel, nevertheless, intends to file additional AD and CVD petitions against unfairly traded imports that adversely impact, or threaten to adversely impact, the results of United States Steel.

On March 5, 2002, President Bush announced his decision in response to the prior finding of the ITC under Section 201 that imports were a substantial cause of injury to the domestic steel industry. Slab imports will be subject to a quota of 5.4 million metric tons in the first year on product shipped from countries other than Canada and Mexico, with excess imports subject to a tariff of 30%. The annual quota increases to 5.9 million metric tons in the second year and 6.4 million metric tons in the third year. Imports of finished carbon and alloy steel products (hot-rolled, cold-rolled, coated, plate and tin mill products) from developed countries will be subject to a 30% tariff in the first year, decreasing to 24% and 18% in the second and third years, respectively. Imports of these finished products from developing countries will be subject to an anti-surge mechanism to ensure they do not substantially increase their shipments from historic levels. Imports of finished flat-rolled products from Canada and Mexico are not subject to the import remedies announced by the President. The tariffs and quotas are effective as of March 20, 2002. An import licensing program applicable to imports covered by the above remedies will be

implemented. The application of the remedies is subject to various specific product exclusions. The People's Republic of China has filed a challenge to President Bush's action with the World Trade Organization and other nations have indicated that they also intend to do so or to take other actions responding to the Section 201 remedies.

United States Steel's domestic businesses are subject to numerous federal, state and local laws and regulations relating to the storage, handling, emission and discharge of environmentally sensitive materials. United States Steel believes that its major domestic integrated steel competitors are confronted by substantially similar conditions and thus does not believe that its relative position with regard to such other competitors is materially affected by the impact of environmental laws and regulations. However, the costs and operating restrictions necessary for compliance with environmental laws and regulations may have an adverse effect on United States Steel's competitive position with regard to domestic mini-mills and some foreign steel producers and producers of materials which compete with steel, which may not be required to undertake equivalent costs in their operations. For further information, see Environmental Proceedings on page 18 and Management's Discussion and Analysis of Environmental Matters, Litigation and Contingencies on page 35.

USSK does business primarily in Central Europe and is subject to market conditions in that area which are similar to domestic factors and also can be influenced by matters peculiar to international marketing such as tariffs. USSK is affected by the worldwide overcapacity in the steel industry and the cyclical nature of demand for steel products and the sensitivity of that demand to worldwide general economic conditions. In particular, USSK is subject to economic conditions and political factors in Europe, which if changed could negatively affect its results of operations and cash flow. Political factors include, but are not limited to, taxation, nationalization, inflation, currency fluctuations, increased regulation, and quotas, tariffs and other protectionist measures. USSK is also subject to foreign currency exchange risks because its revenues are primarily in euros and its costs are primarily in Slovak crowns and U. S. dollars. On December 20, 2001, the European Commission commenced an anti-dumping investigation concerning the import of hot-rolled coils and hot-rolled pickled and oiled coils from Slovakia and five other countries. In mid-February, USSK submitted a response to the anti-dumping questionnaire and an injury submission. The legislature of the European Union provides that the investigation should be concluded within one year from the date of initiation, but provisional measures may be imposed earlier.

Business Strategy

United States Steel produces raw steel at Gary Works in Indiana, Mon Valley Works in Pennsylvania, Fairfield Works in Alabama, and, through USSK, in Kosice, Slovak Republic.

United States Steel has responded to domestic competition resulting from excess steel industry capability by eliminating less efficient facilities, modernizing those that remain and entering into joint ventures, all with the objective of focusing production on higher value-added products, where superior quality and special characteristics are of critical importance. These products include bake hardenable steels and coated sheets for the automobile and appliance industries, laminated sheets for the manufacture of motors and electrical equipment, higher strength plate products, improved tin mill products for the container industry and oil country tubular goods. Several recent modernization projects support United States Steel's objectives of providing value-added products and services to customers. These projects include, for the automotive industry - the degasser facilities at Mon Valley Works and USSK, the second hot-dip galvanized line at PRO-TEC, the Fairless Works galvanizing line upgrade and the cold reduction mill upgrades at Gary Works and Mon Valley Works; for the construction industry - the dual coating lines at Fairfield Works and Mon Valley Works; for the tubular market - the Fairfield Works pipemill upgrade and acquiring full ownership of Lorain Tubular; and for the plate market - the heat treat facility at the Gary Works plate mill. Also, a new pickle line was built at the Mon Valley Works which replaced three older and less efficient facilities. Our business strategy is to maximize our investment in high-end finishing assets and to minimize or redeploy our investment in domestic raw materials and hot-ends.

Through its November 2000 purchase of USSK, which owns the steel producing operations and related assets formerly held by VSZ, a.s. in the Slovak Republic, United States Steel initiated a major offshore expansion and followed many of its customers into the European market. Our objective is to advance USSK to become a leader among European steel producers and the prime supplier of flat-rolled steel to the growing Central European market. We are also pursuing our globalization strategy through our Acero Prime joint venture in Mexico. This joint venture's facility locations allow for easy servicing and just-in-time delivery to customers throughout Mexico.

Effective March 1, 2001, United States Steel acquired the tin mill products business from LTV Corporation ("LTV") for the assumption of $66 million of employee-related liabilities. United States Steel is leasing the land and

acquired title to the buildings, facilities and inventory at LTV's former tin mill operation in Indiana which we are operating as East Chicago Tin. United States Steel is operating these facilities as an ongoing business and East Chicago Tin mill employees have become United States Steel employees.

In 2001, we permanently closed the cold rolling and tin mill operations at Fairless Works, with a combined annual finishing capability of 1.5 million tons. Subject to market conditions, we intend to continue operating the hot dip galvanizing line at Fairless Works. A pretax charge of $38 million was recorded in 2001 related to this shutdown.

On October 30, 2001, United States Steel announced the launch of Straightline Source, the first steel distribution business created to serve customers of all sizes who do not typically buy directly from steel producers. Straightline's fully integrated order input system, advanced inventory management and progressive logistics technology are networked to create a direct buying option for processed steel products. While managing the customer relationship, Straightline makes use of the processing capacity of a network of qualified strategic business alliances. In the fourth quarter, Straightline began offering processed steel products in North Carolina, South Carolina and portions of Florida, Tennessee, Illinois, Indiana, Michigan and Wisconsin. Additional regional launches will continue throughout 2002.

On December 4, 2001, United States Steel announced its support for significant consolidation in the domestic integrated steel industry. Barriers to consolidation need to be addressed and that requires the participation of the U.S. government, the USWA and domestic steel companies and their stakeholders. Industry consolidation involves several key elements. First, it requires the implementation of President Bush's three-part program to address the excessive imports of steel that have been depressing markets in the U.S. On March 5, 2002, President Bush announced a Section 201 trade remedy as discussed previously. Second, it calls for the creation of a government-sponsored program that would provide relief from the industry's retiree legacy cost burden - primarily pension and retiree health care costs - thereby removing the most significant barrier to consolidation of a highly fragmented industry. Third, it requires a progressive new labor agreement that would provide for meaningful reductions in operating costs.

On January 17, 2002, United States Steel announced that it had entered into an Option Agreement with NKK Corporation ("NKK") of Japan. The agreement grants United States Steel an option to purchase, either directly or through a subsidiary, all of NKK's National Steel Corporation common stock and to restructure a $100 million loan previously made to National Steel by an NKK subsidiary. NKK's ownership of National Steel's common stock represents approximately 53% of National Steels's outstanding shares. The option expires on June 15, 2002.

Although United States Steel has the ability to exercise the option at any time during its term, it is United States Steel's current intent not to exercise the option or to consummate a merger with National Steel unless a number of significant conditions are satisfied, including a substantial restructuring of National Steel's debt and other obligations. Other significant conditions include the resolution of key contingencies related to the consolidation of the domestic steel industry, the financial viability of National Steel and satisfactory general market conditions. On March 6, 2002, National Steel filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code. Any agreement with National Steel will be subject to the approval of the bankruptcy court.

In addition to the modernization of its production facilities, United States Steel has entered into a number of joint ventures with domestic and foreign partners to take advantage of market or manufacturing opportunities in the sheet, tin mill, tubular, bar and plate consuming industries.

The following table lists products and services by facility or business unit:

<TABLE>
<CAPTION>
Domestic Steel

<S>	<C>
Gary	Sheets; Tin Mill; Plates; Coke
Mon Valley/Fairless	Sheets;
Fairfield	Sheets; Tubular
USS-POSCO/(a)/	Sheets; Tin Mill
East Chicago Tin	Tin Mill
Lorain Tubular	Tubular
PRO-TEC/(a)/	Galvanized Sheet
Double Eagle Steel Coating Co. /(a)/	Electrogalvanized Sheet
Clairton	Coke
Clairton 1314B Partnership/(a)/	Coke
Transtar	Transportation

	Minntac	Taconite Pellets
	U. S. Steel Mining	Coal
	Real Estate	Real estate sales, leasing and management; Administration of Mineral, Coal and Timber Properties
	Engineers and Consultants	Engineering and Consulting Services
	Straightline	Steel Distribution
USSK		
	U. S. Steel Kosice	Sheets; Tin Mill; Plates; Coke
	Walzwerke Finow	Precision steel tubes; specialty shaped sections
	Rannila Kosice /(a)/	Polor coated profile and construction products

</TABLE>
/(a)/ Equity investee

United States Steel reports segment results consistent with the way the chief operating decision maker allocates resources and assesses performance. It is possible that the chief operating decision maker may change the basis on which these decisions and assessments are made.

Domestic Steel

Our domestic operations include plants that produce steel products in a variety of forms and grades. Raw steel production was 10.1 million tons in 2001, compared with 11.4 million tons in 2000 and 12.0 million tons in 1999. Raw steel production averaged 79% of capability in 2001, compared with 89% of capability in 2000 and 94% of capability in 1999. United States Steel's stated annual raw steel production capability for Domestic Steel was 12.8 millions tons for 2001 (7.5 million at Gary Works, 2.9 million at Mon Valley Works, and 2.4 million at Fairfield Works).

Steel shipments were 9.8 million tons in 2001, 10.8 million tons in 2000 and 10.6 million tons in 1999. United States Steel's shipments comprised approximately 9.9% of domestic steel shipments in 2001. Exports accounted for approximately 5% of United States Steel's domestic shipments in 2001 and 2000, and 3% in 1999.

The following tables set forth significant United States Steel domestic operations shipment data by major markets and products for each of the last three years. Such data does not include shipments by joint ventures and other investees of United States Steel accounted for by the equity method.

Steel Shipments By Market and Product (Domestic Steel production only)

<TABLE>
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Major Market - 2001	Sheets & Semi-finished Steel	Tubular Products	Plate & Tin Mill Products	Total
<S>	<C>	<C>	<C>	<C>
(Thousands of Net Tons)				
Steel Service Centers	1,649	11	761	2,421
Further Conversion:				
Trade Customers	718	6	429	1,153
Joint Ventures	1,328	-	-	1,328
Transportation (Including Automotive)	964	3	176	1,143
Containers	154	-	625	779
Construction and Construction Products	626	-	168	794
Oil, Gas and Petrochemicals	-	830	65	895
Export	316	171	35	522
All Other	656	1	109	766
TOTAL	6,411	1,022	2,368	9,801
Major Market - 2000				
(Thousands of Net Tons)				
Steel Service Centers	1,636	33	646	2,315
Further Conversion:				
Trade Customers	742	4	428	1,174
Joint Ventures	1,771	-	-	1,771
Transportation (Including Automotive)	1,206	12	248	1,466
Containers	182	-	520	702
Construction and Construction Products	778	-	158	936
Oil, Gas and Petrochemicals	-	938	35	973
Export	346	157	41	544
All Other	748	1	126	875
TOTAL	7,409	1,145	2,202	10,756

Major Market - 1999				
(Thousands of Net Tons)				
Steel Service Centers	1,867	31	558	2,456
Further Conversion:				
Trade Customers	1,257	1	375	1,633
Joint Ventures	1,818	-	-	1,818
Transportation (Including Automotive)	1,280	13	212	1,505
Containers	167	-	571	738
Construction and Construction Products	660	-	184	844
Oil, Gas and Petrochemicals	-	333	30	363
Export	246	32	43	321
All Other	819	-	132	951
TOTAL	8,114	410	2,105	10,629

</TABLE>

Our sheet business produces hot-rolled, cold-rolled and galvanized products. Value-added cold-rolled and galvanized products comprised 71% of our domestic sheet shipments in 2001, including finishing performed by joint ventures. Our sheet customer base includes automotive, appliance, service center, industrial and construction customers. We have long standing relationships with many of them, as do our USS-POSCO, PRO-TEC and Acero Prime joint ventures.

In recent years, United States Steel has made a number of key investments directed toward the automotive industry, including upgrades to our steel making facilities to increase our capacity for both high strength and highly formable steels, upgrades to our Fairless galvanizing line to produce automotive quality product and construction of an automotive technical center in Michigan. In addition, a number of our joint ventures expanded their automotive supply capability, most notably PRO-TEC, which, in November 1998, added 400,000 tons of annual hot-dipped galvanized capability to bring its total to 1.0 million tons per year.

The tubular, tin mill products and plate businesses complement the larger steel sheet business by producing specialized products for specific markets.

Our tubular production facilities are located at Fairfield, Alabama; Lorain, Ohio; and McKeesport, Pennsylvania and produce both seamless and electric resistance weld ("ERW") tubular products. We enjoy over a 50% share of the domestic market for seamless standard and line pipe and a 25% share of the domestic market for oil country tubular goods ("OCTG"). With the successful conversion in 1999 of the Fairfield piercing mill to process rounds plus the acquisition of the remaining 50% interest in Lorain Tubular, we have the capability to produce 1.6 million tons of tubular products in the 5 million ton tubular markets we serve.

With the recent acquisition of East Chicago Tin, we are one of the two largest tin mill products producers in North America. We supply a full line of tin plate and tin-free steel ("TFS") products, primarily used in the container industry. We believe our reputation in the marketplace is enhanced through our attention to quality and customer service reliability. We expect our acquisition of East Chicago Tin will provide operating synergies while giving us the opportunity to better serve our customers. We currently supply over 25% of the domestic market, and, coupled with USSK's tin capability, we anticipate being in a prime position to service customers who have a global presence. In the fourth quarter of 2001, United States Steel recorded an intangible asset impairment of $20 million, related to the five-year agreement for LTV to supply United States Steel with pickled hot bands entered into in conjunction with the acquisition of LTV's tin mill products business. This impairment was recorded because LTV permanently ceased operations at their plants during the quarter pursuant to a bankruptcy court order.

Our plate business is located within the Gary Works complex and is a major supplier to the automotive market, and to the industrial, agricultural, and construction equipment markets. Our modern plate heat-treating facilities provide customers with specialized plates for critical applications.

United States Steel and its wholly owned subsidiary, U. S. Steel Mining LLC, have domestic coal properties with proven and probable bituminous coal reserves of approximately 775 million short tons at year-end 2001. The reserves are of metallurgical and steam quality in approximately equal proportions. They are located in Alabama, Illinois, Indiana, Pennsylvania, Tennessee and West Virginia. Approximately 94% of the reserves are owned, and the balance are leased. The leased properties are covered by leases which expire in 2005 and 2012. During 2000, United States Steel recorded $71 million of impairments relating to coal assets located in West Virginia and Alabama. The impairment was recorded as a result of a reassessment of long-term prospects after adverse geological conditions were encountered. U. S. Steel Mining's coal production was 5.0 million tons in 2001, compared with 5.5 million tons in 2000 and 6.2 million

tons in 1999.

United States Steel controls domestic iron ore properties having proven and probable iron ore reserves in grades subject to beneficiation processes in commercial use by United States Steel domestic operations of approximately 695 million short tons at year-end 2001, substantially all of which are iron ore concentrate equivalents available from low-grade iron-bearing materials. All reserves are located in Minnesota. Approximately 31 percent of these reserves are owned and the remaining 69 percent are leased. Most of the leased reserves are covered by a lease expiring in 2058 and the remaining leases have expiration dates ranging from 2021 to 2026. United States Steel's iron ore operations at Mt. Iron, Minnesota ("Minntac") produced 14.5 million net tons of taconite pellets in 2001, 16.3 million net tons in 2000 and 14.3 million net tons in 1999. Taconite pellet shipments were 14.9 million tons in 2001, compared with 15.0 million tons in 2000 and 15.0 million tons in 1999.

On March 23, 2001, Transtar, Inc. ("Transtar") completed a reorganization with its two voting shareholders, United States Steel and Transtar Holdings, L.P. ("Holdings"), an affiliate of Blackstone Capital Partners L.P. As a result of this transaction, United States Steel became sole owner of Transtar and certain of its subsidiaries, including several rail and barge operations. Holdings became owner of the other operating subsidiaries of Transtar. Transtar provides rail and barge transportation services to a number of United States Steel's facilities as well as other customers in the steel, chemicals, and forest products industries.

A subsidiary of United States Steel sells technical services worldwide to the steel, mining, chemical and related industries. Together with its subsidiary companies, it provides engineering and consulting services for facility expansions and modernizations, operating improvement projects, integrated computer systems, coal and lubrication testing and environmental projects.

United States Steel develops real estate for sale or lease and manages retail and office space, business and industrial parks and residential and recreational properties. United States Steel also administers the remaining mineral lands and timber lands of United States Steel's domestic operations and is responsible for the lease or sale of these lands and their associated resources, which encompass approximately 270,000 acres of surface rights and 1,500,000 acres of mineral rights in 13 states. Prior to 2002, two separate United States Steel divisions existed for these operations. They have been combined into one division, named USS Real Estate.

For significant operating data for United States Steel for each of the last five years, see "Five-Year Operating Summary" on page F-30 and F-31.

United States Steel participates directly and through subsidiaries in a number of joint ventures included in the Domestic Steel segment. All of the joint ventures are accounted for under the equity method. Certain of the joint ventures and other investments are described below, all of which are 50% owned except Republic Technologies International LLC ("Republic"), Acero Prime and the Clairton 1314B Partnership. For financial information regarding joint ventures and other investments, see "Notes to Financial Statements - 16. Investments and Long-Term Receivables".

United States Steel and Pohang Iron & Steel Co., Ltd. ("POSCO") of South Korea participate in a joint venture, USS-POSCO, which owns and operates the former United States Steel plant in Pittsburg, California. The joint venture markets high quality sheet and tin products, principally in the western United States. USS-POSCO produces cold-rolled sheets, galvanized sheets, tin plate and tin-free steel, with hot bands principally provided by United States Steel and POSCO. Total shipments by USS-POSCO were 836 thousand tons in 2001. On May 31, 2001, a fire damaged USS-POSCO's facilities. Damage was predominantly limited to the cold-rolling mill. USS-POSCO maintains insurance coverage against such losses, including coverage for business interruption. The mill resumed production in the first quarter of 2002. Until that time, the plant used cold-rolled coils from United States Steel and POSCO as substitute feedstock to support customer shipments.

United States Steel is the sole general partner of and owns a 10 percent equity interest in Clairton 1314B Partnership, L.P. As general partner, United States Steel is responsible for operating and selling coke and by-products from the partnership's three coke batteries located at United States Steel's Clairton Works. United States Steel's share of profits and losses is currently 1.75%, which will increase to 45.75% when the limited partners achieve a specified return, which is currently expected to occur during 2002. The partnership at times had operating cash shortfalls after payment of distributions to the partners in 2001 that were funded with loans from United States Steel. As of December 31, 2001, the partnership owed United States Steel $3 million, which was repaid in January 2002. United States Steel may dissolve the partnership under certain circumstances including if it is required to make equity investments or loans in excess of $150 million to fund such shortfalls.

United States Steel owns a 16% investment in Republic, through United States Steel's ownership in Republic Technologies International Holdings, LLC, which is the sole owner of Republic. Republic is a major purchaser of raw materials from United States Steel and the primary supplier of rounds for our tubular facility in Lorain, Ohio. During the first quarter of 2001,United States Steel discontinued applying the equity method of accounting since investments in and advances to Republic had been reduced to zero. United States Steel now accounts for this investment under the cost method. On April 2, 2001, Republic filed to reorganize under Chapter 11 of the U.S. Bankruptcy Code. Republic has continued to supply the Lorain mill since filing for bankruptcy. During the first quarter of 2001, as a result of Republic's action, United States Steel recorded a pretax charge of $74 million for potentially uncollectible receivables from Republic and certain debt obligations of $14 million previously assumed by Republic. Due to further financial deterioration of Republic during the balance of 2001, United States Steel recorded a pretax charge of $68 million in the fourth quarter of 2001 related to a portion of the remaining Republic trade receivables and retiree medical cost reimbursements owed by Republic. At December 31, 2001, United States Steel's remaining financial exposure to Republic was approximately $19 million.

United States Steel and Kobe Steel, Ltd. ("Kobe") participate in a joint venture, PRO-TEC, which owns and operates two hot-dip galvanizing lines in Leipsic, Ohio. The first galvanizing line commenced operations in early 1993. In November 1998, operations commenced on a second hot-dip galvanized sheet line which expanded PRO-TEC's capability nearly 400,000 tons a year to 1.0 million tons annually. Total shipments by PRO-TEC were 909 thousand tons in 2001.

United States Steel and Worthington Industries, Inc. participate in a joint venture known as Worthington Specialty Processing which operates a steel processing facility in Jackson, Michigan. The plant is operated by Worthington Industries, Inc. The facility contains state-of-the-art technology capable of processing master steel coils into both slit coils and sheared first operation blanks including rectangles, trapezoids, parallelograms and chevrons. It is designed to meet specifications for the automotive, appliance, furniture and metal door industries. In 2001, Worthington Specialty Processing shipments were 241 thousand tons.

United States Steel and Rouge Steel Company ("Rouge") participate in Double Eagle Steel Coating Company ("DESCO"), a joint venture which operates an electrogalvanizing facility located in Dearborn, Michigan. This facility enables United States Steel to supply the automotive demand for steel with corrosion resistant properties. The facility can coat both sides of sheet steel with zinc or alloy coatings and has the capability to coat one side with zinc and the other side with alloy. Availability of the facility is shared equally by the partners. In 2001, DESCO produced 636 thousand tons of electrogalvanized steel. On December 15, 2001, production was halted due to a fire at DESCO. The fire started in the facility's strip cleaning operation. United States Steel reallocated substantially all of its portion of DESCO's normal production to other United States Steel facilities. United States Steel and Rouge plan to return DESCO to full production by the fourth quarter of 2002.

United States Steel and Olympic Steel, Inc. participate in a 50-50 joint venture to process laser welded sheet steel blanks at a facility in Van Buren, Michigan. The joint venture conducts business as Olympic Laser Processing. Laser welded blanks are used in the automotive industry for an increasing number of body fabrication applications. United States Steel is the venture's primary customer and is responsible for marketing the laser-welded blanks. In 2001, Olympic Laser Processing shipped 1,251 thousand parts.

United States Steel, through its wholly owned subsidiary, United States Steel Export Company de Mexico, along with Feralloy Mexico, S.R.L. de C.V., and Intacero de Mexico, S.A. de C.V., participate in a joint venture, Acero Prime, which operates a slitting and warehousing facility in San Luis Potosi, Mexico. In 2001, an expansion project was completed which involved the construction of a 60,000 square-foot addition that doubled the facility's size and total warehousing capacity. A second slitting line and an automatic packaging system were installed as part of the project. Also, a new 70,000 square-foot, in-bond warehouse facility was built in Coahuilla state in Ramos Arizpe. The warehouse stores and manages coil inventories. Startup began in the first quarter of 2001.

United States Steel's purchases of transportation services from Transtar and its subsidiaries, prior to the March 23, 2001 reorganization, and semi-finished steel from equity investees, primarily Republic, totaled $261 million, $566 million and $361 million in 2001, 2000 and 1999, respectively. At December 31, 2001 and 2000, United States Steel's payables to these investees totaled $31 million and $66 million, respectively. United States Steel's revenues for steel and raw material sales to equity investees, primarily PRO-TEC and USS-POSCO, totaled $852 million, $958 million and $831 million in 2001, 2000 and 1999, respectively. At December 31, 2001 and 2000, United States Steel's receivables from these investees were $228 million and $177 million, respectively. Generally, these transactions were conducted under long-term, market-based contractual arrangements.

U. S. Steel Kosice

In November 2000, we acquired USSK, headquartered in Kosice in the Slovak Republic, which owns the steel-making operations and related assets formerly held by VSZ, a.s., making us the largest flat-rolled producer in Central Europe. Currently, USSK has annual steel-making capability of 5.0 million net tons and produces and sells sheet, tin, plate, precision tube and specialty products, as well as coke. Our strategy is to serve existing United States Steel customers in Central Europe, grow our customer base in this region, and advance USSK to be a leading European steel producer and the prime supplier of flat-rolled steel to the growing Central European market.

USSK produces steel products in a variety of forms and grades. In 2001, USSK raw steel production was 4.1 million tons. USSK has three blast furnaces, two steel shops with two vessels each, a dual strand caster attached to each steel shop, a hot strip mill, a cold rolling mill, two pickling lines, two galvanizing lines, a tin coating line, two dynamo lines, a color coating line and two coke batteries. USSK has recently completed construction and is beginning startup of a vacuum degassing facility to increase its capability to produce steel grades required for high-value applications, and is currently constructing a continuous annealing line and a second tin coating line to expand its supply of tin mill products. USSK shipped 3.7 million net tons in 2001.

In addition, USSK owns 100% of Walzwerk Finow GmbH, located in eastern Germany, which produces and ships about 90,000 tons per year of welded precision steel tubes and cold-rolled specialty shaped sections from both cold-rolled and hot-rolled product supplied primarily by USSK. USSK also has facilities for manufacturing heating radiators and spiral weld pipe.

A majority of product sales by USSK are denominated in euros while only a small percentage of expenditures are in euros. In addition, most interest and debt payments are in U.S. dollars and the majority of other spending is in U.S. dollars and Slovak crowns. This results in exposure to currency fluctuations. We are currently evaluating the evolving currency mix of USSK's cash flows which may result in a change in the functional currency from U.S. dollars to euros or Slovak crowns in the future.

Ranilla Kosice, s.r.o., which is 49% owned by USSK and 51% owned by Rautaruukki Oyj, processes coated sheets, both galvanized and painted, into various forms which are primarily used in the construction industry. USSK supplies most of Rannila Kosice's raw materials; however, Rannila Kosice markets their own finished products.

On March 8, 2002, USSK announced that it had entered into a conversion and tolling agreement and a facility management agreement with Sartid a.d. ("Sartid"), an integrated steel company with facilities located in Smederevo and Sabac in the Republic of Serbia. The tolling agreement provides for the conversion of slabs into hot-roll bands and cold-roll full hard into tin-coated products. The slabs and cold-roll full hard will be supplied by USSK. USSK will retain ownership of these materials and will market the hot-roll bands and finished tin products. The facility management agreement permits USSK, or an affiliated company, to have management oversight of Sartid's tin processing facilities at Sabac. In addition, USSK, the Government of the Republic of Serbia and Sartid have signed a letter of intent that provides USSK with the opportunity to explore possibilities for involvement in the restructuring of Sartid, including a possible strategic partnership with Sartid.

The following tables set forth significant USSK operations shipment data by major markets and products for 2001 and the period following the acquisition in November 2000.

Steel Shipments By Market and Product (USSK production only - excludes Rannila Kosice)

<TABLE>
<CAPTION>

Major Market - 2001	Sheets & Semi-finished Steel	Tubular Products	Plate & Tin Mill Products	Total
<S>	<C>	<C>	<C>	<C>
(Thousands of Net Tons)				
Steel Service Centers	398	-	94	492
Further Conversion:				
Trade Customers	944	-	14	958
Joint Ventures	-	-	30	30
Transportation (Including Automotive)	165	29	-	194
Containers	93	-	141	234
Construction and Construction Products	904	71	59	1,034
Oil, Gas and Petrochemicals	1	33	134	168
All Other	432	5	167	604

TOTAL	2,937	138	639	3,714

Major Market - 2000 (From November 24, 2000)				
(Thousands of Net Tons)				
Steel Service Centers	33	-	20	53
Further Conversion:				
Trade Customers	64	-	6	70
Joint Ventures	-	-	2	2
Transportation (Including Automotive)	10	3	-	13
Containers	6	-	11	17
Construction and Construction Products	66	6	10	82
Oil, Gas and Petrochemicals	-	2	22	24
All Other	27	1	28	56
TOTAL	206	12	99	317

</TABLE>

Information on revenues and income (loss) of the Domestic Steel segment and USSK and on revenues and other income and assets by geographic area are set forth in "Financial Statements and Supplementary Data - Notes to Financial Statements - 8. Segment Information".

Property, Plant And Equipment Additions

For property, plant and equipment additions, including capital leases, see "Management's Discussion and Analysis of Financial Condition, Cash Flows and Liquidity - Capital Expenditures" on page 31.

Employees

The average number of active United States Steel domestic employees during 2001 was 21,078. The average number of active USSK employees during 2001 was 16,083. Currently, substantially all domestic hourly employees of our steel, coke and taconite pellet facilities are covered by a collective bargaining agreement with the USWA which expires in August 2004 and includes a no-strike provision. Other domestic hourly employees (for example, those engaged in coal mining and transportation activities) are represented by the United Mine Workers of America, USWA and other unions. In addition, most employees of USSK are represented by the union OZ Metalurg under a collective bargaining agreement expiring February 2004 , which is subject to annual wage negotiations.

Environmental Matters

United States Steel maintains a comprehensive environmental policy overseen by the Corporate Governance and Public Policy Committee of the United States Steel Board of Directors. The Environmental Affairs organization has the responsibility to ensure that United States Steel's operating organizations maintain environmental compliance systems that are in accordance with applicable laws and regulations. The Executive Environmental Committee, which is comprised of officers of United States Steel, is charged with reviewing its overall performance with various environmental compliance programs. Also, United States Steel, largely through the American Iron and Steel Institute, continues its involvement in the development of various air, water, and waste regulations with federal, state and local governments concerning the implementation of cost effective pollution reduction strategies.

The domestic businesses of United States Steel are subject to numerous federal, state and local laws and regulations relating to the protection of the environment. These environmental laws and regulations include the Clean Air Act ("CAA") with respect to air emissions; the Clean Water Act ("CWA") with respect to water discharges; the Resource Conservation and Recovery Act ("RCRA") with respect to solid and hazardous waste treatment, storage and disposal; and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") with respect to releases and remediation of hazardous substances. In addition, all states where United States Steel operates have similar laws dealing with the same matters. These laws are constantly evolving and becoming increasingly stringent. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that certain implementing regulations for laws such as RCRA and the CAA have not yet been promulgated or in certain instances are undergoing revision. These environmental laws and regulations, particularly the CAA, could result in substantially increased capital, operating and compliance costs.

For a discussion of environmental capital expenditures and the cost of compliance for air, water, solid waste and remediation, see "Management's Discussion and Analysis of Environmental Matters, Litigation and Contingencies" on page 35 and "Legal Proceedings" on page 17.

United States Steel has incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of

environmental laws and regulations. In recent years, these expenditures have been mainly for process changes in order to meet CAA obligations, although ongoing compliance costs have also been significant. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of United States Steel's products and services, operating results will be adversely affected. United States Steel believes that its major domestic integrated steel competitors are confronted by substantially similar conditions and thus does not believe that its relative position with regard to such competitors is materially affected by the impact of environmental laws and regulations. However, the costs and operating restrictions necessary for compliance with environmental laws and regulations may have an adverse effect on United States Steel's competitive position with regard to domestic mini-mills and some foreign steel producers and producers of materials which compete with steel, which may not be required to undertake equivalent costs in their operations. In addition, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities and its production methods. For further information, see "Legal Proceedings" on page 17, and "Management's Discussion and Analysis of Environmental Matters, Litigation and Contingencies" on page 35.

Slovak standards relative to air, water and solid waste pollution are set by statute and these standards are similar to those in the United States and the European Union. USSK is in material compliance with these standards. USSK environmental expenses in 2001 included usage fees, permit fees and/or penalties totaling approximately $5 million. There are no legal proceedings pending against USSK involving environmental matters. USSK's capital spending commitment to the Slovak government includes expenditures sufficient to bring USSK into compliance with all European Union environmental standards by 2005.

The 1997 Kyoto Global Climate Change Agreement ("Kyoto Protocol") produced by the United Nations Convention on Climate Change, if ratified by the U.S. Senate, would require restrictions on greenhouse gas emissions in the United States. Options that could be considered by federal regulators to force the reductions necessary to meet these restrictions could escalate energy costs and thereby increase steel production costs. Until action is taken by the U.S. Senate to ratify the Kyoto Protocol, or to implement some other program to address greenhouse gas emissions, it is not possible to estimate the effect this may have on United States Steel.

Air

The CAA imposed more stringent limits on air emissions, established a federally mandated operating permit program and allowed for enhanced civil and criminal enforcement sanctions. The principal impact of the CAA on United States Steel is on the coke-making and primary steel-making operations of United States Steel, as described in this section. The coal mining operations and sales of U. S. Steel Mining may also be affected.

The CAA requires the regulation of hazardous air pollutants and development and promulgation of Maximum Achievable Control Technology ("MACT") Standards. The amendment to the Chrome Electroplating MACT to include the chrome process at Gary is expected sometime in the next couple years. The U.S. Environmental Protection Agency ("EPA") is also promulgating MACT standards for integrated iron and steel plants and taconite iron ore processing which are expected to be finalized in 2002. The impact of these new standards could be significant to United States Steel, but the cost cannot be reasonably estimated until the rules are finalized.

The CAA specifically addressed the regulation and control of coke oven batteries. The National Emission Standard for Hazardous Air Pollutants for coke oven batteries was finalized in October 1993, setting forth the MACT standard and, as an alternative, a Lowest Achievable Emission Rate ("LAER") standard. Effective January 1998, United States Steel elected to comply with the LAER standards. United States Steel believes it will be able to meet the current LAER standards. The LAER standards will be further revised in 2010 and additional health risk-based standards are expected to be adopted in 2020. EPA is in the process of developing the Phase II Coke MACT for pushing, quenching and battery stacks which is scheduled to be finalized in 2002. This MACT will impact United States Steel, but the cost cannot be reasonably estimated at this time.

The CAA also mandates the nationwide reduction of emissions of acid rain precursors (sulfur dioxide and nitrogen oxides) from fossil fuel-fired electrical utility plants. United States Steel, like all other electricity consumers, will be impacted by increased electrical energy costs that are expected as electric utilities seek rate increases to comply with the acid rain requirements.

In September 1997, the EPA adopted revisions to the National Ambient Air Quality Standards for ozone and particulate matter which are significantly more stringent than prior standards. EPA has issued a Nitrogen Oxide ("NOx") State Implementation Plan ("SIP") call to require certain states to develop plans to reduce NOx emissions focusing on large utility and industrial boilers. The impact of these revised standards could be significant to United States Steel, but the cost cannot be reasonably estimated until the final revised standards

and the NOx SIP call are issued and, more importantly, the states implement their SIPs covering their standards.

In 2001, all of the coal production of U. S. Steel Mining was metallurgical coal, which is primarily used in coke production. While United States Steel believes that the new environmental requirements for coke ovens will not have an immediate effect on U. S. Steel Mining, the requirements may encourage development of steelmaking processes that reduce the usage of coke. The new ozone and particulate matter standards could be significant to U. S. Steel Mining, but the cost is not capable of being reasonably estimated until rules are proposed or finalized.

Water

United States Steel maintains the necessary discharge permits as required under the National Pollutant Discharge Elimination System ("NPDES") program of the CWA, and it is in compliance with such permits. In 1998, United States Steel entered into a consent decree with the EPA which resolved alleged violations of the Clean Water Act NPDES permit at Gary Works and provides for a sediment remediation project for a section of the Grand Calumet River that runs through Gary Works. Contemporaneously, United States Steel entered into a consent decree with the public trustees which resolves potential liability for natural resource damages on the same section of the Grand Calumet River. In 1999, United States Steel paid civil penalties of $2.9 million for the alleged water act violations and $0.5 million in natural resource damages assessment costs. In addition, United States Steel will pay the public trustees $1 million at the end of the remediation project for future monitoring costs and United States Steel is obligated to purchase and restore several parcels of property that have been or will be conveyed to the trustees. During the negotiations leading up to the settlement with EPA, capital improvements were made to upgrade plant systems to comply with the NPDES requirements. The sediment remediation project is an approved final interim measure under the corrective action program for Gary Works and is expected to cost approximately $35.2 million over the next five years. Estimated remediation and monitoring costs for this project have been accrued. In addition, United States Steel was notified by Indiana Department of Environmental Protection, acting as lead trustee for state and federal agencies, that United States Steel is a potentially responsible party ("PRP") along with 15 other companies owning property along the Grand Calumet River and Indiana Harbor Canal in an assessment of Natural Resources Damages downstream of Gary Works and at the headwaters lagoon. United States Steel and eight other PRPs formed a joint defense group which proposed terms for the settlement of this claim, that have been endorsed by representatives for the trustees and the EPA, to be included in a consent decree presently being negotiated, which United States Steel expects will resolve this claim.

Solid Waste

United States Steel continues to seek methods to minimize the generation of hazardous wastes in its operations. RCRA establishes standards for the management of solid and hazardous wastes. Besides affecting current waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the regulation of storage tanks. Corrective action under RCRA related to past waste disposal activities is discussed below under "Remediation."

Remediation

A significant portion of United States Steel's currently identified environmental remediation projects relate to the remediation of former and present operating locations. These projects include the remediation of the Grand Calumet River (discussed above), and the closure and remediation of permitted hazardous and non-hazardous waste landfills.

United States Steel is also involved in a number of remedial actions under CERCLA, RCRA and other federal and state statutes, and it is possible that additional matters may come to its attention which may require remediation. For a discussion of remedial actions related to United States Steel, see "Legal Proceedings - Environmental Proceedings" on page 18.

Item 2. PROPERTIES

United States Steel or its predecessors have owned the vast majority of the domestic properties at least 30 years with no material adverse claim asserted. In the case of the real property and buildings of USSK, certified copies of the property registrations were obtained and examined by local counsel prior to the acquisition.

Several steel production facilities are leased. The caster facility at Fairfield, Alabama is subject to a lease expiring in 2012 with an option to purchase or to extend the lease. A coke battery at Clairton, Pennsylvania, which

is subleased to the Clairton 1314B Partnership, is subject to a lease through 2004 with an option to purchase. The office space in Pittsburgh, Pennsylvania used by United States Steel is leased through 2018.

For property, plant and equipment additions, including capital leases, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 3. LEGAL PROCEEDINGS

United States Steel is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Certain of these matters are included below in this discussion. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the financial statements. However, management believes that United States Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably.

Asbestos Litigation

United States Steel has been and is a defendant in a large number of cases in which plaintiffs allege injury resulting from exposure to asbestos. Many of these cases involve multiple plaintiffs and most have multiple defendants. These claims fall into three major groups: (1) claims made under certain federal and general maritime law by employees of the Great Lakes Fleet or Intercoastal Fleet, former operations of United States Steel; (2) claims made by persons who performed work at United States Steel facilities; and (3) claims made by industrial workers allegedly exposed to an electrical cable product formerly manufactured by United States Steel. To date all actions resolved have been either dismissed or settled for immaterial amounts. It is not possible to predict with certainty the outcome of these matters; however, based upon present knowledge, management believes that it is unlikely that the resolution of the remaining actions will have a material adverse effect on our financial condition. This statement of belief is a forward-looking statement. Predictions as to the outcome of pending litigation are subject to substantial uncertainties with respect to (among other things) factual and judicial determinations, and actual results could differ materially from those expressed in this forward-looking statement.

Inland Steel Patent Litigation

In July 1991, Inland Steel Company ("Inland") filed an action against United States Steel and another domestic steel producer alleging defendants had infringed two of Inland's steel-related patents. Inland sought monetary damages and an injunction against future infringement. In response to this action, United States Steel and the other producer challenged the validity of the patents under United States Patent Office procedures. In this proceeding, the Patent Office rejected all of Inland's patent claims. Inland appealed the decision and on September 19, 2001, the Court of Appeals for the Federal Circuit affirmed the decision of the Patent Office. This decision resolves the matter in United States Steel's favor.

Environmental Proceedings

The following is a summary of the proceedings of United States Steel that were pending or contemplated as of December 31, 2001, under federal and state environmental laws. Except as described herein, it is not possible to accurately predict the ultimate outcome of these matters. Claims under CERCLA and related state acts have been raised with respect to the cleanup of various waste disposal and other sites. CERCLA is intended to expedite the cleanup of hazardous substances without regard to fault. Primary responsible parties ("PRPs") for each site include present and former owners and operators of, transporters to and generators of the substances at the site. Liability is strict and can be joint and several. Because of various factors including the ambiguity of the regulations, the difficulty of identifying the responsible parties for any particular site, the complexity of determining the relative liability among them, the uncertainty as to the most desirable remediation techniques and the amount of damages and cleanup costs and the time period during which such costs may be incurred, it is impossible to reasonably estimate United States Steel's ultimate cost of compliance with CERCLA.

Projections, provided in the following paragraphs, of spending for and/or timing of completion of specific projects are forward-looking statements. These forward-looking statements are based on certain assumptions including, but not limited to, the factors provided in the preceding paragraph. To the extent that these assumptions prove to be inaccurate, future spending for, or timing of completion of environmental projects may differ materially from those stated in forward-looking statements.

At December 31, 2001, United States Steel had been identified as a PRP at a total of 19 CERCLA sites. Based on currently available information, which is in many cases preliminary and incomplete, management believes that United States

Steel liability for cleanup and remediation costs in connection with 7 of these sites will be between $100,000 and $1 million per site and 8 will be under $100,000.

At the remaining 4 sites, management expects that United States Steel's share in the remaining cleanup costs at any single site will not exceed $5 million, although it is not possible to accurately predict the amount of sharing in any final allocation of such costs. The following is a summary of the status of these sites:

1. At the former Duluth, Minnesota Works, United States Steel spent a total of approximately $11.4 million for cleanup through 2001. The Duluth Works was listed by the Minnesota Pollution Control Agency under the Minnesota Environmental Response and Liability Act on its Permanent List of Priorities. The EPA has consolidated and included the Duluth Works site with the St. Louis River and Interlake sites on the EPA's National Priorities List. The Duluth Works cleanup has proceeded since 1989. United States Steel is conducting an engineering study of the estuary sediments. Depending upon the method and extent of remediation at this site, future costs are presently unknown and indeterminable.

2. The D'Imperio/Ewan sites in New Jersey are waste disposal sites where a former subsidiary allegedly disposed of used paint and solvent wastes. United States Steel has entered into a settlement agreement with the major PRPs at the sites which fixes United States Steel's share of liability at approximately $1.2 million, $624,000 of which has already paid. The balance, which is expected to be paid over the next several years, has been accrued.

3. In 1988, United States Steel and three other PRPs agreed to the issuance of an administrative order by the EPA to undertake emergency removal work at the Municipal & Industrial Disposal Co. site in Elizabeth, Pa. The cost of such removal, which has been completed, was approximately $4.2 million, of which United States Steel paid $3.4 million. The EPA has indicated that further remediation of this site may be required in the future, but it has not conducted any assessment or investigation to support what remediation would be required. In October 1991, the Pennsylvania Department of Environmental Resources ("PaDER') placed the site on the Pennsylvania State Superfund list and began a Remedial Investigation ("RI") which was issued in 1997. It is not possible to estimate accurately the cost of any remediation or the shares in any final allocation formula; however, based on presently available information, United States Steel may have been responsible for as much as 70% of the waste material deposited at the site. On October 10, 1995, the U.S. Department of Justice ("DOJ") filed a complaint in the U.S. District Court for Western Pennsylvania against United States Steel and other Municipal & Industrial Disposal Co. defendants to recover alleged costs incurred at

the site. In June 1996, United States Steel agreed to pay $245,000 to settle the government's claims for costs against it, American Recovery, and Carnegie Natural Gas. In 1996, United States Steel filed a cost recovery action against parties who did not contribute to the cost of the removal activity at the site. United States Steel reached a settlement in principle with all of the parties except the site owner. PaDER issued its Final Feasibility Study Report for the entire site in August 2001. The report identifies and evaluates feasible remedial alternatives and selects three preferred alternatives. These alternatives are estimated to cost from $17 million to $20 million. Consultants for United States Steel have concluded that a less costly alternative should be employed at the site, which is estimated to cost $5.5 million. Based on the allocation of the liability that has been recognized for the past site cleanup activities, the United States Steel share of costs for this remedy would be approximately $3.7 million. United States Steel is in the process of negotiating a consent decree with the Pennsylvania Department of Environmental Protection ("PADEP", formerly PaDER). United States Steel has submitted a conceptual remediation plan, which PADEP has approved. United States Steel will be submitting a remedial design plan based on the remediation plan. PADEP is also seeking reimbursement for approximately $2 million in costs. United States Steel could potentially be held responsible for an undetermined share of those costs.

In addition, there are 13 sites related to United States Steel where information requests have been received or there are other indications that United States Steel may be a PRP under CERCLA but where sufficient information is not presently available to confirm the existence of liability or make any judgment as to the amount thereof.

There are also 34 additional sites related to United States Steel where remediation is being sought under other environmental statutes, both federal and state, or where private parties are seeking remediation through discussions or litigation. Based on currently available information, which is in many cases

preliminary and incomplete, management believes that liability for cleanup and remediation costs in connection with 5 of these sites will be under $100,000 per site, another 2 sites have potential costs between $100,000 and $1 million per site, and 8 sites may involve remediation costs between $1 million and $5 million. Another 3 sites, including the Grand Calumet River remediation at Gary Works, the Peters Creek Lagoon remediation at Clairton, and the potential claim for investigation, restoration and compensation of injuries to sediments in the East Branch of the Grand Calumet River near Gary Works, have or are expected to have costs for remediation, investigation, restoration or compensation in excess of $5 million. Potential costs associated with remediation at the remaining 16 sites are not presently determinable.

The following is a discussion of remediation activities at the major domestic United States Steel facilities:

Gary Works

In 1998, United States Steel entered into a consent decree with the EPA which resolved alleged violations of the Clean Water Act NPDES permit at Gary Works and provides for a sediment remediation project for a section of the Grand Calumet River that runs through Gary Works. Contemporaneously, United States Steel entered into a consent decree with the public trustees which resolves potential liability for natural resource damages on the same section of the Grand Calumet River. United States Steel will pay the public trustees $1 million at the end of the remediation project for future monitoring costs, and United States Steel is obligated to purchase and restore several parcels of property that have been or will be conveyed to the trustees. During the negotiations leading up to the settlement with the EPA, capital improvements were made to upgrade plant systems to comply with the NPDES requirements. In 1999, United States Steel paid civil penalties of $2.9 million for the alleged water act violations and $0.5 million in natural resource damages assessment costs. In addition, United States Steel purchased properties which were conveyed to the trustees. The sediment remediation project is an approved final interim measure under the corrective action program for Gary Works and is expected to cost approximately $35.2 million over the next five years. Estimated remediation and monitoring costs for this project have been accrued.

In October 1996, United States Steel was notified by the Indiana Department of Environmental Management ("IDEM") acting as lead trustee, that IDEM and the U.S. Department of the Interior had concluded a preliminary investigation of potential injuries to natural resources related to releases of hazardous substances from various municipal and industrial sources along the east branch of the Grand Calumet River and Indiana Harbor Canal. The public trustees completed a preassessment screen pursuant to federal regulations and have determined to perform a Natural Resources Damages Assessment. United States Steel was identified as a PRP along with 15 other companies owning property along the river and harbor canal. United States Steel and eight other PRPs have formed a joint defense group. In 2000, the trustees concluded their assessment of sediment injuries, which includes a technical review of environmental conditions. The PRP joint defense group has proposed terms for the settlement of this claim which have been endorsed by representatives of the trustees and the EPA to be included in a consent decree that United States Steel expects to resolve this claim.

On October 23, 1998, a final Administrative Order on Consent was issued by EPA addressing Corrective Action for Solid Waste Management Units throughout Gary Works. This order requires United States Steel to perform a RCRA Facility Investigation ("RFI") and a Corrective Measure Study ("CMS") at Gary Works. The Current Conditions Report, United States Steel's first deliverable, was submitted to EPA in January 1997 and was approved by EPA in 1998. The First Phase 1 RFI Work Plan, for facility wide groundwater issues, was approved and sampling began in 2001. Phase I Sampling and Analysis Plans for the Process Sewers, Sheet and Tin, East Lake/East End, the West End and the Coke Plant areas have been submitted to EPA and are expected to be approved by EPA in 2002.

IDEM issued notices of violation ("NOVs") relating to Gary Works in 1994 alleging various violations of air pollution requirements. In early 1996, United States Steel paid a $6 million penalty and agreed to install additional pollution control equipment and to implement environmental protection programs over a period of several years. A substantial portion of these programs has been implemented, with expenditures through 2001 of approximately $101 million. The cost to complete these programs is presently indeterminable. In 1999, United States Steel entered into an agreed order with IDEM to resolve outstanding air issues. United States Steel paid a penalty of $207,400 and installed equipment at the No. 8 Blast Furnace and the No. 1 BOP to reduce air emissions. In November 1999, IDEM issued an NOV alleging various air violations at Gary Works. An agreed order is being negotiated.

Clairton

In 1987, United States Steel and the PaDER entered into a Consent Order to resolve an incident in January 1985 involving the alleged unauthorized discharge of benzene and other organic pollutants from Clairton Works in Clairton, Pa.

That Consent Order required United States Steel to pay a penalty of $50,000 and a monthly payment of $2,500 for five years. In 1990, United States Steel and the PaDER reached agreement to amend the Consent Order. Under the amended Order, United States Steel agreed to remediate the Peters Creek Lagoon (a former coke plant waste disposal site); to pay a penalty of $300,000; and to pay a monthly penalty of up to $1,500 each month until the former disposal site is closed. Remediation costs have amounted to $9.9 million with another $1.1 million presently projected to complete the project.

Fairless Works

In January 1992, United States Steel commenced negotiations with the EPA regarding the terms of an Administrative Order on consent, pursuant to the RCRA, under which United States Steel would perform a RFI and a CMS at Fairless Works. A Phase I RFI report was submitted during the third quarter of 1997. A Phase II/III RFI will be submitted following EPA approval of the Phase I report. The RFI/CMS will determine whether there is a need for, and the scope of, any remedial activities at Fairless Works.

Fairfield Works

In December 1995, United States Steel reached an agreement in principle with the EPA and the DOJ with respect to alleged RCRA violations at Fairfield Works. A consent decree was signed by United States Steel, the EPA and the DOJ and filed with the court on December 11, 1997, under which United States Steel will pay a civil penalty of $1 million, implement two SEPs costing a total of $1.75 million and implement a RCRA corrective action at the facility. One SEP was completed during 1998 at a cost of $250,000. The second SEP is under way. As of February 22, 2000, the Alabama Department of Environmental Management assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works, with the approval of the EPA. The first RFI work plan for the site was submitted for agency approval in the first quarter of 2001.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

A description of the matters voted upon by the shareholders of USX Corporation at an October 25, 2001 special meeting was reported in USX Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The principal market on which United States Steel common stock is traded is the New York Stock Exchange. United States Steel common stock is also traded on the Chicago Stock Exchange and the Pacific Exchange. Information concerning the high and low sales price for the common stock as reported in the consolidated transaction reporting system and the frequency and amount of dividends paid during the last two years is set forth in "Selected Quarterly Financial Data (Unaudited)" on page F-28.

As of January 31, 2002, there were 52,117 registered holders of United States Steel common stock.

The Board of Directors intends to declare and pay dividends on United States Steel common stock based on the financial condition and results of operations of United States Steel, although it has no obligation under Delaware law or the United States Steel Certificate of Incorporation to do so. After the Separation, United States Steel established an initial quarterly dividend rate of $0.05 per share effective with the March 2002 payment. Dividends on United States Steel common stock are limited to legally available funds.

Item 6. SELECTED FINANCIAL DATA/(a)/

<TABLE>
<CAPTION>

Dollars in millions (except per share data)	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data:					
Revenues and other income/(b)(c)/.....	$6,375	$6,132	$5,470	$6,477	$7,156
Income (loss) from operations/(d)/.....	(405)	104	150	579	773
Income (loss) before extraordinary losses/(d)/..	(218)	(21)	51	364	452
Net income (loss)/(d)/.....	$ (218)	$ (21)	$ 44	$ 364	$ 452

Per Common Share Data					
Income (loss) before extraordinary losses/(e)/ - basic and diluted	$(2.45)	$ (.24)	$ .57	$ 4.08	$ 5.07
Net income (loss)/(e)/- basic and diluted	(2.45)	(.24)	.49	4.08	5.07
Dividends paid/(f)/	.55	1.00	1.00	1.00	1.00
Balance Sheet Data - December 31:					
Total assets	8,337	8,711	7,525	6,749	6,694
Capitalization:					
Notes payable	$ -	$ 70	$ -	$ 13	$ 13
Long-term debt including amount due within one year/(g)/	1,466	2,375	915	476	510
Preferred stock of subsidiary/(h)/	-	66	66	66	66
Trust Preferred Securities/(h)/	-	183	183	182	182
Stockholders' equity	2,506	1,919	2,056	2,093	1,782
Total capitalization	$3,972	$4,613	$3,220	$2,830	$2,553

/(a)/ See Notes 1 and 2 to the Financial Statements for discussion of the Basis of Presentation and the December 31, 2001 Separation from Marathon.
/(b)/ Consists of revenues, dividend and investee income (loss), net gains on disposal of assets, gain on investee stock offering and other income (loss).
/(c)/ For discussion of changes between the years 2001, 2000 and 1999, see Management's Discussion and Analysis of Financial Condition and Results of Operations. The decreases in revenues and other income from 1997 to 1998 and 1998 to 1999 were primarily due to decreases in average realized prices, lower shipment volumes and lower income from equity investees.
/(d)/ For discussion of changes between the years 2001, 2000 and 1999, see Management's Discussion and Analysis of Financial Condition and Results of Operations. The decrease from 1998 to 1999 was primarily due to lower average steel prices, lower income from raw materials operations, an unfavorable product mix, higher pension costs and unfavorable results from equity investees. The decrease from 1997 to 1998 was primarily due to lower average realized prices, lower shipment volumes, less efficient operating levels at the plants, and lower income from equity investees.
/(e)/ Earnings per share for all years is based on the outstanding common shares at December 31, 2001. See Note 20 to the Financial Statements.
/(f)/ Represents dividends paid per share on USX-U. S. Steel Group common stock.
/(g)/ The decrease in long-term debt from 2000 to 2001 was primarily due to transactions related to the Separation, including the $900 million value transfer. For further discussion, see Note 2 to the Financial Statements. The increase in long-term debt from 1999 to 2000 was primarily due to cash used in operating activities of $627 million and the $325 million of debt included in the acquisition of USSK. For discussion of cash used in operating activities in 2000, see Management's Discussion and Analysis of Financial Condition and Results of Operations.
/(h)/ See Note 18 to the Financial Statements.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On December 31, 2001, in a tax-free transaction, Marathon Oil Corporation ("Marathon"), formerly USX Corporation, converted each share of its USX-U. S. Steel Group class of common stock ("Steel Stock") into the right to receive one share of United States Steel Corporation common stock ("Separation"). The net assets of United States Steel on December 31, 2001 were approximately the same as the net assets attributable to Steel Stock at the time of the Separation, except for a value transfer of $900 million in the form of additional net debt and other financings retained by Marathon. During the last six months of 2001, United States Steel completed a number of financings so that, upon the Separation, the net debt and other financings of United States Steel on a stand-alone basis were approximately equal to the net debt and other financings attributable to the Steel Stock less the value transfer and the tax settlement with Marathon. For further information on the Separation, see Notes 1 and 2 of the Financial Statements.

United States Steel's Domestic Steel segment is engaged in the production, sale and transportation of steel mill products, coke, taconite pellets and coal; the management of mineral resources; real estate development; and engineering and consulting services. The U. S. Steel Kosice ("USSK") segment, primarily located in the Slovak Republic, produces and sells steel mill products and coke mainly for the Central European market. Certain business activities are conducted through joint ventures and partially owned companies, such as USS-POSCO Industries LLC ("USS-POSCO"), PRO-TEC Coating Company ("PRO-TEC"), Clairton 1314B Partnership L.P., Republic Technologies International, LLC ("Republic") and Rannila Kosice, s.r.o. Management's Discussion and Analysis should be read in conjunction with United States Steel's Financial Statements and Notes to Financial Statements.

On March 1, 2001, United States Steel completed the purchase of the tin mill products business of LTV Corporation ("LTV"), which is now operated as East Chicago Tin. In this noncash transaction, United States Steel assumed certain employee-related obligations from LTV. See Note 5 to the Financial Statements.

On March 23, 2001, Transtar, Inc. ("Transtar") completed a reorganization with its two voting shareholders, United States Steel and Transtar Holdings, L.P. ("Holdings"), an affiliate of Blackstone Capital Partners L.P. As a result of this transaction, United States Steel became sole owner of Transtar and certain of its subsidiaries, including several rail and barge operations. Holdings became owner of the other operating subsidiaries of Transtar. Transtar provides rail and barge transportation services to a number of United States Steel's facilities as well as other customers in the steel, chemicals, and forest products industries. See Note 5 to the Financial Statements.

Certain sections of Management's Discussion and Analysis include forward-looking statements concerning trends or events potentially affecting the businesses of United States Steel. These statements typically contain words such as "anticipates," "believes," "estimates," "expects" or similar words indicating that future outcomes are not known with certainty and are subject to risk factors that could cause these outcomes to differ significantly from those projected. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in forward-looking statements. For additional risk factors affecting the businesses of United States Steel, see Supplementary Data - Disclosures About Forward-Looking Information.

Critical Accounting Policies and Estimates

Management's discussion and analysis of its financial condition and results of operations are based upon United States Steel's financial statements, which have been prepared in accordance with accounting standards generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end, and the reported amount of revenues and expenses during the year. Management regularly evaluates these estimates, including those related to the carrying value of property, plant and equipment, valuation allowances for receivables, inventories and deferred income tax assets; liabilities for deferred income taxes, potential tax deficiencies, environmental obligations, potential litigation claims and settlements; and assets and obligations related to employee benefits. Management estimates are based on historical experience and various other assumptions that are believed to be reasonable

under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Accordingly, actual results may differ materially from current expectations under different assumptions or conditions.

Management believes that the following critical accounting policies affect the more significant judgments and estimates used in the preparation of the financial statements.

Depreciation - United States Steel records depreciation primarily using a modified straight-line method based upon estimated lives of assets and production levels. The modification factors for domestic steel producing assets range from a minimum of 85% at a production level below 81% of capability, to a maximum of 105% for a 100% production level. No modification is made at the 95% production level, considered the normal long-range level. Depreciation charges for 2001, 2000 and 1999 were 85%, 94% and 99%, respectively, of straight-line depreciation based on production levels for each of the years. For certain equipment related to railroad operations, depreciation is recorded on the straight-line method, utilizing a composite or grouped approach, based on estimated lives of assets.

Asset Impairments - United States Steel evaluates the impairment of its property, plant and equipment on an individual asset basis or by logical groupings of assets. Asset impairments are recognized when the carrying value of those productive assets exceed their aggregate projected undiscounted cash flows. If future demand and market conditions are less favorable than those projected by management, additional asset write-downs may be required.

Allowances for Doubtful Accounts - United States Steel maintains allowances for doubtful accounts for estimated losses resulting from the inability of customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventories - United States Steel determines the cost of inventories primarily under the last-in, first-out ("LIFO") method. Consequently, the overall carrying value of inventories is significantly less than the replacement cost. United States Steel writes down inventories for the difference between the carrying value of the inventories and the estimated market value on a worldwide basis. If actual market conditions are less favorable than those projected by management, additional write-downs may be required.

Deferred Taxes - United States Steel records a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized. While United States Steel has considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event that United States Steel were to determine that it would be able to realize deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax assets would increase income in the period such determination was made. Likewise, should United States Steel determine that it would not be able to realize all or part of its deferred tax assets in the future, an adjustment to the valuation allowance for deferred tax assets would be charged to income in the period such determination was made.

United States Steel makes no provision for deferred U.S. income taxes on the undistributed earnings of USSK and other consolidated foreign subsidiaries because management intends to permanently reinvest such earnings in foreign operations. If circumstances change and it is determined that earnings will be remitted in the foreseeable future, a charge would be required to record the U.S. deferred tax liability for the amounts planned to be remitted.

Liabilities for Potential Tax Deficiencies - United States Steel records liabilities for potential tax deficiencies. These liabilities are based on management's judgment of the risk of loss should those items be challenged by taxing authorities. In the event that United States Steel were to determine that tax-related items would not be considered deficiencies or that items previously not considered to be potential deficiencies could be considered as potential tax deficiencies (as a result of an audit, tax ruling or other positions or authority) an adjustment to the liability would be recorded through income in the period such determination was made.

Environmental Remediation - United States Steel provides for remediation costs and penalties when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. Remediation liabilities are accrued based on estimates of known environmental exposures and are discounted in certain instances. United States Steel regularly monitors the progress of environmental remediation. Should studies indicate that the cost of remediation is to be more than previously estimated, an additional accrual would be recorded in the period in which such determination was made.

Accruals for Potential Litigation Claims and Settlements - United States Steel records accruals for potential litigation claims and settlements when legal counsel advises that an obligation is probable and reasonably estimable. Changes in findings and negotiations as the cases progress cause changes in the recorded accruals.

Pensions and Other Postretirement Benefits ("OPEB") - Net pension and OPEB expense recorded for pension and other postretirement benefits are based on, among other things, assumptions of the discount rate, estimated return on plan assets, salary increases, the mortality of participants and the current level and escalation of health care costs in the future. Changes in these and other factors and differences between actual and assumed changes in the present value of liabilities or assets of United States Steel's plans above certain thresholds could cause net annual expense to increase or decrease materially from year to year.

Management's Discussion and Analysis of Income

Due to the capital intensive nature of integrated steel production, the principal drivers of United States Steel's financial results are price, volume and mix. To the extent that these factors are affected by industry conditions and the overall economic climate, revenues and income will reflect such conditions.

Revenues and Other Income for each of the last three years are summarized in the following table:

<TABLE>
<CAPTION>

(Dollars in millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Revenues by product:			
Sheet and semi-finished steel products...	$3,163	$3,288	$3,433
Tubular products.....	755	754	221
Plate and tin mill products.....	1,273	977	919
Raw materials (coal, coke and iron ore)..	485	626	549
Other/(a)/.....	610	445	414

Income (loss) from investees	64	(8)	(89)
Net gains on disposal of assets	22	46	21
Other income	3	4	2
Total revenues and other income	$6,375	$6,132	$5,470

/(a)/ Includes revenue from the sale of steel production by-products, real estate development, resource management, and engineering and consulting services and, beginning in 2001, transportation services.

Total revenues and other income increased by $243 million in 2001 from 2000 primarily due to the inclusion of USSK revenues for the full year, the inclusion of Transtar revenues following the reorganization and higher income from investees relating to the gain on the Transtar reorganization, partially offset by lower domestic shipment volumes (domestic steel shipments decreased 955,000 tons) and lower average domestic steel product prices (average prices decreased $23 per ton). Total revenues and other income in 2000 increased by $662 million from 1999 primarily due to the consolidation of Lorain Tubular effective January 1, 2000, higher average realized prices, particularly tubular product prices, and lower losses from investees, which, in 1999, included a $47 million charge for the impairment of United States Steel's investment in USS/Kobe Steel Company ("USS/Kobe").

Income (loss) from operations for United States Steel for the last three years was/(a)/:

(Dollars in millions)	2001	2000	1999
Segment income (loss) for Domestic Steel	$(461)	$ 98	$ 115
Segment income for U. S. Steel Kosice	123	2	-
Income (loss) from reportable segments	$(338)	$ 100	$ 115
Net pension credits	146	266	193
Costs related to former businesses/(b)/	(76)	(86)	(83)
Administrative expenses	(22)	(25)	(17)
Total	$(290)	$ 255	$ 208
Other items not allocated to segment income:			
Gain on Transtar reorganization	68	-	-
Insurance recoveries related to USS-POSCO fire/(c)/	46	-	-
Asset impairments - trade receivables	(100)	(8)	-
- other receivables	(46)	-	-
Impairment and other costs related to investments in equity investees	-	(36)	(54)
Loss on investment used to satisfy indexed debt obligations/(d)/	-	-	(22)
Costs related to Fairless shutdown	(38)	-	-
Costs related to Separation	(25)	-	-
Asset impairments - intangible assets	(20)	-	-
- coal	-	(71)	-
Environmental and legal contingencies	-	(36)	(17)
Voluntary early retirement program pension settlement	-	-	35
Total income (loss) from operations	$(405)	$ 104	$ 150

/(a)/ Certain amounts have been removed from segment income and appear in items not allocated to segments for consistency with current-year presentation method.
/(b)/ Includes other postretirement benefit costs and certain other expenses principally attributable to former business units of United States Steel.
/(c)/ In excess of facility repair costs.
/(d)/ For further details, see Note 6 to the Financial Statements.

Segment income (loss) for Domestic Steel

Domestic Steel operations recorded a segment loss of $461 million in 2001 versus segment income of $98 million in 2000, a decrease of $559 million. The decrease in segment income was primarily due to lower prices, primarily for sheet products, lower domestic shipment volumes which resulted in less efficient operating rates and higher unit costs, lower income from coke and taconite pellet operations, lower results from tin operations during the phase out of operations at Fairless and higher than anticipated start-up and operating expenses associated with the March acquisition of East Chicago Tin, and business interruption effects at USS-POSCO following the cold mill fire in May, some of which were offset by insurance recoveries already received in the second half of

2001. Offsetting these decreases were improved results from coal operations due to improved operating and geological conditions as well as higher tubular prices during the first half of 2001.

Segment income for Domestic Steel operations in 2000 decreased $17 million from 1999. The decrease in segment income for Domestic Steel was primarily due to lower throughput, lower income from raw materials operations, particularly coal operations, and lower sheet shipments resulting from high levels of imports.

Segment income for U. S. Steel Kosice

USSK segment income for the full-year 2001 was $123 million compared to $2 million in 2000 for the period following United States Steel's acquisition of USSK on November 24, 2000. The increase is primarily due to United States Steel's full year of ownership, changes in commercial strategy, strong customer focused marketing and a favorable cost structure.

Items not allocated to segments:

Net periodic pension credits, which are primarily noncash, totaled $120 million in 2001, $273 million in 2000 and $234 million in 1999. The decrease of $153 million in the net periodic pension credit from 2000 to 2001 was primarily due to the $69 million effect of the transition asset being fully amortized in 2000 and an unfavorable change in the amortization of actuarial (gains)/losses. The increase of $39 million from 1999 to 2000 was primarily due to a favorable change in the amortization of actuarial (gains)/losses. Net periodic pension credits in 2001 and 1999 include settlement and termination effects. For additional information on pensions, see Note 12 to the Financial Statements.

Gain on Transtar reorganization represents United States Steel's share of the gain in 2001. Because this was a transaction with a noncontrolling shareholder, Transtar, Inc. recognized a gain by comparing the carrying value of the businesses sold to their fair value. See Note 5 to Financial Statements.

Insurance recoveries related to USS-POSCO fire represent United States Steel's share of insurance recoveries in excess of facility repair costs for the cold-rolling mill fire at USS-POSCO in 2001.

Asset impairments - Trade Receivables were for charges related to receivables exposure from financially distressed steel companies, primarily Republic, in 2000 and 2001.

Asset impairments - Other Receivables were for charges related to retiree medical cost reimbursements owed by Republic in 2001.

In 2000, impairment and other costs related to investments in equity investees totaled $36 million to establish reserves against notes from Republic and to represent United States Steel's share of Republic special charges which resulted from the completion of a financial restructuring of Republic. In 1999, impairment and other costs related to investments in equity investees totaled $54 million related to the impairment of United States Steel's investment in USS/Kobe, costs related to the formation of Republic and other non-recurring equity investee charges.

Income from operations in 1999 also included a loss on investment used to satisfy indexed debt obligations of $22 million from the termination of ownership in RTI International Metals, Inc. ("RTI"). For further discussion, see Note 6 to the Financial Statements.

Costs related to Fairless shutdown resulted from the permanent shutdown of the cold rolling and tin mill facilities at Fairless Works in 2001.

Costs related to the Separation were for United States Steel's share of professional fees and expenses and certain other costs directly attributable to the Separation in 2001.

Asset impairments - Intangible Asset was for the impairment of an intangible asset in 2001 related to the five-year agreement for LTV to supply United States Steel with pickled hot bands entered into in conjunction with the acquisition of LTV's tin mill products business.

Asset impairments - Coal was for asset impairments at coal mines in Alabama and West Virginia in 2000 following a reassessment of long-term prospects after adverse geological conditions were encountered.

Environmental and legal contingencies relate to certain environmental and legal accruals in 2000 and 1999.

The voluntary early retirement program pension settlement in 1999 relates to a favorable pension settlement primarily related to salaried employees.

Selling, general and administrative expenses increased by $315 million in 2001 as compared to 2000. The increase was due to several factors, including the $153 million decrease in the net periodic pension credit previously discussed. Other contributing factors were the increase in costs in 2001 as a result of the USSK acquisition and the reorganization of Transtar, Separation costs and the impairment of retiree medical cost reimbursements owed by Republic. The increase in selling, general and administrative expenses of $60 million from 1999 to 2000 was primarily due to a $42 million decrease in the portion of the net periodic pension credit recorded in selling, general and administrative expenses, as well as increased costs following the acquisition of USSK.

Net interest and other financial costs for each of the last three years are summarized in the following table:

<TABLE>
<CAPTION>

(Dollars in millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Net interest and other financial costs....	$ 141	$ 105	$ 74
Plus:			
Favorable adjustment to carrying value of Indexed Debt/(a)/.....	-	-	13
Favorable adjustment to interest related to prior years' taxes..	67	-	-
Net interest and other financial costs adjusted to exclude above item.....	$ 208	$ 105	$ 87

</TABLE>

/(a)/In December 1996, USX issued $117 million of 6-3/4% Exchangeable Notes Due February 1, 2000 ("Indexed Debt") indexed to the price of RTI common stock. The carrying value of Indexed Debt was adjusted quarterly to settlement value, based on changes in the value of RTI common stock. Any resulting adjustment was credited to income and included in interest and other financial costs. For further discussion of Indexed Debt, see Note 6 to the Financial Statements.

Adjusted net interest and other financial costs increased by $103 million in 2001 as compared with 2000. This increase was largely due to higher average debt levels, which resulted from negative cash flow and the elective funding for employee benefits and the acquisition of USSK, both of which occurred in the fourth quarter of 2000. Adjusted net interest and other financial costs increased $18 million in 2000 as compared with 1999, primarily due to higher average debt levels.

The credit for income taxes in 2001 was $328 million primarily as a result of higher losses from operations. The credit included a $33 million deferred tax benefit associated with the Transtar reorganization. In addition, as a result of Slovak Republic laws regarding tax credits and certain tax planning strategies to permanently reinvest earnings in foreign operations, virtually no income tax provision is recorded for USSK income. If circumstances change and it is determined that earnings will be remitted in the foreseeable future, a charge would be required to record the U.S. deferred tax liability for the amounts planned to be remitted. The provision for income taxes in 2000 decreased $5 million compared to 1999 primarily due to a decline in income from operations, partially offset by higher state income taxes as certain previously recorded state tax benefits will not be utilized. See also Note 14 to the Financial Statements.

The extraordinary loss on extinguishment of debt of $7 million, net of income tax benefit, in 1999 included a $5 million loss resulting from the satisfaction of the indexed debt and a $2 million loss for United States Steel's share of Republic's extraordinary loss related to the early extinguishment of debt. See also Note 6 to the Financial Statements.

Management's Discussion and Analysis of Operations

The year 2001 turned out to be an extremely difficult one for the domestic steel industry. Steel imports to the United States accounted for an estimated 24%, 27% and 26% of the domestic steel market for 2001, 2000 and 1999, respectively. In 2001, imports of steel pipe increased 9% and imports of hot rolled sheets decreased 59%, compared to 2000.

Injurious levels of imports continued to disrupt an already weakened market in which domestic steel consumption plummeted from an annualized rate of 119 million tons in the first half to 98 million tons in the fourth quarter. The 3% average growth in the domestic economy predicted by economists never materialized - largely due to a worldwide economic recession in the second half and the impact of the September 11 tragedies. Contributing to the decline in net income was a decrease in average realized domestic prices of 5% compared to the 2000 average and higher unit costs due to depressed production levels at all of our domestic plants.

Total shipments from the Domestic Steel segment were 9.8 million tons in 2001, 10.8 million tons in 2000 and 10.6 million tons in 1999, and comprised approximately 9.9% of the domestic steel market in 2001. Domestic Steel shipments in 2001 were affected by a weak domestic economy, which reduced demand for sheet, plate and tubular products. Shipments in 1999 were reduced because of weak tubular markets. High import levels impacted all three years. Exports accounted for approximately 5% of our shipments from Domestic Steel in 2001, 5% in 2000 and 3% in 1999.

USSK shipments were 3.7 million net tons in 2001 and 0.3 million net tons in 2000 in the short period following the acquisition.

Domestic raw steel production was 10.1 million tons in 2001, compared with 11.4 million tons in 2000 and 12.0 million tons in 1999. Domestic raw steel production averaged 79% of capability in 2001, compared with 89% of capability in 2000 and 94% of capability in 1999. In 2001, domestic raw steel production was negatively impacted by poor economic conditions and the high level of imports. In 2000, domestic raw steel production was negatively impacted by a planned reline at the Gary Works No. 4 blast furnace in July 2000. Because of market conditions, United States Steel limited its domestic production by keeping the Gary Works No. 4 blast furnace out of service until February 2001. Because of market conditions, United States Steel curtailed its domestic production by keeping the Gary Works No. 6 blast furnace out of service until February 1999, after a scheduled reline was completed in mid-August 1998. United States Steel's stated annual domestic raw steel production capability was 12.8 million tons in 2001, 2000 and 1999.

USSK raw steel production was 4.1 million tons in 2001, or 81% of USSK's stated annual raw steel production capability of 5.0 million net tons.

On November 13, 2000, United States Steel joined with eight other producers and the Independent Steelworkers Union to file trade cases against hot-rolled carbon steel flat products from 11 countries (Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand and Ukraine). Three days later, the USWA also entered the cases as a petitioner. Antidumping ("AD") cases were filed against all the countries and countervailing duty ("CVD") cases were filed against Argentina, India, Indonesia, South Africa, and Thailand. The U.S. Department of Commerce ("Commerce") has found margins in all of the cases. The International Trade Commission ("ITC") had previously found material injury to the domestic industry in the cases against Argentina and South Africa, and, on November 2, 2001, the ITC found material injury to the domestic industry in the cases against the remaining countries.

On September 28, 2001, United States Steel joined with seven other producers to file trade cases against cold-rolled carbon steel flat products from 20 countries (Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela). AD cases were filed against all the countries and CVD cases were filed against Argentina, Brazil, France, and Korea. On November 13, 2001, the ITC determined that there is a reasonable indication that the U.S. industry is materially injured or threatened with material injury by reason of the imports in question. These cases will be the subject of continuing investigations at both Commerce and the ITC.

United States Steel believes that the remedies provided by AD and CVD cases are insufficient to correct the widespread dumping and subsidy abuses that currently characterize steel imports into our country and has, therefore, urged the U.S. government to take actions such as those in President Bush's three-part program to address the excessive imports of steel that have been depressing markets in the United States. United States Steel, nevertheless, intends to file additional AD and CVD petitions against unfairly traded imports that adversely impact, or threaten to adversely impact, the results of United States Steel.

On March 5, 2002, President Bush announced his decision in response to the prior finding of the ITC under Section 201 that imports were a substantial cause of serious injury to the domestic steel industry. Slab imports will be subject to a quota of 5.4 million metric tons in the first year on product shipped from countries other than Canada and Mexico, with excess imports subject to a tariff of 30%. The annual quota increases to 5.9 million metric tons in the second year and 6.4 million metric tons in the third year. Imports of finished carbon and alloy steel products (hot rolled, cold rolled, coated, plate and tin mill products) from developed countries will be subject to a 30% tariff in the first year, decreasing to 24% and 18% in the second and third years, respectively. Imports of these finished products from developing countries will be subject to an anti-surge mechanism to ensure they do not substantially increase their shipments from historic levels. Imports of finished flat-rolled products from Canada and Mexico are not subject to the import remedies announced by the President. The tariffs and quotas are effective as of March 20, 2002. An import licensing program applicable to imports covered by the above remedies will be implemented. The application of the remedies is subject to various specific

product exclusions. The People's Republic of China has filed a challenge to President Bush's action with the World Trade Organization and other nations have indicated that they also intend to do so or to take other actions responding to the Section 201 remedies.

Management's Discussion and Analysis of Financial Condition, Cash Flows and Liquidity

Current assets at year-end 2001 decreased $644 million from year-end 2000 primarily due to the settlement in 2001 of the $364 million income tax receivable from Marathon established in 2000, decreased trade receivables including receivables subject to a security interest, and a decrease in cash and cash equivalents. The proceeds from the settlement of the income tax receivable from Marathon were used to reduce debt attributed to United States Steel.

Investments and long-term receivables decreased $93 million from year-end 2000 primarily due to the reorganization of Transtar in March of 2001, which converted an equity method investee into a consolidated subsidiary.

Net property, plant and equipment at year-end 2001 increased $345 million from year-end 2000 primarily due to the Transtar reorganization and the acquisition of East Chicago Tin, which were noncash transactions.

Current liabilities at year-end 2001 decreased $132 million from year-end 2000 primarily due to a decrease in accounts payable and long-term debt due within one year, partially offset by an increase in accrued taxes and amounts payable to Marathon in connection with the Separation.

Total long-term debt and notes payable at December 31, 2001 was $1,434 million, $802 million lower than year-end 2000. The decrease in debt was primarily due to the $900 million value transfer from Marathon and the receipt of $819 million of favorable tax settlements with Marathon; partially offset by negative operating cash flow of $150 million absent the Marathon tax settlements, net cash used in investing activities of $239 million, debt repayments of $370 million and dividends paid of $57 million.

Employee benefit liabilities at December 31, 2001 increased $241 million from year-end 2000 of which $152 million reflected mergers of liabilities associated with the Transtar reorganization, the acquisition of LTV tin mill properties and medical expenses of former Lorain Works retirees paid by United States Steel which are pending collection under Republic bankruptcy proceedings. The remainder of the increase was primarily due to ongoing accruals in excess of cash payments from company assets. Following the elective $500 million Voluntary Employee Benefit Association ("VEBA") funding in the fourth quarter of 2000, which decreased the employee benefits liability, most union retiree medical claims are being paid from the VEBA instead of company assets.

Preferred stock of subsidiary and mandatorily redeemable convertible preferred securities of a subsidiary trust holding solely junior subordinated convertible debentures decreased $66 million and $183 million, respectively, from year-end 2000 in connection with the Separation. These amounts were previously attributed to United States Steel under the Marathon capital structure.

Net cash provided from operating activities of $669 million increased in 2001 compared to 2000. The increase was primarily due to the receipt of favorable intergroup tax settlements from Marathon totaling $819 million in the 2001 period compared to a favorable intergroup settlement of $91 million in the 2000 period and the absence of a $530 million elective contribution to a VEBA and non-union retiree life insurance trust. The $819 million tax settlement is reflected in net cash provided by operating activities primarily as favorable working capital changes of $364 million related to the settlement of the income tax receivable established in 2000 arising from tax attributes primarily generated in the year 2000; increases in net income of $426 million for tax benefits generated by United States Steel in 2001; and net increases in all other items net of $15 million for state tax benefits generated in 2000. The last two items were included in the $441 million settlement with Marathon, which occurred in 2001 as a result of the Separation. Absent these intergroup tax settlements in 2001 and 2000 and the $530 million of elective contributions in 2000 to a VEBA and non-union retiree life insurance trust, net cash used in operating activities decreased by $38 million. Cash payments of employee benefit liabilities were lower because $152 million was paid from assets held in trust for the plan in 2001 compared to $41 million in 2000 primarily as a result of approximately $112 million of funds from the VEBA being used to pay retiree medical and life insurance benefits for union retirees in 2001. In addition, working capital improved. These improvements were partially offset by decreased net income.

Net cash used in operating activities in 2000 was $627 million and reflected the $500 million elective contribution to a VEBA, a $30 million elective contribution to a non-union retiree life insurance trust and an income tax receivable from Marathon of $364 million. These unfavorable effects were partially offset by a $91 million income tax settlement with Marathon received

in 2000 primarily for the year 1999 in accordance with the group tax allocation policy. The $500 million VEBA contribution has provided United States Steel with the flexibility to pay ongoing costs of providing USWA retiree health care and life insurance benefits from the VEBA instead of from corporate cash flow.

Net cash used in operating activities was $80 million in 1999 including a net payment of $320 million under a terminated accounts receivable program. Excluding the non-recurring VEBA contributions and the accounts receivable facility termination as well as the tax settlements with Marathon in both years, net cash provided from operating activities decreased $430 million in 2000 due mainly to decreased profitability and an increase in working capital.

Capital expenditures of $287 million in 2001 included exercising a buyout option of a lease for half of the Gary Works No. 2 Slab Caster; repairs to the No. 3 blast furnace at the Mon Valley Works; work on the No. 2 stove at the No. 6 blast furnace at Gary Works; the completion of the replacement coke battery thruwalls at Gary Works; the completion of an upgrade to the Mon Valley Works cold reduction mill; systems development projects; and projects at USSK, including the tin mill expansion and the vacuum degasser project.

Capital expenditures of $244 million in 2000 included exercising an early buyout option of a lease for half of the Gary Works No. 2 Slab Caster; the continued replacement of coke battery thruwalls at Gary Works; installation of the remaining two coilers at the Gary Works hot strip mill; a blast furnace stove replacement at Gary Works; and the continuation of an upgrade to the Mon Valley Works cold reduction mill.

Capital expenditures of $287 million in 1999 included the completion of the 64" pickle line at Mon Valley Works; the replacement of one coiler at the Gary Works hot strip mill; an upgrade to the Mon Valley Works cold reduction mill; replacement of coke battery thruwalls at Gary Works; several projects at Gary Works allowing for production of specialized high-strength steels, primarily for the automotive market; and completion of the conversion of the Fairfield Works pipemill to use rounds instead of square blooms.

Contract commitments for capital expenditures at year-end 2001 were $84 million, compared with $206 million at year-end 2000. USSK has a commitment to the Slovak government to spend $700 million for a capital improvements program at USSK, subject to certain conditions, over a period commencing with the acquisition date and ending on December 31, 2010. As of December 31, 2001, USSK had spent $66 million on this capital improvement program.

Capital expenditures for 2002 are expected to be approximately $300 million, including $105 million for USSK. This estimate anticipates entering into operating leases for certain mobile and systems equipment, valued at approximately $40 million, the acquisition of which would be included in capital spending if the leases are not completed. Major expenditures include the installation of a new quench and temper line at Lorain

Tubular; continued information systems development at Straightline; and projects at USSK, including continued work on the new tin and continuous annealing lines and the completion of the vacuum degasser. Over and above this capital spending, $37.5 million will be paid to VSZ by USSK in both 2002 and 2003 to complete payment for the USSK acquisition.

The preceding statement concerning expected 2002 capital expenditures is a forward-looking statement. This forward-looking statement is based on assumptions, which can be affected by (among other things) levels of cash flow from operations, general economic conditions, business conditions, availability of capital, whether or not assets are purchased or financed by operating leases, and unforeseen hazards such as weather conditions, explosions or fires, which could delay the timing of completion of particular capital projects. Accordingly, actual results may differ materially from current expectations in the forward-looking statement.

The acquisition oF U. S. Steel Kosice s.r.o., consisted of cash payments of $14 million in 2001 and net cash payments of $10 million in 2000, which reflected $69 million of cash payments in 2000 less $59 million of cash acquired in the transaction. Two additional payments of $37.5 million each are to be made to VSZ in 2002 and 2003 related to the purchase. The first quarter 2001 acquisition of East Chicago Tin and reorganization of Transtar were noncash transactions. See also Note 5 to the Financial Statements.

Investees - return of capital in 2001 of $13 million reflected a return of capital on an investment in stock of VSZ in which United States Steel holds a 25% interest.

Net change in attributed portion of Marathon consolidated debt and other financings was a decrease of $74 million in 2001 compared to an increase of $1,208 million and $147 million in 2000 and 1999, respectively. The decrease in 2001 primarily reflected the net effects of cash provided from operating activities less cash used for investing activities and dividend payments. The increase in 2000 primarily reflected the net effects of cash used in operating

activities, including a VEBA contribution, cash used in investing activities, dividend payments and preferred stock repurchases. The increase in 1999 primarily reflected the net effects of cash used in operating and investing activities and dividend payments.

Dividends paid decreased $40 million from year 2000 due to a decrease in the quarterly dividend rate from $0.25 to $0.10 per share paid to USX-U. S. Steel Group common stockholders, effective with the June 2001 payment. After the Separation, United States Steel established an initial quarterly dividend rate of $0.05 per share effective with the March 2002 payment.

Debt Ratings

As of December 31, 2001, Moody's Investor Services, Inc. assigned a corporate credit rating of Ba3 to United States Steel with negative implications. On January 17, 2002, Standard & Poor's Corp. placed the BB corporate credit rating for United States Steel on credit watch with negative implications. Additionally, Moody's and Standard & Poor's have assigned Ba3 and BB, respectively, to United States Steel's senior unsecured debt.

Liquidity

In November 2001, United States Steel entered into a five-year Receivables Purchase Agreement with financial institutions. United States Steel established a wholly owned subsidiary, United States Steel Receivables LLC, which is a special-purpose, bankruptcy-remote entity that acquires, on a daily basis, eligible trade receivables generated by United States Steel and certain of its subsidiaries. Fundings under the facility are limited to the lesser of eligible receivables or $400 million. As of February 28, 2002, United States Steel had $299 million of eligible receivables, of which $200 million were sold, primarily to fund working capital needs to build inventory based on increased order rates.

In addition, United States Steel entered into a three-year revolving credit facility expiring December 31, 2004, that provides for borrowings of up to $400 million secured by all domestic inventory and related assets ("Inventory Facility"), including receivables other than those sold under the Receivables Purchase Agreement. As of February 28, 2002, $249 million was available to United States Steel under the Inventory Facility.

USSK has bank credit facilities aggregating $50 million. At December 31, 2001, there were no borrowings against these facilities. If USSK were to default under the $325 million outstanding loan, lenders

could refuse to allow additional borrowing under the $40 million facility; however, outstanding loans would not be called.

United States Steel currently has Senior Notes outstanding in the aggregate principal amount of $535 million. The Senior Notes impose significant restrictions on United States Steel such as the following: restrictions on payments of dividends; limits on additional borrowings, including limiting the amount of borrowings secured by inventories or accounts receivable; limits on sale/leasebacks; limits on the use of funds from asset sales and sale of the stock of subsidiaries; and restrictions on our ability to invest in joint ventures or make certain acquisitions. The Inventory Facility imposes additional restrictions on United States Steel including the following: effective September 30, 2002, United States Steel must meet an interest expense coverage ratio of at least 2 to 1 through March 30, 2003 and 2.5 to 1 thereafter and a leverage ratio of no more than 6 to 1 through December 30, 2002, 5.5 to 1 through March 30, 2003, 5 to 1 through June 29, 2003, 4.5 to 1 through September 29, 2003, 4 to 1 through March 30, 2004 and 3.75 to 1 thereafter; limitations on capital expenditures; and restrictions on investments. If these covenants are breached or if we fail to make payments under our material debt obligations or the Receivables Purchase Agreement, creditors would be able to terminate their commitments to make further loans, declare their outstanding obligations immediately due and payable and foreclose on any collateral, and it may also cause termination events to occur under the Receivables Purchase Agreement and a default under the Senior Notes. Additional indebtedness that United States Steel may incur in the future may also contain similar covenants, as well as other restrictive provisions. Cross-default and cross-acceleration clauses in the Receivables Purchase Agreement, the Inventory Facility, the Senior Notes and any future additional indebtedness could have an adverse effect upon our financial position and liquidity.

United States Steel has utilized surety bonds to provide financial assurance for certain transactions and business activities. The total amount of active surety bonds currently being used for financial assurance purposes is approximately $255 million. Recent events have caused major changes in the surety bond market including significant increases in surety bond premiums. These factors, together with our non-investment grade credit rating, may cause United States Steel to replace some surety bonds with other forms of financial assurance, or provide some form of collateral to the surety bond providers in order to keep bonds in place. The other forms of financial assurance or collateral could include financial instruments that are supported by either the

Receivables Purchase Agreement or Inventory Facility. The use of these types of financial instruments for financial assurance and collateral will have a negative impact on liquidity.

United States Steel is contingently liable for debt and other obligations of Marathon in the amount of $359 million as of December 31, 2001. Marathon is not limited by agreement with United States Steel as to the amount of indebtedness that it may incur. In the event of the bankruptcy of Marathon, these obligations for which United States Steel is contingently liable, as well as obligations relating to Industrial Development and Environmental Improvement Bonds and Notes that were assumed by United States Steel from Marathon, may be declared immediately due and payable. If that occurs, United States Steel may not be able to satisfy such obligations. See Note 11 to the Financial Statements for further information on the Industrial Development and Environmental Improvement Bonds and Notes assumed by United States Steel. In addition, if Marathon loses its investment grade ratings, certain of these obligations will be considered indebtedness under the Senior Notes indenture and for covenant calculations under the Inventory Facility. This occurrence could prevent United States Steel from incurring additional indebtedness under the Senior Notes or may cause a default under the Inventory Facility.

United States Steel is the sole general partner of and owns a 10 percent equity interest in Clairton 1314B Partnership, L.P. As general partner, United States Steel is responsible for operating and selling coke and by-products from the partnership's three coke batteries located at United States Steel's Clairton Works. United States Steel's share of profits and losses is currently 1.75%, which will increase to 45.75% when the limited partners achieve a specified return, which is currently expected to occur this year. The partnership at times had operating cash shortfalls after payment of distributions to the partners in 2001 that were funded with loans from United States Steel. As of December 31, 2001, the partnership owed United States Steel $3 million, which was repaid in January 2002. United States Steel may dissolve the partnership under certain circumstances including if it is required to make equity investments or loans in excess of $150 million to fund such shortfalls.

The following table summarizes United States Steel's liquidity as of December 31, 2001:

(Dollars in millions)	
Cash and cash equivalents.....	$147
Amount available under Receivables Purchase Agreement.....	258
Amount available under Inventory Facility.....	250
Amounts available under USSK credit facilities..	50
Total estimated liquidity.....	$705

The following table summarizes United States Steel's contractual obligations and commercial commitments at December 31, 2001, and the effect such obligations and commitments are expected to have on its liquidity and cash flow in future periods.

<TABLE>
<CAPTION>
(Dollars in millions)

		Payments Due By Period			
Contractual Obligations	Total	Less Than 1 Year	1-3 Years	4-5 Years	Beyond 5 Years
<S>	<C>	<C>	<C>	<C>	<C>
Long-term debt.....	$1,380	$ 26	$ 40	$ 40	$1,274
Capital leases/(a)/.....	134	14	24	22	74
Operating leases/(a)/.....	417	74	112	73	158
Capital commitments/(b)(f)/.....	718	-	-	-	718
Commitments under lease agreements/(b)/..	2	1	1	-	-
Environmental commitments/(b)(f)/.....	138	16	-	-	122
Usher Separation bonus/(b)/.....	3	-	3	-	-
Additional consideration for USSK purchase/(c)/.....	75	38	37	-	-
Total contractual cash obligations....	$2,867	$169	$217	$135	$2,346
Standby letters of credit/(d)/.....	$ 1	$ 1	$ -	$ -	$ -
Surety bonds/(f)/.....	255	-	-	-	255
Clairton 1314B Partnership/(e)(f)/.....	150	-	-	-	150
Guarantees of indebtedness of unconsolidated entities/(b)(f)/.....	32	-	-	-	32
Contingent liabilities:					
- Marathon obligations/(b)/.....	359	-	16	191	152
- Take or pay arrangement/(b)/.....	105	17	34	34	20

Total commercial commitments.....	$ 902	$ 18	$ 50	$225	$ 609

</TABLE>

/(a)/ See Note 17 to the Financial Statements.
/(b)/ See Note 26 to the Financial Statements.
/(c)/ See Note 5 to the Financial Statements.
/(d)/ Guaranteed by Marathon.
/(e)/ See Note 16 to the Financial Statements.
/(f)/ Timing of potential cash outflows is not determinable.

Contingent lease payments have been excluded from the above table. Contingent lease payments relate to operating lease agreements that include a floating rental charge, which is associated to a variable component. Future contingent lease payments are not determinable to any degree of certainty. United States Steel's annual incurred contingent lease expense is disclosed in Note 17 to the Financial Statements. Additionally, recorded liabilities related to deferred income taxes, employee benefits and other liabilities that may have an impact on liquidity and cash flow in future periods are excluded from the above table.

United States Steel management believes that our liquidity will be adequate to satisfy our obligations for the foreseeable future, including obligations to complete currently authorized capital spending programs. Future requirements for United States Steel's business needs, including the funding of capital expenditures, debt service for financings incurred in relation to the Separation, and any amounts that may ultimately be paid in connection with contingencies, are expected to be financed by a combination of internally generated funds, proceeds from the sale of stock, borrowings and other external financing sources. However, there is no assurance that our business will generate sufficient operating cash flow or that external financing sources will be available in an amount sufficient to enable us to service or refinance our indebtedness or to fund other liquidity needs. If there is a prolonged delay in the recovery of the manufacturing sector of the U.S. economy, United States Steel believes that it can maintain adequate liquidity through a combination of deferral of nonessential capital spending, sales of non-strategic assets and other cash conservation measures.

United States Steel management's opinion concerning liquidity and United States Steel's ability to avail itself in the future of the financing options mentioned in the above forward-looking statements are based on currently available information. To the extent that this information proves to be inaccurate, future availability of financing may be adversely affected. Factors that could affect the availability of financing include the performance of United States Steel (as measured by various factors including cash provided from operating

activities), levels of inventories and accounts receivable, the state of worldwide debt and equity markets, investor perceptions and expectations of past and future performance, the overall U.S. financial climate, and, in particular, with respect to borrowings, the levels of United States Steel's outstanding debt and credit ratings by rating agencies.

Derivative Instruments

See Quantitative and Qualitative Disclosures About Market Risk for discussion of derivative instruments and associated market risk for United States Steel.

Management's Discussion and Analysis of Environmental Matters, Litigation and Contingencies

United States Steel has incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. In recent years, these expenditures have been mainly for process changes in order to meet Clean Air Act obligations, although ongoing compliance costs have also been significant. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of United States Steel's products and services, operating results will be adversely affected. United States Steel believes that all of its domestic competitors are subject to similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, production processes and the specific products and services it provides. To the extent that competitors are not required to undertake equivalent costs in their operations, the competitive position of United States Steel could be adversely affected.

USSK is subject to the laws of the Slovak Republic. The environmental laws of the Slovak Republic generally follow the requirements of the European Union, which are comparable to domestic standards. USSK has also entered into an agreement with the Slovak government to bring, over time, its facilities into European Union environmental compliance.

In addition, United States Steel expects to incur capital and operating expenditures to meet environmental standards under the Slovak Republic's environmental laws for its USSK operation.

United States Steel's environmental expenditures for the last three years were/(a)/:

<TABLE>
<CAPTION>

(Dollars in millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Domestic:			
Capital	$ 5	$ 18	$ 32
Compliance			
Operating & maintenance	184	194	199
Remediation/(b)/	26	18	22
Total Domestic	$ 215	$ 230	$ 253
USSK:			
Capital	$ 10	$ -	$ -
Compliance			
Operating & maintenance	6	-	-
Remediation	-	-	-
Total USSK	$ 16	$ -	$ -
Total United States Steel	$ 231	$ 230	$ 253

</TABLE>

/(a)/ Based on previously established U. S. Department of Commerce survey guidelines.

/(b)/ These amounts include spending charged against remediation reserves, net of recoveries where permissible, but do not include noncash provisions recorded for environmental remediation.

United States Steel's environmental capital expenditures accounted for 5%, 7% and 11% of total capital expenditures in 2001, 2000 and 1999, respectively.

Compliance expenditures represented 3% of United States Steel's total costs and expenses in 2001 and 4% of United States Steel's total costs and expenses in 2000 and 1999. Remediation spending during 1999 to 2001 was mainly related to remediation activities at former and present operating locations. These projects include remediation of contaminated sediments in a river that receives discharges from the Gary Works and the closure of permitted hazardous and non-hazardous waste landfills.

The Resource Conservation and Recovery Act ("RCRA") establishes standards for the management of solid and hazardous wastes. Besides affecting current waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the regulation of storage tanks.

United States Steel is in the study phase of RCRA corrective action programs at its Fairless Works and its former Geneva Works. A RCRA corrective action program has been initiated at its Gary Works and its Fairfield Works. Until the studies are completed at these facilities, United States Steel is unable to estimate the total cost of remediation activities that will be required.

United States Steel has been notified that it is a potentially responsible party ("PRP") at 19 waste sites under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") as of December 31, 2001. In addition, there are 13 sites related to United States Steel where it has received information requests or other indications that it may be a PRP under CERCLA but where sufficient information is not presently available to confirm the existence of liability or make any judgment as to the amount thereof. There are also 34 additional sites related to United States Steel where remediation is being sought under other environmental statutes, both federal and state, or where private parties are seeking remediation through discussions or litigation. At many of these sites, United States Steel is one of a number of parties involved and the total cost of remediation, as well as United States Steel's share thereof, is frequently dependent upon the outcome of investigations and remedial studies. United States Steel accrues for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. As environmental remediation matters proceed toward ultimate resolution or as additional remediation obligations arise, charges in excess of those previously accrued may be required. See Note 26 to the Financial Statements.

In October 1996, United States Steel was notified by the Indiana Department of Environmental Management ("IDEM") acting as lead trustee, that IDEM and the U.S. Department of the Interior had concluded a preliminary investigation of

potential injuries to natural resources related to releases of hazardous substances from various municipal and industrial sources along the east branch of the Grand Calumet River and Indiana Harbor Canal. The public trustees completed a pre-assessment screen pursuant to federal regulations and have determined to perform a Natural Resource Damages Assessment. United States Steel was identified as a PRP along with 15 other companies owning property along the river and harbor canal. United States Steel and eight other PRPs have formed a joint defense group. The trustees notified the public of their plan for assessment and later adopted the plan. In 2000, the trustees concluded their assessment of sediment injuries, which includes a technical review of environmental conditions. The PRP joint defense group has proposed terms for the settlement of this claim, which have been endorsed by representatives of the trustees and the U.S. Environmental Protection Agency ("EPA") to be included in a consent decree that United States Steel expects will resolve this claim.

In 1998, United States Steel entered into a consent decree with the EPA which resolved alleged violations of the Clean Water Act National Pollution Discharge Elimination System ("NPDES") permit at Gary Works and provides for a sediment remediation project for a section of the Grand Calumet River that runs through Gary Works. Contemporaneously, United States Steel entered into a consent decree with the public trustees, which resolves potential liability for natural resource damages on the same section of the Grand Calumet River. In 1999, United States Steel paid civil penalties of $2.9 million for the alleged water act violations and $0.5 million in natural resource damages assessment costs. In addition, United States Steel will pay the public trustees $1 million at the end of the remediation project for future monitoring costs and United States Steel is obligated to purchase and restore several parcels of property that have been or will be conveyed to the trustees. During the negotiations leading up to the settlement with EPA, capital improvements were made to upgrade plant systems to comply with the NPDES requirements. As of December 31, 2001, the sediment

remediation project is an approved final interim measure under the corrective action program for Gary Works and is expected to cost approximately $35.2 million over the next five years. Estimated remediation and monitoring costs for this project have been accrued.

At the former Duluth, Minnesota Works, United States Steel spent a total of approximately $11.4 million through 2001. The Duluth Works was listed by the Minnesota Pollution Control Agency under the Minnesota Environmental Response and Liability Act on its Permanent List of Priorities. The EPA has consolidated and included the Duluth Works site with the other sites on the EPA's National Priorities List. The Duluth Works cleanup has proceeded since 1989. United States Steel is conducting an engineering study of the estuary sediments. Depending upon the method and extent of remediation at this site, future costs are presently unkown and indeterminable.

In 1997, USS/Kobe, a joint venture between United States Steel and Kobe Steel, Ltd. ("Kobe"), was the subject of a multi-media audit by the EPA that included an air, water and hazardous waste compliance review. USS/Kobe and the EPA entered into a tolling agreement pending issuance of the final audit and commenced settlement negotiations in July 1999. In August 1999, the steelmaking and bar producing operations of USS/Kobe were combined with companies controlled by Blackstone Capital Partners II to form Republic. The tubular operations of USS/Kobe were transferred to a newly formed entity, Lorain Tubular Company, LLC ("Lorain Tubular"), which operated as a joint venture between United States Steel and Kobe until December 31, 1999, when United States Steel purchased all of Kobe's interest in Lorain Tubular. Republic and United States Steel are continuing negotiations with the EPA. Most of the matters raised by the EPA relate to Republic's facilities; however, air discharges from United States Steel's #3 seamless pipe mill have also been cited. United States Steel will be responsible for matters relating to its facilities. The final report and citations from the EPA have not been issued.

In 1987, United States Steel and the Pennsylvania Department of Environmental Resources ("PADER") entered into a Consent Order to resolve an incident in January 1985 involving the alleged unauthorized discharge of benzene and other organic pollutants from Clairton Works in Clairton, Pa. That Consent Order required United States Steel to pay a penalty of $50,000 and a monthly payment of $2,500 for five years. In 1990, United States Steel and the PADER reached agreement to amend the Consent Order. Under the amended Order, United States Steel agreed to remediate the Peters Creek Lagoon (a former coke plant waste disposal site); to pay a penalty of $300,000; and to pay a monthly penalty of up to $1,500 each month until the former disposal site is closed. Remediation costs have amounted to $9.9 million with another $1.1 million presently projected to complete the project.

In 1988, United States Steel and three other PRPs agreed to the issuance of an administrative order by the EPA to undertake emergency removal work at the Municipal & Industrial Disposal Co. site in Elizabeth Township, Pa. The cost of such removal, which has been completed, was approximately $4.2 million, of which United States Steel paid $3.4 million. The EPA indicated that further remediation of this site would be required. In October 1991, the PADER placed

the site on the Pennsylvania State Superfund list and began a Remedial Investigation ("RI"), which was issued in 1997. United States Steel's share of any final allocation formula for cleanup of the entire site was never determined; however, based on presently available information, United States Steel may have been responsible for as much as 70% of the waste material deposited at the site. The Pennsylvania Department of Environmental Protection ("PADEP"), formerly PADER, issued its Final Feasibility Study Report for the entire site in August 2001. The report identifies and evaluates feasible remedial alternatives and selects three preferred alternatives. These alternatives are estimated to cost from $17 million to $20 million. Consultants for United States Steel have concluded that a less costly alternative should be employed at the site, which is estimated to cost $5.5 million. Based on the allocation of liability that has been recognized for past site cleanup activities, the United States Steel share of costs for this remedy would be approximately $3.7 million. United States Steel is in the process of negotiating a consent decree with PADEP. United States Steel has submitted a conceptual remediation plan, which PADEP has approved. United States Steel will be submitting a remedial design plan based on the remediation plan. PADEP is also seeking reimbursement for approximately $2 million in costs. United States Steel could potentially be held responsible for an undetermined share of those costs.

In September 2001, United States Steel agreed to an Administrative Order on Consent with the State of North Carolina for the assessment and cleanup of a Greensboro, N.C. fertilizer manufacturing site. The site was owned by Armour Agriculture Chemical Company (now named Viad) from 1912 to 1968. United States Steel owned the site from 1968 to 1986 and sold the site to LaRoche Industries in 1986. The agreed order allocated responsibility for assessment and cleanup costs as follows: Viad - 48%, United States Steel - 26% and LaRoche - 26%; and LaRoche was appointed to be the lead party responsible for conducting the cleanup. In March 2001, United States Steel was notified that LaRoche had filed for protection under the bankruptcy law. On August 23, 2001, the allocation of responsibility for this site assessment and cleanup and the cost allocation was approved by the bankruptcy court in the LaRoche bankruptcy. The estimated remediation costs are $4.4 million to $5.7 million. United States Steel's estimated share of these costs is $1.6 million.

New or expanded environmental requirements, which could increase United States Steel's environmental costs, may arise in the future. United States Steel intends to comply with all legal requirements regarding the environment, but since many of them are not fixed or presently determinable (even under existing legislation) and may be affected by future legislation, it is not possible to predict accurately the ultimate cost of compliance, including remediation costs which may be incurred and penalties which may be imposed. However, based on presently available information, and existing laws and regulations as currently implemented, United States Steel does not anticipate that environmental compliance expenditures (including operating and maintenance and remediation) will materially increase in 2002. United States Steel's environmental capital expenditures are expected to be approximately $28 million in 2002 primarily related to projects at Gary Works and at USSK (approximately $8 million). Predictions beyond 2002 can only be broad-based estimates, which have varied, and will continue to vary, due to the ongoing evolution of specific regulatory requirements, the possible imposition of more stringent requirements and the availability of new technologies to remediate sites, among other matters. Based upon currently identified projects, United States Steel anticipates that environmental capital expenditures will be approximately $49 million in 2003 including $17 million for USSK; however, actual expenditures may vary as the number and scope of environmental projects are revised as a result of improved technology or changes in regulatory requirements and could increase if additional projects are identified or additional requirements are imposed.

United States Steel has been and is a defendant in a large number of cases in which plaintiffs allege injury resulting from exposure to asbestos. Many of these cases involve multiple plaintiffs and most have multiple defendants. These claims fall into three major groups: (1) claims made under certain federal and general maritime law by employees of the Great Lakes Fleet or Intercoastal Fleet, former operations of United States Steel; (2) claims made by persons who performed work at United States Steel facilities; and (3) claims made by industrial workers allegedly exposed to an electrical cable product formerly manufactured by United States Steel. To date all actions resolved have been either dismissed or settled for immaterial amounts. It is not possible to predict with certainty the outcome of these matters; however, based upon present knowledge, United States Steel believes that it is unlikely that the resolution of the remaining actions will have a material adverse effect on its financial condition. This statement of belief is a forward-looking statement. Predictions as to the outcome of pending litigation are subject to substantial uncertainties with respect to (among other things) factual and judicial determinations, and actual results could differ materially from those expressed in this forward-looking statement.

United States Steel is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment, certain of which are discussed in Note 26 to the Financial Statements. The ultimate

resolution of these contingencies could, individually or in the aggregate, be material to the United States Steel Financial Statements. However, management believes that United States Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably to United States Steel.

Outlook for 2002

In November 2001, Domestic Steel's order rate began to increase and this trend has continued into the first quarter. Sheet facilities are now fully loaded and spot market price increases are being implemented. Plate and tubular markets continue to reflect weak demand. In the first quarter 2002, domestic shipments are expected to improve and average realized prices are expected to be lower, largely due to product mix and the halt in production at DESCO as a result of the December 2001 fire. United States Steel and Rouge plan to return DESCO to full production by the fourth quarter of 2002. USSK first quarter 2002 shipments and average realized prices are expected to be lower than fourth quarter 2001.

For full-year 2002, domestic shipments are expected to be approximately 11 million net tons and USSK shipments are expected to be approximately 3.8 million net tons.

For the longer term, domestic shipment levels and realized prices will be influenced by the strength and timing of a recovery in the manufacturing sector of the domestic economy, levels of imported steel following the outcome of the President's Section 201 decision and production capability changes at domestic facilities. Many factors will determine the strength and timing of such recovery, and shipment levels and prices are also subject to many of the same factors. For USSK, economic and political developments in Europe, including many factors similar to those impacting Domestic Steel, will impact USSK's results of operations.

United States Steel's income from operations includes net pension credits, which are primarily noncash, associated with all of United States Steel's pension plans. Net pension credits were $146 million in 2001. At the end of 2000, United States Steel's main pension plan's transition asset was fully amortized, decreasing the pension credit by $69 million in 2001 and in future years for this component. In addition, for the year 2002, lower than expected market returns in the year 2001 and the mergers of Transtar and LTV tin mill liabilities will further reduce net pension credits to approximately $110 million, excluding settlements and any potential effects of consolidation or rationalization activities. An unfavorable $8 million settlement charge is expected in the first half of 2002 under the nonqualified pension plan relative to salaried employees accepting retirement under last year's VERP. A settlement effect is not currently expected under the qualified salaried pension plan in 2002 relative to the VERP program. The above includes forward-looking statements concerning net pension credits which can vary depending upon the market performance of plan assets, changes in actuarial assumptions regarding discount rate and rate of return on plan assets, plan amendments affecting benefit payout levels and profile changes in the beneficiary populations being valued. Changes in any of these factors could cause net pension credits to change. To the extent net pension credits decline in the future, income from operations would be adversely affected.

In its retiree medical estimates of escalation, United States Steel projects an aggregate 8.0% initial trend rate in 2002 that gradually reduces each year to an ultimate trend rate of 5% in the year 2008. This was increased from a 7.5% initial trend rate assumed for 2001. The 8.0% rate reflects a weighting of various escalation rates on different components of the plan, with some rates as high as 15%, after taking into consideration the demographics of the affected populations and the different utilization patterns of medicare versus pre-medicare retirees. See Note 12 to the Financial Statements for the effect of a 1% change in the assumed health care cost trend rates.

United States Steel owns a 16% investment in Republic, through United States Steel's ownership in Republic Technologies International Holdings, LLC, which is the sole owner of Republic. Republic is a major purchaser of raw materials from United States Steel and the primary supplier of rounds for our tubular facility in Lorain, Ohio. During the first quarter of 2001, United States Steel discontinued applying the equity method of accounting since investments in and advances to Republic had been reduced to zero. United States Steel now accounts for this investment under the cost method. On April 2, 2001, Republic filed to reorganize under Chapter 11 of the U.S. Bankruptcy Code. Republic has continued to supply the Lorain mill since filing for bankruptcy. During the first quarter of 2001, as a result of Republic's action, United States Steel recorded a pretax charge of $74 million for potentially uncollectible receivables from Republic and recognized certain debt obligations of $14 million previously assumed by Republic. Due to further financial deterioration of Republic during the balance of 2001, United States Steel recorded a pretax charge of $68 million in the fourth quarter of 2001 related to a portion of the remaining Republic trade receivables and retiree medical cost reimbursements owed by Republic. At December 31, 2001, United States Steel's

remaining financial exposure to Republic was approximately $19 million.

On January 17, 2002, United States Steel announced that it had entered into an Option Agreement with NKK Corporation ("NKK") of Japan. The agreement grants United States Steel an option to purchase, either directly or through a subsidiary, all of NKK's National Steel Corporation common stock and to restructure a $100 million loan previously made to National Steel by an NKK subsidiary. NKK's ownership of National Steel's common stock represents approximately 53% of National's outstanding shares. The option expires on June 15, 2002.

Although United States Steel has the ability to exercise the option at any time during its term, it is United States Steel's current intent not to exercise the option or to consummate a merger with National Steel unless a number of significant conditions are satisfied, including a substantial restructuring of National Steel's debt and other obligations. Other significant conditions include the resolution of key contingencies related to the consolidation of the domestic steel industry, the financial viability of National Steel and satisfactory general market conditions. On March 6, 2002, National Steel filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code. Any agreement with National Steel will be subject to the approval of the bankruptcy court.

United States Steel has publicly stated that it is willing to participate in consolidation of the domestic steel industry if it would be beneficial to our shareholders, creditors, customers and employees. A number of important conditions must occur to facilitate such consolidation including implementation of President Bush's three-part program to address worldwide overcapacity, relief from the burden of costs related to retiree obligations of other domestic steel companies and a new progressive labor agreement. On March 5, 2002, President Bush announced a Section 201 trade remedy as discussed previously. In addition, United States Steel may make additional investments in Central Europe to grow our business and to better serve our customers who are seeking worldwide supply arrangements.

United States Steel has responded to domestic competition resulting from excess steel industry capability by eliminating less efficient facilities, modernizing those that remain and entering into joint ventures, all with the objective of focusing production on higher value-added products, where superior quality and special characteristics are of critical importance. Our business strategy is to maximize our investment in high-end finishing assets and to minimize or redeploy our investment in domestic raw materials and hot-ends.

The preceding statements concerning anticipated steel demand, steel pricing, and shipment levels are forward-looking and are based upon assumptions as to future product prices and mix, and levels of steel production capability, production and shipments. These forward-looking statements can be affected by levels of imports following government action on Section 201 activities, domestic and international economies, domestic production capacity and customer demand. In the event these assumptions prove to be inaccurate, actual results may differ significantly from those presently anticipated. The potential exercise of the National Steel option by United States Steel, the negotiation and possible consummation of any merger or acquisition agreement, and the potential completion of any industry consolidation or acquisitions whether domestic or international are all subject to numerous conditions, some of which are described above. Many of these conditions depend upon actions of other parties, such as the federal government, the United Steelworkers of America and foreign governments. There is no assurance that the National Steel option will be exercised, that any merger agreement will be negotiated and/or consummated, or that any industry domestic or international consolidation in general will occur, nor any specificity concerning the terms upon which any of these might occur, other than the specific terms of the Option Agreement.

Accounting Standards

Effective January 1, 2001, United States Steel adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), as amended by SFAS Nos. 137 and 138. This Statement, as amended, requires recognition of all derivatives at fair value as either assets or liabilities. Changes in fair value will be reflected in current period net income or other comprehensive income depending on the designation of the derivative instrument. A cumulative effect adjustment relating to the adoption of SFAS No. 133 was recognized in other comprehensive income. The cumulative effect adjustment relates only to deferred gains or losses for hedge transactions as of December 31, 2000. The effect of adoption of SFAS No. 133 was less than $1 million, net of tax.

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS No. 141"), No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142") and No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No.

143"). The adoption of SFAS No. 141 and SFAS No. 142 on January 1, 2002, did not have a material impact on the results of operations or financial position of United States Steel.

SFAS No. 143 establishes a new accounting model for the recognition and measurement of retirement obligations associated with tangible long-lived assets. SFAS No. 143 requires that an asset retirement obligation should be capitalized as part of the cost of the related long-lived asset and subsequently allocated to expense using a systematic and rational method. United States Steel plans to adopt the Statement effective January 1, 2003. The transition adjustment resulting from the adoption of SFAS No. 143 will be reported as a cumulative effect of a change in accounting principle. At this time, United States Steel has not completed its assessment of the effect of the adoption of this Statement on either its financial position or results of operations.

In August 2001, the FASB approved SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). This Statement establishes a single accounting model for long-lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. United States Steel adopted SFAS No. 144 effective January 1, 2002. There was no financial statement implication related to the adoption of SFAS No. 144, and the guidance will be applied on a prospective basis.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management Opinion Concerning Derivative Instruments

United States Steel uses commodity-based and foreign currency derivative instruments to manage its price risk. Management has authorized the use of futures, forwards, swaps and options to manage exposure to price fluctuations related to the purchase of natural gas, heating oil and nonferrous metals and also certain business transactions denominated in foreign currencies. Derivative instruments used for trading and other activities are marked-to-market and the resulting gains or losses are recognized in the current period in income from operations. While United States Steel's risk management activities generally reduce market risk exposure due to unfavorable commodity price changes for raw material purchases and products sold, such activities can also encompass strategies that assume price risk.

Management believes that the use of derivative instruments, along with risk assessment procedures and internal controls, does not expose United States Steel to material risk. The use of derivative instruments could materially affect United States Steel's results of operations in particular quarterly or annual periods. However, management believes that use of these instruments will not have a material adverse effect on financial position or liquidity. For a summary of accounting policies related to derivative instruments, see Note 3 to the Financial Statements.

Commodity Price Risk and Related Risks

In the normal course of its business, United States Steel is exposed to market risk or price fluctuations related to the purchase, production or sale of steel products. To a lesser extent, United States Steel is exposed to price risk related to the purchase, production or sale of coal and coke and the purchase of natural gas, steel scrap, iron ore and pellets, and certain nonferrous metals used as raw materials.

United States Steel's market risk strategy has generally been to obtain competitive prices for its products and services and allow operating results to reflect market price movements dictated by supply and demand. However, United States Steel uses derivative commodity instruments (primarily over-the-counter commodity swaps) to manage exposure to fluctuations in the purchase price of natural gas, heating oil and certain nonferrous metals. The use of these instruments has not been significant in relation to United States Steel's overall business activity.

Sensitivity analyses of the incremental effects on pretax income of hypothetical 10% and 25% decreases in commodity prices for open derivative commodity instruments as of December 31, 2001, and December 31, 2000, are provided in the following table.

(Dollars in millions)

	Incremental Decrease in Pretax Income Assuming a Hypothetical Price Decrease of/(a)/			
	2001		2000	
Commodity-Based Derivative Instruments	10%	25%	10%	25%
Zinc	3.5	8.9	1.5	3.8
Tin	0.2	0.6	0.2	0.6

/(a)/ With the adoption of SFAS No. 133, the definition of a derivative instrument has been expanded to include certain fixed price physical commodity contracts. Such instruments are included in the above table. Amounts reflect the estimated incremental effect on pretax income of hypothetical 10% and 25% decreases in closing commodity prices for each open contract position at December 31, 2001, and December 31, 2000. Management evaluates the portfolio of derivative commodity instruments on an ongoing basis and adjusts strategies to reflect anticipated market conditions, changes in risk profiles and overall business objectives. Changes to the portfolio subsequent to December 31, 2001, may cause future pretax income effects to differ from those presented in the table.

United States Steel uses OTC commodity swaps to manage exposure to market risk related to the purchase of natural gas, heating oil and certain nonferrous metals. United States Steel recorded net pretax other than trading activity losses of $13 million in 2001, gains of $2 million in 2000 and losses of $3 million in 1999. These gains and losses were offset by changes in the realized prices of the underlying hedged commodities. For additional quantitative information relating to derivative commodity instruments, including aggregate contract values and fair values, where appropriate, see Note 24 to the Financial Statements.

Interest Rate Risk

United States Steel is subject to the effects of interest rate fluctuations on certain of its non-derivative financial instruments. A sensitivity analysis of the projected incremental effect of a hypothetical 10% decrease in year-end 2001 and 2000 interest rates on the fair value of United States Steel's non-derivative financial instruments is provided in the following table:

<TABLE>
<CAPTION>
(Dollars in millions)

As of December 31	2001		2000	
Non-derivative Financial Instruments/(a)/	Fair Value/(b)/	Incremental Increase in Fair Value/(c)/	Fair Value/(b)/	Incremental Increase in Fair Value/(c)/
<S>	<C>	<C>	<C>	<C>
Financial assets:				
Investments and long-term receivables/(d)/..	$ 42	$ -	$ 137	$ -
Financial liabilities:				
Long-term debt/(e)(f)/.....	$1,122	$ 79	$2,375	$80
Preferred stock of subsidiary/(g)/.....	-	-	63	5
USX obligated mandatorily redeemable convertible preferred securities of a subsidiary trust/(g)/.....	-	-	119	10
Total liabilities.....	$1,122	$ 79	$2,557	$95

</TABLE>

/(a)/ Fair values of cash and cash equivalents, receivables, notes payable, accounts payable and accrued interest approximate carrying value and are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.

/(b)/ See Note 25 to the Financial Statements for carrying value of instruments.

/(c)/ Reflects, by class of financial instrument, the estimated incremental effect of a hypothetical 10% decrease in interest rates at December 31, 2001, and December 31, 2000, on the fair value of United States Steel's non-derivative financial instruments. For financial liabilities, this assumes a 10% decrease in the weighted average yield to maturity of United States Steel's long-term debt at December 31, 2001, and December 31, 2000.

/(d)/ For additional information, see Note 16 to the Financial Statements.

/(e)/ Includes amounts due within one year.

/(f)/ Fair value was based on market prices where available, or current borrowing rates for financings with similar terms and maturities. For additional information, see Note 11 to the Financial Statements.

/(g)/ See Note 18 to the Financial Statements.

At December 31, 2001, United States Steel's portfolio of long-term debt was comprised primarily of fixed-rate instruments. Therefore, the fair value of the portfolio is relatively sensitive to effects of interest rate fluctuations. This sensitivity is illustrated by the $79 million increase in the fair value of long-term debt assuming a hypothetical 10% decrease in interest

rates. However, United States Steel's sensitivity to interest rate declines and corresponding increases in the fair value of its debt portfolio would unfavorably affect United States Steel's results and cash flows only to the extent that United States Steel elected to repurchase or otherwise retire all or a portion of its fixed-rate debt portfolio at prices above carrying value.

Foreign Currency Exchange Rate Risk

United States Steel is subject to the risk of price fluctuations related to anticipated revenues and operating costs, firm commitments for capital expenditures and existing assets or liabilities denominated in currencies other than U.S. dollars, in particular the Euro and Slovak Koruna. United States Steel has not generally used derivative instruments to manage this risk. However, United States Steel has made limited use of forward currency contracts to manage exposure to certain currency price fluctuations. At December 31, 2001, United States Steel had no open forward currency contracts. In November 2001, the month in which United States Steel had the most foreign currency exchange maturities, total notional maturities were $19.4 million.

Equity Price Risk

United States Steel is subject to equity price risk and market liquidity risk related to its investment in VSZ a.s., the former parent of U. S. Steel Kosice, s.r.o. These risks are not readily quantifiable for several reasons, including the absence of a readily determinable fair value as determined under U.S. generally accepted accounting principles. See Note 16 to the Financial Statements.

Safe Harbor

United States Steel's quantitative and qualitative disclosures about market risk include forward-looking statements with respect to management's opinion about risks associated with United States Steel's use of derivative instruments. These statements are based on certain assumptions with respect to market prices and industry supply of and demand for steel products and certain raw materials. To the extent that these assumptions prove to be inaccurate, future outcomes with respect to United States Steel's hedging programs may differ materially from those discussed in the forward-looking statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report

The accompanying consolidated financial statements of United States Steel Corporation are the responsibility of and have been prepared by United States Steel Corporation in conformity with accounting principles generally accepted in the United States of America. They necessarily include some amounts that are based on best judgments and estimates. The United States Steel Corporation financial information displayed in other sections of this report is consistent with these financial statements.

United States Steel Corporation seeks to assure the objectivity and integrity of its financial records by careful selection of its managers, by organizational arrangements that provide an appropriate division of responsibility and by communications programs aimed at assuring that its policies and methods are understood throughout the organization.

United States Steel Corporation has a comprehensive formalized system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded and that financial records are reliable. Appropriate management monitors the system for compliance, and the internal auditors independently measure its effectiveness and recommend possible improvements thereto. In addition, as part of their audit of the financial statements, United States Steel Corporation's independent accountants review and test the internal accounting controls selectively to establish a basis of reliance thereon in determining the nature, extent and timing of audit tests to be applied.

The Board of Directors pursues its oversight role in the area of financial reporting and internal accounting control through its Audit Committee. This Committee, composed solely of nonmanagement directors, regularly meets (jointly and separately) with the independent accountants, management and internal auditors to monitor the proper discharge by each of their responsibilities relative to internal accounting controls and the Corporation's financial statements.

<TABLE>
<CAPTION>

Thomas J. Usher	John P. Surma	Gretchen R. Haggerty
<S>	<C>	<C>
Chairman, Board of Directors, Chief Executive Officer & President	Vice Chairman & Chief Financial Officer	Senior Vice President & Controller

</TABLE>

Report of Independent Accountants

To the Stockholders of United States Steel Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' equity and cash flows present fairly, in all material respects, the financial position of United States Steel Corporation and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of United States Steel Corporation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
February 15, 2002

<TABLE>
<CAPTION>

Statement of Operations

(Dollars in millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Revenues and other income:			
Revenues	$6,286	$6,090	$5,536
Income (loss) from investees	64	(8)	(89)
Net gains on disposal of assets	22	46	21
Other income	3	4	2
Total revenues and other income	6,375	6,132	5,470
Costs and expenses:			
Cost of revenues (excludes items shown below)	6,091	5,656	5,084
Selling, general and administrative expenses (credits) (Note 12)	92	(223)	(283)
Depreciation, depletion and amortization	344	360	304
Taxes other than income taxes	253	235	215
Total costs and expenses	6,780	6,028	5,320
Income (loss) from operations	(405)	104	

Net interest and other financial costs (Note 7)	141	105	74
Income (loss) before income taxes and extraordinary losses	(546)	(1)	76
Provision (credit) for income taxes (Note 14)	(328)	20	25
Income (loss) before extraordinary losses	(218)	(21)	51
Extraordinary losses (Note 6)	-	-	7
Net income (loss)	$ (218)	$ (21)	$ 44

Income Per Common Share (Note 20)

	2001	2000	1999
Basic and diluted:			
Income (loss) before extraordinary losses	$(2.45)	$ (.24)	$ .57
Extraordinary losses	-	-	.08
Net income (loss)	$(2.45)	$ (.24)	$ .49

The accompanying notes are an integral part of these financial statements.

Balance Sheet

(Dollars in millions) December 31	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	$ 147	$ 219
Receivables, less allowance for doubtful accounts of $165 and $57 (Note 22)	802	625
Receivables subject to a security interest (Note 11)	-	350
Receivables from Marathon (Note 15)	28	366
Inventories (Note 13)	870	946
Deferred income tax benefits (Note 14)	216	201
Other current assets	10	10
Total current assets	2,073	2,717
Investments and long-term receivables, less valuation allowance of $75 and $38 (Note 16)	346	439
Long-term receivables from Marathon (Note 15)	8	

Property, plant and equipment - net (Note 23)	3,084	2,739
Prepaid pensions (Note 12)	2,745	2,672
Other noncurrent assets	81	47
Total assets	$8,337	$8,711
Liabilities		
Current liabilities:		
Notes payable	$ -	$ 70
Accounts payable	638	755
Accounts payable to Marathon (Note 15)	54	5
Payroll and benefits payable	239	202
Accrued taxes	248	173
Accrued interest	48	47
Long-term debt due within one year (Note 11)	32	139
Total current liabilities	1,259	1,391
Long-term debt (Note 11)	1,434	2,236
Deferred income taxes (Note 14)	732	666
Employee benefits (Note 12)	2,008	1,767
Deferred credits and other liabilities	398	483
Preferred stock of Marathon subsidiary (Note 18)	-	66
Mandatorily redeemable convertible preferred securities of a subsidiary trust holding solely junior subordinated convertible debentures of Marathon (Note 18)	-	183
Contingencies and commitments (Note 26)	-	-
Stockholders' equity (Details on page 5)		
Marathon net investment	-	1,952
Common stock - Issued - 89,197,740 shares (par value $1 per share, authorized 200,000,000 shares)	89	-
Additional paid-in capital	2,475	-
Accumulated other comprehensive loss	(49)	(30)
Deferred compensation	(9)	(3)
Total stockholders' equity	2,506	1,919
Total liabilities and stockholders' equity	$8,337	$8,711

</TABLE>

The accompanying notes are an integral part of these financial statements.

<TABLE>
<CAPTION>
Statement of Cash Flows

(Dollars in millions)	2001	2000	1999

<S>	<C>	<C>	<C>
Increase (decrease) in cash and cash equivalents			
Operating activities:			
Net income (loss)	$(218)	$ (21)	$ 44
Adjustments to reconcile to net cash provided from (used in) operating activities:			
Extraordinary losses	-	-	7
Depreciation, depletion and amortization	344	360	304
Pensions and other postretirement benefits	(57)	(847)	(256)
Deferred income taxes	18	389	107
Net gains on disposal of assets	(22)	(46)	(21)
(Income) loss from equity investees	(64)	8	89
Changes in:			
Current receivables			
- sold (repurchased)	-	-	(320)
- operating turnover	116	(43)	(146)
- income taxes	336	(267)	(97)
- provision for doubtful accounts	108	47	1
Inventories	104	(63)	(14)
Current accounts payable and accrued expenses	(87)	(262)	239
All other - net	91	118	(17)
Net cash provided from (used in) operating activities	669	(627)	(80)
Investing activities:			
Capital expenditures	(287)	(244)	(287)
Acquisition of U. S. Steel Kosice, net of cash acquired in 2000 of $59	(14)	(10)	-
Disposal of assets	44	21	10
Restricted cash - withdrawals	5	2	15
- deposits	(4)	(2)	(17)
Investees - investments	(3)	(35)	(15)
- loans and advances	(3)	(10)	-
- return of capital	13	-	-
All other - net	10	8	-
Net cash used in investing activities	(239)	(270)	(294)
Financing activities:			
Net change in attributed portion of Marathon consolidated debt and other financings	(74)	1,208	147
Specifically attributed debt:			
Borrowings	-	-	350
Repayments	(370)	(6)	(11)
Preferred stock repurchased	-	(12)	(2)
Dividends paid	(57)	(97)	(97)
Net cash provided from (used in) financing activities	(501)	1,093	387
Effect of exchange rate changes on cash	(1)	1	-
Net increase (decrease) in cash and cash equivalents	(72)	197	13
Cash and cash equivalents at beginning of year	219	22	9
Cash and cash equivalents at end of year	$ 147	$ 219	$ 22
Cash provided from (used in) operating activities included:			
Interest and other financial costs paid (net of amount capitalized)	$(182)	$ (71)	$ (77)
Income taxes refunded from (paid to) taxing authorities	9	(10)	5
Income tax settlements received from (paid to) Marathon	819	91	(2)

</TABLE>

See Note 9, for supplemental cash flow information.
The accompanying notes are an integral part of these financial statements.

<TABLE>
<CAPTION>
Statement of Stockholders' Equity

(In millions, except per share data)	Dollars in millions 2001	2000	1999	Shares in thousands 2001	2000	1999

Common stock:					
Balance at beginning of year	$ -	$ -	$ -	-	-
Issued in Separation	89	-	-	89,198	-
Balance at end of year	$ 89	$ -	$ -	89,198	-
Additional paid-in capital:					
Balance at beginning of year	$ -	$ -	$ -		
Common stock issued in Separation	2,475	-	-		
Balance at end of year	$ 2,475	$ -	$ -		

Comprehensive Income

	2001	2000	1999
Marathon net investment (Note 1):			
Balance at beginning of year	$ 1,952	$2,076	$2,129
Net income (loss)	(218)	(21)	44
	$ (218)	$ (21)	$ 44
Repurchase of 6.50% preferred stock	-	(12)	(2)
Common stock issued	8	6	2
Dividends on preferred stock	(8)	(8)	(9)
Dividends on common stock (per share $.55 in 2001 and $1.00 in 2000 and 1999)	(49)	(89)	(88)
Excess redemption value over carrying value of preferred securities	(14)	-	-
Preferred stock retained by Marathon in Separation	(120)	-	-
Capital contributions by Marathon (Note 2)	1,013	-	-
Transfer to common stockholders' equity at Separation	(2,564)	-	-
Balance at end of year	$ -	$1,952	$2,076
Deferred compensation:			
Balance at beginning of year	$ (3)	$ -	$ (1)
Changes during year, net of taxes	(6)	(3)	1
Balance at end of year	$ (9)	$ (3)	$ -
Accumulated other comprehensive income (loss):			
Minimum pension liability adjustments (Note 12):			
Balance at beginning of year	$ (4)	$ (7)	$ (27)
Changes during year, net of taxes/(a)/	(16)	3	20
	(16)	3	20
Balance at end of year	(20)	(4)	(7)
Foreign currency translation adjustments:			
Balance at beginning of year	$ (26)	$ (13)	$ (8)
Changes during year, net of taxes/(a)/	(3)	(13)	(5)
	(3)	(13)	(5)
Balance at end of year	(29)	(26)	(13)
Total accumulated other comprehensive income (loss)	$ (49)	$ (30)	$ (20)
Total comprehensive income (loss)	$ (237)	$ (31)	$ 59
Total stockholders' equity	$ 2,506	$1,919	$2,056
/(a)/ Related income tax provision (credit):			
Minimum pension liability adjustment	$ 9	$ (1)	$ (11)
Foreign currency translation adjustments	-	(5)	3

</TABLE>

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Basis of Presentation

United States Steel Corporation (United States Steel) owns and operates the former steel businesses of USX Corporation, now named and referred to herein as Marathon Oil Corporation (Marathon). United States Steel is engaged in the production, sale and transportation of steel mill products, coke, taconite pellets, and coal; the management of mineral resources; real estate development; and engineering and consulting services.

Prior to December 31, 2001, the businesses of United States Steel comprised an operating unit of Marathon. Marathon had two outstanding classes of common stock: USX-Marathon Group common stock, which was intended to reflect the performance of Marathon's energy business, and USX-U. S. Steel Group common stock (Steel Stock), which was intended to reflect the performance of Marathon's steel business. As described further in Note 2, on December 31, 2001, United States Steel was capitalized through the issuance of 89.2 million shares of common stock to holders of Steel Stock in exchange for all outstanding shares of Steel Stock on a one-for-one basis.

The accompanying consolidated balance sheet as of December 31, 2001, reflects the financial position of United States Steel as a separate, stand-alone entity. The combined balance sheet as of December 31, 2000, and the combined statements of operations and of cash flows for each of the three years in the period ended December 31, 2001, represent a carve-out presentation of the businesses comprising United States Steel, and are not intended to be a complete presentation of the financial position, results of operations and cash flows of United States Steel on a stand-alone basis. Marathon's net investment in United States Steel represents the combined net assets of the businesses comprising United States Steel and is presented in lieu of common stockholders equity in the combined balance sheet as of December 31, 2000. The allocations and estimates included in these combined financial statements are determined using the methodologies described below:

Financial activities - As a matter of policy, Marathon historically managed most financial activities on a centralized, consolidated basis. Transactions related primarily to invested cash, short-term and long-term debt (including convertible debt), related net interest and other financial costs, and preferred stock and related dividends were attributed to United States Steel based upon its cash flows for each of the periods presented and its initial capital structure. However, transactions such as leases, certain collateralized financings, certain indexed debt instruments, financial activities of consolidated entities which were less than wholly owned by Marathon, and transactions related to securities convertible solely into Steel Stock were specifically attributed to United States Steel.

Corporate general and administrative costs - Corporate general and administrative costs were allocated to United States Steel based upon utilization or other methods management believed to be reasonable and which considered certain measures of business activities, such as employment, investments and revenues.

Income taxes - The results from the businesses comprising United States Steel were included in the consolidated federal income tax returns of Marathon through 2001. The consolidated provision and the related tax payments or refunds were reflected in United States Steel's combined financial statements in accordance with Marathon's tax allocation policy. In general, such policy provided that the consolidated tax provision and related tax payments or refunds were allocated to United States Steel, based principally upon the financial income, taxable income, credits, preferences and other amounts directly related to United States Steel.

For tax provision and settlement purposes, tax benefits resulting from attributes (principally net operating losses and various tax credits), which could not be utilized by United States Steel on a separate return basis but which could be utilized on a consolidated basis in that year or in a carryback year, were allocated to United States Steel if it generated the attributes. As a result, the allocated group amounts of taxes payable or refundable were not necessarily comparable to those that would have resulted if United States Steel had filed its own separate tax returns.

In connection with the Separation discussed in Note 2, United States Steel and Marathon entered into a tax sharing agreement, which is discussed in Note 14.

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2. The Separation

On December 31, 2001, in accordance with the Agreement and Plan of Reorganization approved by the shareholders of Marathon, Marathon converted each share of Steel Stock into the right to receive one share of United States Steel common stock (the Separation).

In connection with the Separation, United States Steel was required to repay or replace certain indebtedness and other obligations of Marathon so that the amount of indebtedness and other obligations for which United States Steel was responsible immediately following the Separation would be $900 million less than the net amounts attributed to United States Steel immediately prior to the Separation (Value Transfer). Any difference between the two amounts, adjusted for the Value Transfer, was to be settled in cash (Cash Settlement). During the last six months of 2001, United States Steel completed a number of financings in order to repay or replace certain indebtedness and other obligations of Marathon. At December 31, 2001, the net debt and other obligations of United States Steel was $54 million less than the net debt and other obligations attributed to United States Steel, adjusted for the Value Transfer. As a result, United States Steel recorded a $54 million payable to Marathon for the Cash Settlement. In accordance with the terms of the Separation, United States Steel paid Marathon $54 million, plus applicable interest, on February 6, 2002.

The net assets of United States Steel at Separation were approximately the same as the net assets attributed to United States Steel immediately prior to the Separation, except for the Value Transfer and the impacts of certain other transactions directly related to the Separation. The following table reconciles the net assets attributed to United States Steel immediately prior to the Separation with the net assets of United States Steel immediately following the Separation:

(In millions)		
Net assets of United States Steel prior to Separation		$1,551
Value Transfer	$ 900	
Separation costs funded by Marathon	62	
Other Separation adjustments	51	
Increase in net assets related to Separation		1,013
Net assets of United States Steel		$2,564

In connection with the Separation, United States Steel and Marathon entered into the following Agreements:

Financial Matters Agreement - This agreement establishes the responsibilities of United States Steel and Marathon relating to certain corporate obligations of Marathon at the time of Separation as follows:

- The assumption by United States Steel of certain industrial revenue bonds and certain other financial obligations of Marathon. See Notes 11 and 26 for details.
- Obligations for which Marathon is solely responsible.
- Obligations of Marathon for which United States Steel remains contingently liable. See Note 26 for details.
- Obligations of United States Steel for which Marathon remains contingently liable.

Tax Sharing Agreement - See Note 14, for a discussion of this agreement.

Transition Services Agreement - This agreement provides that, to the extent that one company or the other is not able to immediately service its own needs relating to services formerly managed on a corporate-wide basis, United States Steel and Marathon will enter into a transition services agreement whereby one company will provide such services to the other to the extent requested if the providing company is able to do so. Such agreements will be for a term of up to twelve months and be on a cost reimbursement basis.

License Agreement - This agreement granted to United States Steel a non-exclusive license to use the USX name rights and certain intellectual property with the right to sublicense.

Insurance Assistance Agreement - This agreement provides for the division of responsibility for joint insurance arrangements and the associated payment of insurance claims and deductibles following the Separation for claims associated with pre-Separation periods.

For other activities between United States Steel and Marathon in 2001 and prior periods, see Note 15.

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3. Summary of Principal Accounting Policies

Principles applied in consolidation - These financial statements include the accounts of United States Steel and its majority-owned subsidiaries.

Investments in entities over which United States Steel has significant influence are accounted for using the equity method of accounting and are carried at United States Steel's share of net assets plus loans and advances. Differences in the basis of the investment and the underlying net asset value of the investee, if any, are amortized into earnings over the remaining useful life of the associated assets.

Investments in companies whose stock is publicly traded are carried generally at market value. The difference between the cost of these investments and market value is recorded in other comprehensive income (net of tax). Investments in companies whose stock has no readily determinable fair value are carried at cost and are periodically reviewed for impairment.

Income (loss) from investees includes United States Steel's proportionate share of income (loss) from equity method investments. Also, gains or losses from changes in ownership of unconsolidated investees are recognized in the period of change.

Use of estimates - Generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying value of property, plant and equipment; valuation allowances for receivables, inventories and deferred income tax assets; environmental liabilities; liabilities for potential tax deficiencies and potential litigation claims and settlements; and assets and obligations related to employee benefits. Additionally, certain estimated liabilities are recorded when management commits to a plan to close an operating facility or to exit a business activity. Actual results could differ from the estimates and assumptions used.

Revenue recognition - Revenues are primarily recognized when products are shipped or services are provided to customers, the sales price is fixed and determinable, collectibility is reasonably assured, and title and risks of ownership have passed to the buyer. Costs associated with revenues, including shipping and other transportation costs, are recorded in cost of revenues.

Cash and cash equivalents - Cash and cash equivalents include cash on hand and on deposit and investments in highly liquid debt instruments with maturities generally of three months or less.

Inventories - Inventories are carried at lower of cost or market on a worldwide basis. Cost of inventories is determined primarily under the last-in, first-out (LIFO) method.

Derivative instruments - United States Steel uses commodity-based and foreign currency derivative instruments to manage its exposure to price risk. Futures, forwards, swaps and options are used to reduce the effects of fluctuations in the purchase price of natural gas and nonferrous metals and also certain business transactions denominated in foreign currencies. United States Steel has not elected to designate derivative instruments as qualifying for hedge accounting treatment. As a result, the changes in fair value of all derivatives are recognized immediately in results of operations.

Property, plant and equipment - Depreciation is primarily computed using a modified straight-line method based upon estimated lives of assets and production levels. The modification factors for domestic

steel producing assets range from a minimum of 85% at a production level below 81% of capability, to a maximum of 105% for a 100% production level. No modification is made at the 95% production level, considered the normal long-range level. For certain equipment related to the railroad operations, depreciation is computed on the straight-line method, utilizing a composite or grouped asset approach, based on estimated lives of the assets.

Depletion of mineral properties is based on rates which are expected to amortize cost over the estimated tonnage of minerals to be removed.

United States Steel evaluates impairment of its property, plant and equipment on an individual asset basis or by logical groupings of assets. Assets deemed to be impaired are written down to their fair value, including any related goodwill, using discounted future cash flows and, if available, comparable market values.

When property, plant and equipment depreciated on an individual basis are sold or otherwise disposed of, any gains or losses are reflected in income. Gains on disposal of long-lived assets are recognized when earned, which is generally at the time of closing. If a loss on disposal is expected, such losses are recognized when the assets are reclassified as assets held for sale. Proceeds from disposal of property, plant and equipment depreciated on a group basis are credited to accumulated depreciation, depletion and amortization with no immediate effect on income.

Major maintenance activities - United States Steel incurs planned major maintenance costs primarily for blast furnace relines. Costs that extend the life of the asset are separately capitalized in property, plant and equipment and are amortized over their estimated useful life, which is generally the period until the next scheduled reline.

Environmental remediation - Environmental expenditures are capitalized if the costs mitigate or prevent future contamination or if the costs improve existing assets' environmental safety or efficiency. United States Steel provides for remediation costs and penalties when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. Generally, the timing of remediation accruals coincides with completion of a feasibility study or the commitment to a formal plan of action. Remediation liabilities are accrued based on estimates of known environmental exposure and are discounted in certain instances.

Pensions, other postretirement and postemployment benefits -United States Steel has noncontributory defined benefit pension plans covering most U.S. employees and defined benefit retiree health care and life insurance plans (other postretirement benefits) covering most U.S. employees on their retirement. The net pension and other postretirement benefits obligations recorded and the related periodic costs are based on, among other things, assumptions of the discount rate, estimated return on plan assets, salary increases, the mortality of participants and the current level and escalation of health care costs in the future. Additionally, United States Steel recognizes an obligation to provide postemployment benefits, primarily for disability-related claims covering indemnity and medical payments to certain U.S. employees. The obligation for these claims and the related periodic costs are measured using actuarial techniques and assumptions. Actuarial gains and losses are deferred and amortized over future periods.

Concentration of credit and business risks - United States Steel is exposed to credit risk in the event of nonpayment by customers principally within the automotive, steel and construction industries. Changes in these industries may significantly affect management's estimates and United States Steel's financial performance. United States Steel mitigates its exposure to credit risk by performing ongoing credit evaluations and, when deemed necessary, requiring letters of credit, guarantees or collateral.

The majority of customers of United States Steel are located in the United States with the remainder primarily located in Central Europe. No single customer accounts for more than 5% of gross annual revenues.

Stock-based compensation - In 1995, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation." The Company has elected to continue to apply the principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

Deferred taxes - Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The realization of deferred tax assets is assessed periodically based on several interrelated factors. These factors include United States Steel's expectation to generate sufficient future taxable income and management's intent regarding the permanent reinvestment of the earnings from certain foreign subsidiaries. U.S. deferred tax liabilities have not been recognized for the undistributed earnings of certain foreign subsidiaries, primarily USSK, because management intends to permanently reinvest such earnings in those foreign operations.

Insurance - United States Steel is insured for catastrophic casualty and certain property and business interruption exposures, as well as those risks required to be insured by law or contract. Costs resulting from noninsured losses are charged against income upon occurrence.

Reclassifications - Certain reclassifications of prior years' data have been made to conform to 2001 classifications.

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4. New Accounting Standards

Effective January 1, 2001, United States Steel adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS Nos. 137 and 138. This Statement, as amended, requires recognition of all derivatives at fair value as either assets or liabilities. A cumulative effect adjustment relating to the adoption of SFAS No. 133 was recognized in other comprehensive income. The cumulative effect adjustment relates only to deferred gains or losses for hedge transactions as of December 31, 2000. The effect of adoption of SFAS No. 133 was less than $1 million, net of tax.

In June 2001, the FASB issued SFAS No. 141 "Business Combinations," SFAS No. 142 "Goodwill and Other Intangible Assets" and SFAS No. 143 "Accounting for Asset Retirement Obligations." The adoption of SFAS 141 and 142 on January 1, 2002, did not have a material impact on the results of operations or financial position of United States Steel.

SFAS No. 143 establishes a new accounting model for the recognition and measurement of retirement obligations associated with tangible long-lived assets. SFAS No. 143 requires that an asset retirement obligation should be capitalized as part of the cost of the related long-lived asset and subsequently allocated to expense using a systematic and rational method. United States Steel will adopt the Statement effective January 1, 2003. The transition adjustment resulting from the adoption of SFAS No. 143 will be reported as a cumulative effect of a change in accounting principle. At this time, United States Steel has not completed its assessment of the effect of the adoption of this Statement on either its financial position or results of operations.

In August 2001, the FASB approved SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets" (SFAS No. 144). This Statement establishes a single accounting model for long-lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. United States Steel adopted this Statement effective January 1, 2002. There were no financial statement implications related to the adoption of SFAS No. 144, and the guidance will be applied on a prospective basis.

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5. Business Combinations

On November 24, 2000, United States Steel acquired U. S. Steel Kosice, s.r.o. (USSK), which is located in the Slovak Republic. USSK was formed in June 2000 to hold the steel operations and related assets of VSZ a.s. (VSZ), a diversified Slovak corporation. The purchase price for USSK consisted of cash payments of $69 million in 2000, $14 million in 2001 and additional consideration of not less than $25 million and up to $75 million was contingent upon the performance of USSK in 2001. Based on the performance of USSK in 2001, the maximum contingent consideration has been accrued and will be paid in two installments of $37.5 million each in 2002 and 2003, resulting in total cash consideration of $158 million. Additionally, $325 million of debt and $226 million of other liabilities were included with the acquisition. The acquisition was accounted for under the purchase method of accounting. The 2000 results of operations include the operations of USSK from the date

of acquisition. Prior to this transaction, United States Steel and VSZ were equal partners in VSZ U. S. Steel, s.r.o. (VSZUSS), a tin mill products manufacturer. The assets of USSK included VSZ's interest in VSZUSS. The acquisition of the remaining interest in VSZUSS was accounted for under the purchase method of accounting. Prior to the acquisition, United States Steel had accounted for its investment in VSZUSS under the equity method of accounting.

On March 1, 2001, United States Steel completed the purchase of the tin mill products business of LTV Corporation (LTV), which is now operated as East Chicago Tin. In this noncash transaction, United States Steel assumed approximately $66 million of employee related obligations from LTV. The acquisition was accounted for using the purchase method of accounting. Results of operations for the year 2001 include the operations of East Chicago Tin from the date of acquisition. In the fourth quarter of 2001, United States Steel recorded an intangible asset impairment of $20 million, related to the five-year agreement for LTV to supply United States Steel with pickled hot bands entered into in conjunction with the acquisition of LTV's tin mill products business. This impairment was recorded because LTV permanently ceased operations at their plants during the quarter pursuant to a bankruptcy court order.

On March 23, 2001, Transtar, Inc. (Transtar) completed a reorganization with its two voting shareholders, United States Steel and Transtar Holdings, L.P. (Holdings), an affiliate of Blackstone Capital Partners L.P. As a result of this transaction, United States Steel became sole owner of Transtar and certain of its subsidiaries. Holdings became owner of the other subsidiaries of Transtar. Because the reorganization involved the sale of certain subsidiaries to Holdings, a noncontrolling shareholder, Transtar recorded a gain by comparing the carrying value of the businesses sold to their fair value. United States Steel's share of the gain recognized by Transtar was $68 million, which is included in income (loss) from investees. Concurrently, United States Steel accounted for the change in ownership of Transtar using the step-acquisition purchase method of accounting. Also, in connection with this transaction, United States Steel recognized a favorable deferred tax adjustment of $33 million related to its investment in the stock of Transtar that was no longer required when United States Steel acquired 100 percent of Transtar. United States Steel previously accounted for its investment in Transtar under the equity method of accounting.

The following unaudited pro forma data for United States Steel includes the results of operations of the above acquisitions giving effect to them as if they had been consummated at the beginning of the years presented. Pro forma results for 2001 exclude the $68 million gain and $33 million tax benefit recorded as a result of the Transtar transaction. In addition, VSZ did not historically provide historical carve-out financial information for its steel activities prepared in accordance with generally accepted accounting principles in the United States of America. Therefore, United States Steel made certain estimates and assumptions regarding revenues and costs used in the preparation of the unaudited pro forma data relating to USSK for the year 2000.

The following unaudited pro forma data is based on historical information and does not necessarily reflect the actual results that would have occurred nor is it necessarily indicative of future results of operations.

(In millions) (Unaudited)	2001	2000
Revenues and other income	$ 6,353	$ 7,355
Net income (loss)	(321)	58
Per share - basic and diluted	(3.60)	.65

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6. Extraordinary Losses

In 1999, United States Steel irrevocably deposited with a trustee the entire 5.5 million common shares it owned in RTI International Metals, Inc. (RTI). The deposit of the shares resulted in the satisfaction of United States Steel's obligation under its 6/3//4% Exchangeable Notes (indexed debt) due February 1, 2000. Under the terms of the indenture, the trustee exchanged one RTI share for each note at maturity. All shares were required for satisfaction of the indexed debt; therefore, none reverted back to United States Steel.

As a result of the above transaction, United States Steel

recorded in 1999 an extraordinary loss of $5 million, net of a $3 million income tax benefit, representing prepaid interest expense and the write-off of unamortized debt issue costs, and a pretax charge of $22 million, representing the difference between the carrying value of the investment in RTI and the carrying value of the indexed debt, which is included in net gains on disposal of assets.

In 1999, Republic Technologies International, LLC, an equity investee of United States Steel, recorded an extraordinary loss related to the early extinguishment of debt. As a result, United States Steel recorded an extraordinary loss of $2 million, net of a $1 million income tax benefit, representing its share of Republic's extraordinary loss.

- ---

7. Other Items

<TABLE>
<CAPTION>

(In millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Net interest and other financial costs			
Interest and other financial income:			
Interest income	$ 13	$ 3	$ 1
Other	(1)	7	-
Total	12	10	1
Interest and other financial costs:			
Interest incurred	186	88	45
Less interest capitalized	1	3	6
Net interest	185	85	39
Interest on tax issues	(58) /(a)/	11	15
Financial costs on trust preferred securities	13	13	13
Financial costs on preferred stock of subsidiary	11	5	5
Amortization of discounts	2	1	1
Expenses on sales of accounts receivable	-	-	15
Adjustment to settlement value of indexed debt	-	-	(13)
Total	153	115	75
Net interest and other financial costs	$ 141	$ 105	$ 74

</TABLE>

/(a)/ Includes a favorable adjustment of $67 million related to prior years' taxes.

Foreign currency transactions

For 2001 and 2000, the aggregate foreign currency transaction gains (losses) included in determining net income were $(1) million and $7 million, respectively. There were no foreign currency transaction gains or losses in 1999.

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8. Segment Information

United States Steel consists of two reportable operating segments: 1) Domestic Steel and 2) U. S. Steel Kosice (USSK). Domestic Steel is engaged in the domestic production, sale and transportation of steel mill products, coke, taconite pellets and coal; the management of mineral resources; real estate development; and engineering and consulting services. USSK, with operations primarily in the Slovak Republic, is engaged in the production and sale of steel mill products and coke and primarily serves Central European markets.

Segment income does not include net interest and other financial costs or the provision (credit) for income taxes. Additionally, the following items are not allocated to operating segments:

- Net pension credits
- Certain costs related to former United States Steel business activities
- Allocated Marathon corporate general and administrative costs. These costs primarily consist of employment costs including pension effects, professional services,

facilities and other related costs associated with corporate activities.
. Certain other items not allocated to operating segments for business performance reporting purposes (see reconciliation below)

Information on assets by segment is not provided as it is not reviewed by the chief operating decision maker.

<TABLE>
<CAPTION>

(In millions)	Domestic Steel	USSK	Total
<S>	<C>	<C>	<C>
2001			
Revenues and other income:			
Customer	$5,323	$1,060	$6,383
Intersegment/(a)/	6	-	6
Marathon/(a)/	7	-	7
Equity in earnings (losses) of unconsolidated investees	(51)	1	(50)
Other	22	3	25
Total revenues and other income	$5,307	$1,064	$6,371
Segment income (loss)	$ (461)	$ 123	$ (338)
Significant noncash items included in segment income -			
Depreciation, depletion and amortization/(b)/	269	37	306
Capital expenditures	226	61	287
2000/(c)/			
Revenues and other income:			
Customer	$5,989	$ 92	$6,081
Marathon/(a)/	17	-	17
Equity in earnings of unconsolidated investees	28	-	28
Other	50	-	50
Total revenues and other income	$6,084	$ 92	$6,176
Segment income	$ 98	$ 2	$ 100
Significant noncash items included in segment income -			
Depreciation, depletion and amortization/(b)/	285	4	289
Capital expenditures	239	5	244
1999/(c)/			
Revenues and other income:			
Customer	$5,519	$ -	$5,519
Marathon/(a)/	17	-	17
Equity in losses of unconsolidated investees	(35)	-	(35)
Other	45	-	45
Total revenues and other income	$5,546	$ -	$5,546

Segment income	$ 115	$ -	$ 115
Significant noncash items included in segment income -			
Depreciation, depletion and amortization	304	-	304
Capital expenditures/(d)/	286	-	286

</TABLE>

/(a)/ Revenues and transfers between segments and with Marathon were conducted under terms comparable to those with unrelated parties.

/(b)/ Differences between segment total and United States Steel total represents amounts for impairment of assets related to the Fairless shutdown and the intangible asset related to the five-year agreement for LTV to supply pickled hot bands in 2001 and impairment of coal assets in 2000.

/(c)/ Certain amounts have been reclassified from segment results to items not allocated to segments to conform to 2001 presentation.

/(d)/ Differences between segment total and United States Steel total represent amounts related to corporate administrative activities.

The following schedules reconcile segment amounts to amounts reported in United States Steel's financial statements:

<TABLE>
<CAPTION>

(In millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Revenues and Other Income:			
Revenues and other income of reportable segments	$6,371	$6,176	$5,546
Items not allocated to segments:			
Gain on Transtar reorganization	68	-	-
Insurance recoveries related to USS-POSCO fire	46	-	-
Asset impairment - trade receivables	(104)	(8)	-
Impairment and other costs related to investments in equity investees	-	(36)	(54)
Loss on investment used to satisfy indexed debt obligations	-	-	(22)
Elimination for intersegment revenues	(6)	-	-
Total revenues and other income	$6,375	$6,132	$5,470
Income:			
Income (loss) for reportable segments	$ (338)	$ 100	$ 115
Items not allocated to segment income:			
Net pension credits	146	266	193
Costs related to former businesses	(76)	(86)	(83)
Administrative expenses	(22)	(25)	(17)
	(290)	255	208
Other items not allocated to segment income:			
Gain on Transtar reorganization	68	-	-
Insurance recoveries related to USS-POSCO fire	46	-	-
Asset impairments - trade receivables	(100)	(8)	-
- other receivables	(46)	-	-
Impairment and other costs related to investments in equity investees	-	(36)	(54)
Loss on investment used to satisfy indexed debt obligations	-	-	(22)
Costs related to Fairless shutdown	(38)	-	-
Costs related to Separation	(25)	-	-
Asset impairments - intangible assets	(20)	-	-
- coal	-	(71)	-
Environmental and legal contingencies	-	(36)	(17)
Voluntary early retirement program pension settlement	-	-	35
Total income (loss) from operations	$ (405)	$ 104	$ 150

<CAPTION>

Revenues by Product:

(In millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Sheet and semi-finished steel products	$3,163	$3,288	$3,433
Tubular products	755	754	221
Plate and tin mill products	1,273	977	919
Raw materials (coal, coke and iron ore)	485	626	549

Other/(a)/	610	445	414
Total	$6,286	$6,090	$5,536

</TABLE>

/(a)/ Includes revenue from the sale of steel production by-products, engineering and consulting services, real estate development and resource management, and, beginning in 2001, transportation services.

Geographic Area:

The information below summarizes revenue and other income and property, plant and equipment and investments (assets) at the manufacturing facilities in the different geographic areas.

<TABLE>
<CAPTION>

(In millions)	Year	Revenues and Other Income	Assets
<S>	<C>	<C>	<C>
United States	2001	$5,302	$2,927
	2000	6,027	2,745
	1999	5,452	2,889
Slovak Republic	2001	1,030	429
	2000	95	376
	1999	3	60
Other Foreign Countries	2001	43	11
	2000	10	10
	1999	15	3
Total	2001	$6,375	$3,367
	2000	6,132	3,131
	1999	5,470	2,952

</TABLE>

- ---

9. Supplemental Cash Flow Information

<TABLE>
<CAPTION>

(In millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Noncash investing and financing activities:			
Assets acquired through capital leases	$ 7	$ -	$ -
Steel Stock issued for employee stock plans	9	5	2
Disposal of assets:			
Deposit of RTI common shares in satisfaction of indexed debt	-	-	56
Interest in USS/Kobe contributed to Republic	-	-	40
Other disposals of assets - notes or common stock received	4	14	1
Business combinations:			
Acquisition of East Chicago Tin - liabilities assumed	66	-	-
Acquisition of Transtar:			
Liabilities assumed	114	-	-
Investee liabilities consolidated in step acquisition	145	-	-
Acquisition of USSK:			
Liabilities assumed	-	568	-
Accrual of contingent consideration at present value	45	21	-
Investee liabilities consolidated in step acquisition	-	3	-
Other acquisitions:			
Liabilities assumed	-	-	26
Investee liabilities consolidated in step acquisition	-	-	26
Separation activities (see Note 2):			
Marathon obligations historically attributed to			

United States Steel retained by Marathon in the Separation (Value Transfer)	900	-
Separation costs funded by Marathon	62	-
Other Separation adjustments	51	-

</TABLE>

10. Short-Term Debt

USSK has a short-term $10 million credit facility that expires in November 2002. The facility, which is nonrecourse to United States Steel, bears interest on prevailing short-term market rates plus 1%. USSK is obligated to pay a .25% commitment fee on undrawn amounts. At December 31, 2001, there were no borrowings against this facility.

11. Long-Term Debt

<TABLE>
<CAPTION>

December 31 (In millions)	Interest Rates - %	Maturity	2001	2000
<S>	<C>	<C>	<C>	<C>
Senior Notes	10 3/4	2008	$ 535	$ -
Senior Quarterly Income Debt Securities	10	2031	49	-
Obligations relating to Industrial Development and Environmental Improvement Bonds and Notes	1 17/25-6 7/8	2009 - 2033	471	-
Inventory facility		2004	-	-
Fairfield Caster Lease		2002 - 2012	84	-
All other obligations, including other capital leases			6	-
USSK loan	8 1/2	2010	325	-
USSK credit facility			-	-
Marathon debt attributed to United States Steel			-	2,387
Total			1,470	2,387
Less unamortized discount			4	12
Less amount due within one year			32	139
Long-term debt due after one year			$1,434	$ 2,236

</TABLE>

Marathon debt attributed to United States Steel was determined based on the cash flows of United States Steel (see Note 2). Included in Marathon debt attributable to United States Steel was an accounts receivable facility accounted for as a secured borrowing. At December 31, 2000, $350 million was outstanding under this facility. The facility was terminated and repaid in 2001.

Senior Notes - $385 million and $150 million of Senior Notes (Notes) were issued on July 27, 2001 and September 11, 2001, respectively. Interest is payable semi-annually commencing February 1, 2002. Up to 35% of the aggregate principal amount of the Notes may be redeemed at any time prior to August 1, 2004, with the proceeds of public offerings of

certain capital stock at a redemption price of 110.75% of the principal amount plus accrued interest.

Senior Quarterly Income Debt Securities (SQUIDS) - On December 19, 2001, SQUIDS were issued in an exchange for certain preferred securities of Marathon. Interest is payable quarterly commencing March 31, 2002. The SQUIDS will be redeemable at the option of United States Steel, in whole or in part, on or after December 31, 2006, at 100% of the principal amount redeemed together with accrued but unpaid interest to the redemption date.

Obligations relating to Industrial Development and Environmental Improvement Bonds and Notes - Under the Financial Matters Agreement (see Note 2), United States Steel assumed and will discharge all principal, interest and other duties of Marathon under these obligations, including any amounts due upon any defaults or accelerations of any of the obligations, other than defaults or accelerations caused by any action of Marathon. The agreement also provides that on or before the tenth anniversary of the Separation, United States Steel will provide for the discharge of Marathon from any remaining liability under any of these obligations. At December 31, 2001, $141 million of the $471 million were supported by letter of credit arrangements that could become short-term obligations under certain circumstances, including the ability of the remarketing agent to remarket the bonds.

Inventory facility - On November 30, 2001, United States Steel entered into a revolving credit facility that provides for borrowings of up to $400 million which expires on December 31, 2004. The facility is secured by all domestic inventory and related assets, including receivables other than those sold under the Receivables Purchase Agreement (see Note 22). The amount outstanding under the facility will not exceed the permitted "borrowing base" calculated on percentages of the values of eligible inventory. At December 31, 2001, $250 million was available to United States Steel under this facility. Interest on borrowings will be calculated based on either LIBOR or J. P. Morgan Chase's prime rate using spreads determined by credit ratings.

Fairfield Caster Lease - United States Steel is the lessee of a slab caster at the Fairfield Works facility in Alabama. The sublease is accounted for as a capital lease. Marathon is the obligor under the lease. Under the Financial Matters Agreement, United States Steel assumed and will discharge all obligations under this lease. This lease is an amortizing financing with a final maturity of 2012, subject to additional extensions.

USSK loan - USSK has a loan with a group of financial institutions which is nonrecourse to United States Steel. The loan is subject to annual repayments of $20 million beginning in 2003, with the balance due in 2010. Mandatory prepayments of the loan may be required based upon a cash flow formula or a change in control of United States Steel. The amount of the mandatory prepayment under the cash flow formula, payable April 1, 2002, is $26 million.

USSK credit facility - USSK has a $40 million credit facility that expires in December 2004. The facility, which is nonrecourse to United States Steel, bears interest on prevailing market rates plus .90%. USSK is obligated to pay a .25% commitment fee on undrawn amounts.

Covenants - The Notes, SQUIDS, USSK loan, USSK credit facility and the Inventory facility may be declared immediately due and payable in the event of a change in control of United States Steel, as defined in the related agreements. In such event, United States Steel may also be required to either repurchase the leased Fairfield Caster for $96 million or provide a letter of credit to secure the remaining obligation. Additionally, the Notes contain various other restrictive covenants, the majority of which will not apply upon the attainment of an investment grade rating, including restrictions on the payment of dividends, limits on additional borrowings, including limiting the amount of borrowings secured by inventories and the accounts receivable securitization, limits on sale/leaseback, limits on the use of funds from asset sales and sale of the stock of subsidiaries, and restrictions on our ability to make

investments in joint ventures or make certain acquisitions. The Inventory facility imposes additional restrictions including financial covenants that require that United States Steel meet interest expense coverage and leverage ratios beginning on September 30, 2002, limitations on capital expenditures, and restrictions on investments. If these covenants are breached, creditors would be able to declare their obligations immediately due and payable and foreclose on any collateral.

Debt Maturities - Aggregate maturities of long-term debt are as follows (In millions):

<TABLE>
<CAPTION>

	Year ended December 31,					
Total	2002	2003	2004	2005	2006	Later Years
<S>	<C>	<C>	<C>	<C>	<C>	<C>
$ 1,470	$ 32	$ 26	$ 25	$ 25	$ 26	$ 1,336

</TABLE>

- ---

12. Pensions and Other Postretirement Benefits

United States Steel has noncontributory defined benefit pension plans covering substantially all U.S. employees. Benefits under these plans are based upon years of service and final average pensionable earnings, or a minimum benefit based upon years of service, whichever is greater. In addition, pension benefits are also provided to most U.S. salaried employees based upon a percent of total career pensionable earnings. United States Steel also participates in multiemployer plans, most of which are defined benefit plans associated with coal operations.

United States Steel also has defined benefit retiree health care and life insurance plans (other benefits) covering most U.S. employees upon their retirement. Health care benefits are provided through comprehensive hospital, surgical and major medical benefit provisions or through health maintenance organizations, both subject to various cost sharing features. Life insurance benefits are provided to nonunion retiree beneficiaries primarily based on employees' annual base salary at retirement. For U.S. union retirees, life insurance benefits are provided primarily based on fixed amounts negotiated in labor contracts with the appropriate unions.

<TABLE>
<CAPTION>

	Pension Benefits		Other Benefits	
(In millions)	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Change in benefit obligations				
Benefit obligations at January 1	$ 6,921	$ 6,716	$ 2,149	$ 1,896
Service cost	89	76	15	12
Interest cost	496	505	161	147
Plan amendments	4	-	-	-
Actuarial losses	469	430	261	260
Plan merger and acquisition	106/(a)/	-	152/(a)/	-
Settlements, curtailments and termination benefits	21/(b)/	-	-	-
Benefits paid	(748)	(806)	(183)	(166)
Benefit obligations at December 31	$ 7,358	$ 6,921	$ 2,555	

$ 2,149

Change in plan assets				
Fair value of plan assets at January 1	$ 9,312	$ 9,995	$ 842	$ 281
Actual return on plan assets	(26)	139	21	26
Acquisition	62	(1)	-	-
Employer contributions	-	-	17	576/(c)/
Trustee distributions/(d)/	(17)	(16)	-	-
Benefits paid from plan assets	(748)	(805)	(152)	(41)
Fair value of plan assets at December 31	$ 8,583	$ 9,312	$ 728	$ 842
Funded status of plans at December 31	$ 1,225/(e)/	$ 2,391/(e)/	$ (1,827)	$(1,307)
Unrecognized net gain from transition	(1)	(2)	-	-
Unrecognized prior service cost	629	719	7	12
Unrecognized actuarial (gains) losses	866	(474)	57	(241)
Additional minimum liability	(32)/(f)/	(7)/(f)/	-	-
Prepaid (accrued) benefit cost	$ 2,687	$ 2,627	$ (1,763)	$(1,536)

/(a)/ Reflects merger of Transtar benefit plans and LTV Steel's tin mill employee obligations and recognition of the obligation associated with retiree medical benefits for the pre-1989 Lorain Works' retirees which had been assumed by USS/Kobe Steel Company (USS/Kobe) in 1989 at the formation of the joint venture. Republic Technologies International Holdings, LLC (Republic) became responsible for all of USS/Kobe's employee benefit liabilities, except for active employees of the tubular processing facility, when USS/Kobe was merged into Republic in 1999. Republic filed for bankruptcy in April 2001, as discussed in Note 16. Subsequently, Republic stopped reimbursing United States Steel for the pre-1989 Lorain Works' retiree medical benefits. Due to these events, United States Steel recorded an obligation for payment of the benefits and an associated receivable from Republic for the reimbursement of these payments. These pre-1989 Lorain Works' retiree medical benefits are the subject of a pending request for payment as administrative expenses in the bankruptcy proceedings; however, even if the petition is successful, Republic's ability to pay is uncertain; therefore, a reserve has been established for a portion of the receivable.

/(b)/ Recognizes increases due principally to a non-union voluntary early retirement program offered in conjunction with the Separation and a shutdown of the majority of the Fairless Plant.

/(c)/ Includes contributions of $530 million to a Voluntary Employee Benefit Association trust, comprised of $30 million in contractual requirements and an elective contribution of $500 million. Also includes a $30 million elective contribution to the non-union retiree life insurance trust.

/(d)/ Represents transfers of excess pension assets to fund retiree health care benefits accounts under Section 420 of the Internal Revenue Code.

/(e)/ Includes a plan that has accumulated benefit obligations in excess of plan assets:

	2001	2000
Aggregate accumulated benefit obligations	$ (58)	$ (40)

Aggregate projected benefit obligations (PBO)	(69)	(49)
Aggregate plan assets	-	-

Of the $69 million PBO total, $8 million represents the portion of pension benefits applicable to Marathon employees' corporate service with USX. Such amount will be reimbursed by Marathon and is reflected as a receivable on the balance sheet. The aggregate accumulated benefit obligation is included in employee benefits in the balance sheet.

/(f)/ Additional minimum liability recorded was offset by the following:

Intangible asset	$ -	$ 1
<S>	<C>	<C>
Accumulated other comprehensive income (losses):		
Beginning of year	$ (4)	$ (7)
Change during year (net of tax)	(16)	3
Balance at end of year	$ (20)	$ (4)

(In millions)	Pension Benefits 2001	2000	1999	Other Benefits 2001	2000	1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Components of net periodic benefit cost (credit)						
Service cost	$ 89	$ 76	$ 87	$ 15	$ 12	$ 15
Interest cost	496	505	473	161	147	133
Expected return on plan assets	(837)	(841)	(781)	(60)	(24)	(21)
Amortization - net transition gain	(1)	(67)	(67)	-	-	-
- prior service costs	97	98	83	4	4	4
- actuarial (gains) losses	2	(44)	6	(3)	(29)	(12)
Multiemployer and other plans	-	-	-	12/(a)/	9/(a)/	7/(a)/
Settlement and termination (gains) losses	34/(b)/	-	(35)/(b)/	-	-	-
Net periodic benefit cost (credit)	$ (120)	$(273)	$(234)	$ 129	$ 119	$ 126

/(a)/ Represents payments to a multiemployer health care benefit plan created by the Coal Industry Retiree Health Benefit Act of 1992 based on assigned beneficiaries receiving benefits. The present value of this unrecognized obligation is broadly estimated to be $76 million, including the effects of future medical inflation, and this amount could increase if additional beneficiaries are assigned.

/(b)/ Relates primarily to voluntary early retirement programs.

	Pension Benefits 2001	2000	Other Benefits 2001	2000
<S>	<C>	<C>	<C>	<C>
Weighted-average actuarial assumptions				

at December 31:				
Discount rate	7.0%	7.5%	7.0%	7.5%
Expected annual return on plan assets	8.9%	8.9%	8.0%	8.5%
Increase in compensation rate	4.0%	4.0%	4.0%	4.0%

For measurement purposes, an 8% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2002. The rate was assumed to decrease gradually to 5% for 2008 and remain at that level thereafter.

A one-percentage-point change in assumed health care cost trend rates would have the following effects:

(In millions)	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost components	$ 19	$ (16)
Effect on other postretirement benefit obligations	222	(188)

United States Steel also contributes to several defined contribution plans for its salaried employees and a small number of wage employees. Company contributions to these plans, which for the most part are based on a percentage of the employees' salary depending on years of service, totaled $13 million in 2001, $11 million in 2000 and $10 million in 1999. Most union employees are eligible to participate in a defined contribution plan where there is no company match on savings. United States Steel also maintains a supplemental thrift plan to provide benefits which are otherwise limited by the Internal Revenue Service for qualified plans; company costs under these plans totaled less than $1 million in 2001, 2000 and 1999.

13. Inventories

(In millions) December 31	2001	2000
Raw materials	$ 184	$ 214
Semi-finished products	388	429
Finished products	202	210
Supplies and sundry items	96	93
Total	$ 870	$ 946

At December 31, 2001 and 2000, the LIFO method accounted for 91% of total inventory value. Current acquisition costs were estimated to exceed the above inventory values at December 31 by approximately $410 million in 2001 and $380 million in 2000. Cost of revenues was reduced and income (loss) from operations was improved by $24 million in 2001 and $3 million in 2000 as a result of liquidations of LIFO inventories.

14. Income Taxes

Provisions (credits) for income taxes were:

	2001			2000			1999	
(In millions)	Current	Deferred	Total	Current	Deferred	Total	Current	Deferred	Total
Federal	$(326)	$ 38	$(288)	$(357)	$ 340	$ (17)	$ (84)	$ 99	$ 15
State and local	(23)	(13)	(36)	(12)	49	37	1		

8 9
Foreign 3 (7) (4) - - - 1
- 1
Total $(346) $ 18 $(328) $(369) $ 389 $ 20 $ (82) $
107 $ 25
</TABLE>

A reconciliation of the federal statutory tax rate (35%) to total provisions (credits) follows:

<TABLE>
<CAPTION>
(In millions) 2001 2000
1999
<S> <C> <C>
<C>
Statutory rate applied to income (loss) before income taxes $(191) $ - $
27
Excess percentage depletion (1) (3)
(7)
Effects of foreign operations, including foreign tax credits (38) (5)
(2)
State and local income taxes after federal income tax effects (23) 24
6
Credits other than foreign tax credits (3) (3)
(3)
Nontaxable gain from ownership change (24) -
-
Adjustments of prior years' federal income taxes (18) 5
-
Dispositions of investments (33) -
-
Other 3 2
4
Total provisions (credits) $(328) $ 20
$ 25
</TABLE>

Deferred tax assets and liabilities resulted from the following:

<TABLE>
<CAPTION>
(In millions) December 31
2001 2000
<S> <C>
<C> <C>
Deferred tax assets:
Minimum tax credit carryforwards $
3 $ 39
State tax loss carryforwards (expiring in 2009 through 2011)
2 55
Foreign tax loss carryforwards
20 21
Employee benefits
875 782
Receivables, payables and debt
99 52
Expected federal benefit for deducting state deferred income taxes
27 16
Contingencies and other accruals
98 71
Other
20 2
Valuation allowances:
Foreign
(20) (21)
State
(9) (34)
Total deferred tax assets/(a)/
1,115 983
</TABLE>

	Deferred tax liabilities:		
359	Property, plant and equipment	248	
1,095	Prepaid pensions	1,046	
34	Inventory	15	
67	Investments in subsidiaries and equity investees	82	
74	Other	61	
1,629	Total deferred tax liabilities	1,452	
514	Net deferred tax liabilities	$ 469	

</TABLE>

/(a)/ United States Steel expects to generate sufficient future taxable income to realize the benefit of its deferred tax assets.

The consolidated tax returns of Marathon for the years 1992 through 1997 are under various stages of audit and administrative review by the IRS. United States Steel believes it has made adequate provision for income taxes and interest which may become payable for years not yet settled.

Pretax loss in 2001 and 2000 included $103 million and $8 million of income, respectively, attributable to foreign sources.

Undistributed earnings of certain consolidated foreign subsidiaries at December 31, 2001, amounted to $130 million. No provision for deferred U.S. income taxes has been made for these subsidiaries because United States Steel intends to permanently reinvest such earnings in foreign operations. If such earnings were not permanently reinvested, a deferred tax liability of approximately $40 million would have been required.

Under the Slovak Income Tax Act, USSK is entitled to claim an income tax credit of 100% of its tax liability through 2004 and a 50% credit in 2005 through 2009. To qualify for a tax credit in 2001, USSK must generate more than 60% of its revenue from export sales; and commit to reinvest all tax credits earned into qualifying capital expenditures over a period of time as stipulated in the Slovak Income Tax Act. Management believes that USSK has met all necessary requirements for claiming a tax credit in 2001.

United States Steel and Marathon entered into a Tax Sharing Agreement that reflects each party's rights and obligations relating to payments and refunds of income, sales, transfer and other taxes that are attributable to periods beginning prior to and including the Separation Date and taxes resulting from transactions effected in connection with the Separation.

The Tax Sharing Agreement incorporates the general tax sharing principles of the former tax allocation policy. In general, United States Steel and Marathon, will make payments between them such that, with respect to any consolidated, combined or unitary tax returns for any taxable period or portion thereof ending on or before the Separation Date, the amount of taxes to be paid by each of United States Steel and Marathon will be determined, subject to certain adjustments, as if the former groups each filed their own consolidated, combined or unitary tax return. The Tax Sharing Agreement also provides for payments between United States Steel and Marathon for certain tax adjustments which may be made after the Separation. Other provisions address, but are not limited to, the handling of tax audits, settlements and return filing in cases where both United States Steel and Marathon have an interest in the results of these activities.

A preliminary settlement for the calendar year 2001

federal income taxes, which would have been made in March 2002 under the former tax allocation policy, was made immediately prior to the Separation at a discounted amount to reflect the time value of money. Under the preliminary settlement for calendar year 2001, United States Steel received $441 million from Marathon immediately prior to Separation arising from the tax allocation policy. This policy provides that United States Steel receive the benefit of tax attributes (principally net operating losses and various tax credits) that arose out of its business and which were used on a consolidated basis.

Additionally, pursuant to the Tax Sharing Agreement, United States Steel and Marathon have agreed through various representations and covenants to protect the tax-free status of the Separation. To the extent that a breach of a representation or covenant results in corporate tax being imposed, the breaching party, either United States Steel or Marathon, will be responsible for the payment of the corporate tax.

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15. Transactions with Marathon

Revenues and purchases - United States Steel revenues for sales to Marathon totaled $7 million in 2001 and $17 million in both 2000 and 1999. United States Steel purchases from Marathon totaled $30 million, $60 million and $41 million in 2001, 2000 and 1999, respectively. These transactions were conducted under terms comparable to those with unrelated parties.

Receivables from/payables to Marathon - At December 31, 2001 and 2000, amounts receivable or payable were included in the balance sheet as follows:

(In millions)	December 31 2001	2000
Receivables:		
Current:		
Trade receivables	$ -	$ 2
Income tax settlement with Marathon (Note 1)	28	364
Current receivables from Marathon	28	366
Noncurrent:		
Estimated future income tax settlements	-	97
Reimbursements under nonqualified employee benefit plans (Note 12)	8	-
Noncurrent receivables from Marathon	8	97
Current payables:		
Trade and income taxes	-	5
Separation settlement payable (Note 2)	54	-
Current payables to Marathon	$ 54	$ 5

---

16. Investments and Long-Term Receivables

(In millions) December 31	2001	2000
Equity method investments	$ 233	$ 325
Other investments	49	67
Receivables due after one year	8	5
Deposits of restricted cash	2	3
Other	54	39
Total	$ 346	$ 439

Summarized financial information of investees accounted for by the equity method of accounting follows:

<TABLE>
<CAPTION>

(In millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Income data - year:			
Revenues and other income	$2,244	$3,484	$3,027
Operating income (loss)	(97)	112	(57)
Net loss	(208)	(166)	(193)
Balance sheet data - December 31:			
Current assets	$ 705	$ 911	
Noncurrent assets	1,604	2,196	
Current liabilities	861	1,171	
Noncurrent liabilities	1,340	1,307	

</TABLE>

United States Steel acquired a 25% interest in VSZ during 2000. VSZ does not provide its shareholders with financial statements prepared in accordance with accounting principles generally accepted in the United States (USGAAP). Although shares of VSZ are traded on the Bratislava Stock Exchange, those securities do not have a readily determinable fair value as defined under USGAAP. Accordingly, United States Steel accounts for its investment in VSZ under the cost method of accounting.

In 1999, United States Steel and Kobe Steel, Ltd. (Kobe Steel) completed a transaction that combined the steelmaking and bar producing assets of USS/Kobe Steel Company (USS/Kobe) with companies controlled by Blackstone Capital Partners II. The combined entity was named Republic Technologies International, LLC and is a wholly owned subsidiary of Republic Technologies International Holdings, LLC (Republic). As a result of this transaction, United States Steel recorded $47 million in charges related to the impairment of the carrying value of its investment in USS/Kobe and costs related to the formation of Republic. These charges were included in income (loss) from investees in 1999. In addition, United States Steel made a $15 million equity investment in Republic. United States Steel owned 50% of USS/Kobe and now owns 16% of Republic. United States Steel accounted for its investment in Republic under the equity method of accounting. During the first quarter of 2001, United States Steel discontinued applying the equity method of accounting since investments in and advances to Republic had been reduced to zero. On April 2, 2001, Republic filed a voluntary petition with the U.S. Bankruptcy Court to reorganize its operations under Chapter 11 of the U.S. Bankruptcy Code. As a result of Republic's action, United States Steel recorded a pretax charge of $74 million for potentially uncollectible receivables from Republic and recognized certain debt obligations of $14 million previously assumed by Republic. Due to further financial deterioration of Republic during the balance of 2001, United States Steel recorded a pretax charge of $68 million in the fourth quarter of 2001, related to a portion of the remaining Republic receivables exposure and retiree medical cost reimbursements owed by Republic. Summary financial information of Republic is included in the table above.

United States Steel operates and sells coke and by-products through the Clairton 1314B Partnership, L.P. in which it is the sole general partner. United States Steel is responsible for purchasing, operations and product sales and accounts for its 10% interest in the partnership under the equity method of accounting. United States Steel's share of profits and losses was 1.75% for the years ended December 31, 2001, 2000 and 1999 and will increase to 45.75% when a specified rate of return level is met by the limited

partners. The partnership at times had operating cash shortfalls in 2001, after payment of distributions to the partners, that were funded with loans from United States Steel. As of December 31, 2001, the partnership owed United States Steel $3 million, which was repaid in January 2002. An unamortized deferred gain from the formation of the partnership of $150 million is included in deferred credits and other liabilities in the balance sheet. The gain will not be recognized in income as long as United States Steel has a commitment to fund cash shortfalls of the partnership.

Dividends and partnership distributions received from equity investees were $17 million in 2001, $10 million in 2000 and $2 million in 1999.

United States Steel purchases of transportation services and semi-finished steel from equity investees totaled $261 million, $566 million and $361 million in 2001, 2000 and 1999, respectively. At December 31, 2001 and 2000, United States Steel payables to these investees totaled $31 million and $66 million, respectively. Transtar, a provider of transportation services and formerly an equity investee, was acquired on March 23, 2001, as discussed in Note 5.

United States Steel revenues for steel and raw material sales to equity investees totaled $852 million, $958 million and $831 million in 2001, 2000 and 1999, respectively. At December 31, 2001 and 2000, United States Steel receivables from these investees were $228 million and $177 million, respectively. Generally, these transactions were conducted under long-term, market-based contractual arrangements.

- ---

17. Leases

Future minimum commitments for capital leases (including sale-leasebacks accounted for as financings) and for operating leases having remaining noncancelable lease terms in excess of one year are as follows:

<TABLE>
<CAPTION>

(In millions)	Capital Leases	Operating Leases
<S>	<C>	<C>
2002	$ 14	$ 92
2003	13	79
2004	11	71
2005	11	46
2006	11	37
Later years	74	188
Sublease rentals	-	(96)
Total minimum lease payments	134	$ 417
Less imputed interest costs	44	
Present value of net minimum lease payments included in long-term debt (see Note 11)	$ 90	

Operating lease rental expense:

<CAPTION>

(In millions)	2001	2000	1999
<S>	<C>	<C>	<C>
Minimum rental	$ 133	$ 132	$ 124
Contingent rental	18	17	18
Sublease rentals	(17)	(6)	(6)
Net rental expense	$ 134	$ 143	$ 136

</TABLE>

United States Steel leases a wide variety of facilities

and equipment under operating leases, including land and building space, office equipment, production facilities and transportation equipment. Most long-term leases include renewal options and, in certain leases, purchase options.

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18. Preferred Securities

Marathon was the issuer and obligor of the following preferred securities:

- 8 3/4% Cumulative Monthly Income Preferred Shares (MIPS) issued by a wholly owned subsidiary of Marathon
- 6 3/4% Convertible Quarterly Income Preferred Securities of USX Capital Trust I (QUIPS)
- 6.50% Cumulative Convertible Preferred Stock (Preferred Stock)

All of the outstanding QUIPS and Preferred Stock and a portion of the MIPS were historically attributed to United States Steel. In December 2001, $49 million of these securities were exchanged for SQUIDS issued by United States Steel as part of the financings incurred by United States Steel related to the Separation.

On December 31, 2001, Marathon redeemed the outstanding MIPS for cash. At the time of Separation, the QUIPS and Preferred Stock were retained by Marathon and were redeemed or repaid by Marathon in January 2002.

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19. Stockholder Rights Plan

On December 31, 2001, United States Steel adopted a new Stockholder Rights Plan and declared a dividend distribution of one right for each share of common stock issued pursuant to the Plan of Reorganization in connection with the Separation. Each right becomes exercisable, at a price of $110, after any person or group has acquired, obtained the right to acquire or made a tender or exchange offer for 15% or more of the outstanding voting power represented by the outstanding Voting Stock, except pursuant to a qualifying all-cash tender offer for all outstanding shares of Voting Stock which results in the offeror owning shares of Voting Stock representing a majority of the voting power (other than Voting Stock beneficially owned by the offeror immediately prior to the offer). If the rights become exercisable, each right will entitle the holder, other than the acquiring person or group, to purchase one one-hundredth of a share of Series A Junior Preferred Stock or, upon the acquisition by any person of 15% or more of the outstanding voting power represented by the outstanding Voting Stock (or, in certain circumstances, other property), common stock having a market value of twice the exercise price. After a person or group acquires 15% or more of the outstanding voting power, if United States Steel engages in a merger or other business combination where it is not the surviving corporation or where it is the surviving corporation and the Voting Stock is changed or exchanged, or if 50% or more of United States Steel's assets, earnings power or cash flow are sold or transferred, each right will entitle the holder to purchase common stock of the acquiring entity having a market value of twice the exercise price. The rights and the exercise price are subject to adjustment. The rights will expire on December 31, 2011, unless such date is extended or the rights are earlier redeemed by United States Steel before they become exercisable. Under certain circumstances, the Board of Directors has the option to exchange one share of the respective class of Voting Stock for each exercisable right.

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20. Income Per Common Share

Prior to December 31, 2001, the businesses comprising United States Steel were an operating unit of Marathon and did not have any public equity securities outstanding. In connection with the Separation, United States Steel was capitalized through the issuance of 89.2 million shares of common stock. Basic and diluted net income (loss) per share for all periods presented are calculated by dividing net income (loss) for the period by the number of outstanding common

shares at December 31, 2001, the date of the Separation. In addition, the potential common stock related to employee options to purchase 3,520,000 shares of common stock have been excluded from the computation of diluted net income (loss) per share for all periods presented because their effect was antidilutive. These common stock equivalents will be included in future periods if their effect is dilutive.

<TABLE>
<CAPTION>

	2001	2000	1999
Computation of Income Per Share			
<S>	<C>	<C>	<C>
Net income (loss) (millions):			
Income (loss) before extraordinary losses	$ (218)	$ (21)	$ 51
Extraordinary losses	-	-	7
Net income (loss) applicable to common stock	$ (218)	$ (21)	$ 44
Per share basic and diluted:			
Income (loss) before extraordinary losses	$(2.45)	$(.24)	$ .57
Extraordinary losses	-	-	.08
Net income (loss)	$(2.45)	$(.24)	$ .49

</TABLE>

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21. Stock-Based Compensation Plans

The United States Steel Corporation 2002 Stock Plan, which became effective January 1, 2002, replaces the USX Corporation 1990 Stock Plan as a stock-based compensation plan for key management employees of United States Steel. The 2002 Stock Plan authorizes the Compensation and Organization Committee of the board of directors to grant restricted stock, stock options and stock appreciation rights to key management employees. Up to 10,000,000 shares are available for grants during the five-year term of the Plan. In addition, awarded shares that do not result in shares being issued are available for subsequent grant, and any ungranted shares from prior years' annual allocations are available for subsequent grant during the years the 2002 Plan is in effect.

Stock options represent the right to purchase shares of stock at the market value of the stock at date of grant. Certain options contain the right to receive cash and/or common stock equal to the excess of the fair market value of shares of common stock, as determined in accordance with the plan, over the option price of shares. Under the 2002 Stock Plan, no stock options may be exercised prior to one year or after eight years from the date of grant. Under the former USX Corporation 1990 Stock Plan, stock options expired ten years from the date they were granted.

In connection with the Separation, all options to purchase Steel Stock were converted into options to purchase United States Steel common stock with identical terms; the remaining vesting periods and term of the options were continued.

The following is a summary of stock option activity under the former USX Corporation 1990 Stock Plan:

	Shares	Price/(a)/
Balance December 31, 1998	1,992,570	$35.50
Granted	656,400	28.22
Exercised	(2,580)	24.92
Canceled	(20,005)	38.51
Balance December 31, 1999	2,626,385	33.67
Granted	915,470	23.00
Exercised	(400)	24.30
Canceled	(62,955)	38.19
Balance December 31, 2000	3,478,500	30.78
Granted	1,089,555	19.89
Exercised	-	-
Canceled	(89,520)	32.56

Balance December 31, 2001	4,478,535	28.09

/(a)/ Weighted-average exercise price.

The following table represents outstanding stock options issued under the former USX Corporation 1990 Stock Plan at December 31, 2001:

<TABLE>
<CAPTION>

	Outstanding			Exercisable	
Range of Exercise Prices	Number of Shares Under Option	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Shares Under Option	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$19.89-28.22	2,660,180	8.6 years	$23.02	1,570,625	$25.19
31.69-34.44	998,830	4.3	32.54	998,830	32.54
37.28-44.19	819,525	5.1	39.17	819,525	39.17
Total	4,478,535	7.0	28.09	3,388,980	30.73

</TABLE>

The following net income and per share data represent the difference between stock-based compensation valued at fair value on the date of grant and recognized compensation costs.

<TABLE>
<CAPTION>

(In millions, except per share data)	2001	2000	1999
<S>	<C>	<C>	<C>
Net income (loss)			
- As reported	$ (218)	$ (21)	$ 44
- Pro forma	(221)	(23)	42
Basic and diluted net income (loss) per share			
- As reported	(2.45)	(.24)	.49
- Pro forma	(2.48)	(.26)	.47

</TABLE>

The above pro forma amounts were based on a Black-Scholes option-pricing model, which included the following information and assumptions:

<TABLE>
<CAPTION>

	2001	2000	1999
<S>	<C>	<C>	<C>
Weighted-average grant-date exercise price per share	$ 19.89	$23.00	$28.22
Expected annual dividends per share	$ .20	$ 1.00	$ 1.00
Expected life in years	5	5	3
Expected volatility	40%	37%	37%
Risk-free interest rate	4.9%	6.5%	5.6%

Weighted-average grant-date fair value of options granted during the year, as calculated from above	$ 7.69	$ 6.63	$ 6.95

</TABLE>

Restricted stock represents stock granted for such consideration, if any, as determined by the Compensation and Organization Committee, subject to forfeiture provisions and restrictions on transfer. Those restrictions may be removed as conditions such as performance, continuous service and other criteria are met. Restricted stock is issued at the market price per share at the date of grant and vests over service periods that range from one to five years.

Deferred compensation is charged to equity when the restricted stock is granted and subsequently adjusted for changes in the market value of the underlying stock. The deferred compensation is expensed over the balance of the vesting period and adjusted if conditions of the restricted stock grant are not met.

The following table presents information on restricted stock grants made under the former USX Corporation 1990 Stock Plan:

<TABLE>
<CAPTION>

	2001	2000	1999
<S>	<C>	<C>	<C>
Number of shares granted	54,372	305,725	18,272
Weighted-average grant-date fair value per share	$ 19.89	$ 23.00	$ 28.22

</TABLE>

United States Steel also has a restricted stock plan for certain salaried employees who are not officers of the Corporation. Participants in the plan are awarded restricted stock by the Salary and Benefits Committee based on their performance within certain guidelines. 50% of the awarded stock vests at the end of two years from the date of grant and the remaining 50% vests in four years from the date of grant. Prior to vesting, the employee has the right to vote such stock and receive dividends thereon. The nonvested shares are not transferable and are retained by the Corporation until they vest.

Deferred compensation is charged to equity when the restricted stock is granted. The deferred compensation is expensed over the balance of the vesting period and adjusted if conditions of the restricted stock grant are not met.

The following table presents information on restricted stock grants under the nonofficer plan:

	2001
Number of shares granted	390,119
Weighted-average grant-date fair value per share	$ 18.97

United States Steel has a deferred compensation plan for non-employee directors of its Board of Directors. The plan permits participants to defer up to 100% of their annual retainers in the form of common stock units, and it requires non-employee directors to defer at least half of their annual retainers in the form of common stock units. Common stock units are book entry units equal in value to a share of stock. With respect to common stock units relating to Steel Stock issued under the USX Corporation Deferred Compensation Plan for Non-Employee Directors, during 2001, 5,235 units were issued, during 2000, 4,872 units were issued, and during 1999, 3,798 units were issued. Common stock units relating to Steel Stock were converted into United States Steel common stock units in connection with the Separation.

Total stock based compensation expense was $6 million in 2001 and $1 million in both 2000 and 1999.

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22. Sale of Accounts Receivable

On November 28, 2001, United States Steel entered into a five-year, Receivables Purchase Agreement with a group of financial institutions. United States Steel established a wholly owned subsidiary, U. S. Steel Receivables LLC (USSR), which is a special-purpose, bankruptcy-remote entity that acquires, on a daily basis, eligible trade receivables generated by United States Steel and certain of its subsidiaries. The purchases by USSR will be financed through the sale of an undivided percentage ownership interest in such receivables to certain commercial paper conduits. United States Steel has agreed to continue servicing the sold receivables at market rates. Because United States Steel receives adequate compensation for these services, no servicing asset or liability has been recorded.

Fundings under the facility are limited to the lesser of a funding base, comprised of eligible receivables, or $400 million. As of December 31, 2001, $258 million was available to be sold under this facility. USSR did not sell any ownership interests in the receivables to the commercial paper conduits during 2001; therefore, no sales of accounts receivable were recorded and no amounts were excluded from the balance sheet under these arrangements.

While the term of the facility is five years, the facility also terminates on the occurrence and failure to cure certain events, including, among others, certain defaults with respect to the inventory facility and other debt obligations, any failure of USSR to maintain certain ratios related to the collectability of the receivables, and failure to extend the commitments of the commercial paper conduits which currently terminate on November 27, 2002.

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23. Property, Plant and Equipment

<TABLE>
<CAPTION>

(In millions)	Useful Lives	December 31 2001	2000
<S>	<C>	<C>	<C>
Land and depletable property	-	$ 193	$ 161
Buildings	35 years	572	602
Machinery and equipment	4-22 years	9,080	8,409
Leased assets	3-25 years	105	98
Total		9,950	9,270
Less accumulated depreciation, depletion and amortization		6,866	6,531
Net		$3,084	$2,739

</TABLE>

Amounts in accumulated depreciation, depletion and amortization for assets acquired under capital leases (including sale-leasebacks accounted for as financings) were $88 million and $79 million at December 31, 2001 and 2000, respectively.

On August 14, 2001, United States Steel announced its intention to permanently close the cold rolling and tin mill operations at its Fairless Works. In 2001, a pretax charge

of $38 million was recorded related to the shutdown of these operations, of which $18 million is included in depreciation, depletion and amortization and $20 million is included in cost of revenues.

During 2000, United States Steel recorded $71 million of impairments relating to coal assets located in West Virginia and Alabama. The impairment was recorded as a result of a reassessment of long-term prospects after adverse geological conditions were encountered. The charge is included in depreciation, depletion and amortization.

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24. Derivative Instruments

The following table sets forth quantitative information by class of derivative instrument at December 31, 2001:

(In millions)	Fair Value Assets (Liabilities)/(a)/	Carrying Amount Assets (Liabilities)
Non-Hedge Designation:		
OTC commodity swaps/(b)/	$ (5)	$ (5)

/(a)/ The fair value amounts are based on exchange-traded index prices and dealer quotes.

/(b)/ The OTC swap arrangements vary in duration with certain contracts extending into 2003.

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25. Fair Value of Financial Instruments

Fair value of the financial instruments disclosed herein is not necessarily representative of the amount that could be realized or settled, nor does the fair value amount consider the tax consequences of realization or settlement. The following table summarizes financial instruments, excluding derivative financial instruments disclosed in Note 24, by individual balance sheet account. United States Steel's financial instruments at December 31, 2001, and its December 31, 2000 specifically attributed and allocated financial instruments were:

<TABLE>
<CAPTION>

(In millions) December 31	2001 Fair Value	2001 Carrying Amount	2000 Fair Value	2000 Carrying Amount
<S>	<C>	<C>	<C>	<C>
Financial assets:				
Cash and cash equivalents	$ 147	$ 147	$ 219	$ 219
Receivables	802	802	975	975
Receivables from Marathon	28	28	366	366
Investments and long-term receivables	42	41	137	137
Total financial assets	$1,019	$1,018	$1,697	$1,697
Financial liabilities:				
Notes payable	$ -	$ -	$ 70	$ 70
Accounts payable	638	638	755	755
Accrued interest	48	48	47	47
Payable to Marathon	54	54	5	5
Long-term debt (including amounts due within one year)	1,122	1,375	2,375	2,287

Preferred stock of subsidiary and trust preferred securities	-	-	182	249
Total financial liabilities	$1,862	$2,115	$3,434	$3,413

</TABLE>

Fair value of financial instruments classified as current assets or liabilities approximates carrying value due to the short-term maturity of the instruments. Fair value of investments and long-term receivables was based on discounted cash flows or other specific instrument analysis. The cost method investment in VSZ was excluded from investments and long-term receivables because the fair value was not readily determinable. United States Steel is subject to market risk and liquidity risk related to its investments; however, these risks are not readily quantifiable. Fair value of preferred stock of subsidiary and trust preferred securities was based on market prices. Fair value of long-term debt instruments was based on market prices where available or current borrowing rates available for financings with similar terms and maturities.

Financial guarantees are United States Steel's only unrecognized financial instrument. It is not practicable to estimate the fair value of this form of financial instrument obligation because there are no quoted market prices for transactions which are similar in nature. For details relating to financial guarantees, see Note 26.

26. Contingencies and Commitments

United States Steel is the subject of, or party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Certain of these matters are discussed below. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the consolidated financial statements. However, management believes that United States Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably.

Environmental matters - United States Steel is subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance. Accrued liabilities for remediation totaled $138 million and $137 million at December 31, 2001 and 2000, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed.

For a number of years, United States Steel has made substantial capital expenditures to bring existing facilities into compliance with various laws relating to the environment. In 2001 and 2000, such capital expenditures totaled $15 million and $18 million, respectively. United States Steel anticipates making additional such expenditures in the future; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

Guarantees - Guarantees of the liabilities of unconsolidated entities of United States Steel totaled $32 million at December 31, 2001, and $82 million at December 31, 2000. In the event that any defaults of guaranteed liabilities occur, United States Steel has access to its interest in the assets of the investees to reduce potential losses resulting from these guarantees. As of December 31, 2001, the largest guarantee for a single such entity was $23 million.

Contingencies related to Separation from Marathon - United States Steel is contingently liable for debt and other obligations of Marathon in the amount of approximately $359

million as of December 31, 2001. Marathon is not limited by agreement with United States Steel as to the amount of indebtedness that it may incur and, in the event of the bankruptcy of Marathon, the holders of the industrial revenue bonds and such other obligations may declare them immediately due and payable. If such event occurs, United States Steel may not be able to satisfy such obligations.

Other contingencies - United States Steel is contingently liable to its Chairman, Chief Executive Officer and President for a $3 million retention bonus. The bonus is payable on the third anniversary of the Separation and is subject to certain performance measures.

Commitments - At December 31, 2001 and 2000, United States Steel's contract commitments to acquire property, plant and equipment totaled $84 million and $206 million, respectively. Additionally, spending commitments under lease agreements totaled $2.4 million at December 31, 2001.

USSK has a commitment to the Slovak government for a capital improvements program of $700 million, subject to certain conditions, over a period commencing with the acquisition date of November 24, 2000 and ending on December 31, 2010. USSK is required to report periodically to the Slovak government on its status toward meeting this commitment. The first reporting period ends on December 31, 2003. The remaining commitments under this capital improvements program as of December 31, 2001 and 2000, were $634 million and $695 million, respectively.

United States Steel entered into a 15-year take-or-pay arrangement in 1993, which requires United States Steel to accept pulverized coal each month or pay a minimum monthly charge of approximately $1 million. Charges for deliveries of pulverized coal totaled $23 million in 2001, 2000 and 1999. If United States Steel elects to terminate the contract early, a maximum termination payment of $89 million as of December 31, 2001, which declines over the duration of the agreement, may be required.

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27. Subsequent Event

On January 17, 2002, United States Steel announced that it had entered into an Option Agreement with NKK Corporation (NKK) of Japan. The agreement grants United States Steel an option to purchase, either directly or through a subsidiary, all of NKK's stock in National Steel Corporation and to restructure a $100 million loan previously made to National Steel by an NKK subsidiary. The NKK stock in National Steel represents approximately 53% of National's outstanding shares. The option expires on June 15, 2002.

If the option is exercised, NKK will receive warrants to purchase 4 million shares of United States Steel common stock in exchange for its National Steel shares. The warrants will be exercisable through June 2007 at a price equal to 150% of the average closing price for United States Steel's common stock during a 60-day period prior to the issuance of the warrants. In connection with any exercise of the option, the NKK subsidiary loan to National Steel would be restructured into an unsecured, non-interest bearing $30 million note, with a 20-year term, convertible into 1 million shares of United States Steel common stock. The NKK convertible note will remain part of a restructured National Steel. United States Steel will have the right to convert in the first five years if the price of the stock exceeds $30 per share. In the next five-year period, both parties have the right to cause conversion if the price exceeds $30 per share and in the final ten years, either party has the right to cause conversion. In addition, United States Steel will, if it exercises the option, offer to acquire the remaining shares of National Steel in exchange for either warrants with no less value than those provided to NKK or United States Steel stock based upon an exchange ratio of .086 shares of United States Steel common stock for each share of National Steel stock. The minority shareholder option to receive warrants will not be available unless a sufficient number of those shareholders elect to receive warrants to permit such warrants to be listed on the New York Stock Exchange.

Also, NKK and United States Steel have agreed to enter into discussions for the purpose of developing a business alliance to support Japanese auto manufacturers in North America.

Although United States Steel has the ability to exercise the option at any time during its term, it is United States Steel's current intent not to exercise the option or to consummate a merger with National Steel unless a number of significant conditions are satisfied, including a substantial restructuring of National Steel's debt and other obligations. Other significant conditions include the resolution of key contingencies related to the consolidation of the domestic steel industry, the financial viability of National Steel and satisfactory general market conditions.

Selected Quarterly Financial Data (Unaudited)

<TABLE>
<CAPTION>

	2001				2000			
(In millions, except per share data)	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues and other income:								
Revenues	$1,398	$1,645	$1,733	$1,510	$1,417	$1,462	$1,629	$1,582
Other income (loss)	16	15	4	54	(4)	13	27	6
Total	1,414	1,660	1,737	1,564	1,413	1,475	1,656	1,588
Income (loss) from operations	(252)	(25)	(27)	(101)	(159)	60	112	91
Net income (loss)	(174)	(23)	(30)	9	(139)	19	56	43
Common stock data/(a)/:								
Net income (loss) per share/(b)/								
- basic	(1.95)	(.26)	(.34)	.10	(1.56)	.21	.64	.47
- diluted	(1.95)	(.26)	(.34)	.10	(1.57)	.21	.64	.47
Dividends paid per share	.10	.10	.10	.25	.25	.25	.25	.25
Price range of common stock/(c)/								
- Low	13.00	13.08	13.72	14.00	12.69	14.88	18.25	20.63
- High	18.75	21.70	22.00	18.00	18.31	19.69	26.88	32.94

</TABLE>

/(a)/ Dividends and price range information represent Steel Stock. See Note 1 of the Notes to Financial Statements.
/(b)/ Earnings per share for all periods is based on the outstanding common shares at December 31, 2001. See Note 20 of the Notes to Financial Statements.
/(c)/ Composite tape.

Principal Unconsolidated Investees (Unaudited)

<TABLE>
<CAPTION>

		December 31, 2001	
Company	Country	Ownership	Activity
<S>	<C>	<C>	<C>
Acero Prime, S.R.L. de CV	Mexico	44%	Steel Processing
Chrome Deposit Corporation	United States	50%	Chrome Coating Services
Clairton 1314B Partnership, L.P.	United States	10%/(a)/	Coke & Coke By-Products
Delta Tubular Processing	United States	50%	Steel Processing
Double Eagle Steel Coating Company	United States	50%	Steel Processing

Feralloy Processing Company	United States	49%	Steel Processing	
Olympic Laser Processing	United States	50%	Steel Processing	
PRO-TEC Coating Company	United States	50%	Steel Processing	
Republic Technologies International, LLC	United States	16%	Steel Products	
USS-POSCO Industries	United States	50%	Steel Processing	
Worthington Specialty Processing	United States	50%	Steel Processing	

</TABLE>

/(a)/ Interest in profits and losses is currently 1.75%. This interest will increase to 45.75% when the limited partners achieve certain rate of return levels. See Note 16 of the Notes to Financial Statements.

Supplementary Information on Mineral Reserves Other Than Oil and Gas
(Unaudited)

Mineral Reserves

United States Steel operates two underground coal mining complexes, the #50 Mine and Pinnacle Preparation Plant in West Virginia, and the Oak Grove Mine and Concord Preparation Plant in Alabama. United States Steel also operates one iron ore surface mining complex consisting of the open pit Minntac Mine and Pellet Plant in Minnesota.

Production History

The following table provides a summary, by mining complex, of minerals production in millions of tons for each of the last three years:

	2001	2000	1999
Coal:			
#50 Mine/Pinnacle Preparation Plant	3.2	3.3	4.1
Oak Grove Mine/Concord Preparation Plant	1.8	2.2	2.1
Total coal production	5.0	5.5	6.2
Iron Ore Pellets:			
Minntac Mine and Pellet Plant	14.5	16.3	14.3

Supplementary Information on Mineral Reserves Other Than Oil and Gas
(Unaudited) continued

Adverse mining conditions in the form of unforeseen geologic conditions encountered at both coal mining operations in the year 2000 resulted in changes to the mining plans in 2001. Coal production was diminished and mining costs were elevated. Force majeure conditions were declared with respect to contracted coal deliveries in 2000 with certain contracts fulfilled by purchased substitutes and other contracts fulfilled by extension of delivery time into 2001. These adverse mining conditions did not affect reserves reported as of December 31, 2001.

No recent adverse events affected iron ore pellet production other than fluctuations in market demand.

Coal Reserves

United States Steel had 774.8 million short tons of recoverable coal reserves classified as proven and probable at December 31, 2001. Proven and probable reserves are defined by sites for inspection, sampling and measurement generally less than 1 mile apart, such that continuity between points and subsequent economic evaluation can be assured.

Independent outside entities have reviewed United States Steel's coal reserve estimates on properties comprising approximately 70% of the stated coal reserves.

The following table summarizes our proven and probable coal reserves as of December 31, 2001, the status of the reserves as assigned or unassigned, our property interest in the reserves and certain characteristics of the reserves:

<TABLE>
<CAPTION>

Location	Proven and Probable Reserves/(a)(b)/	Reserve Control		Coal Characteristics		As Received/(c)/ BTU Per Pound	As Received/(c)/ % Sulfur
		Owned	Leased	Grade	Volatility		

Assigned Reserves/(d)/:							
Oak Grove Mine, AL	49.8	49.8	-	Metallurgical	Low		
*12,000 **1.0%							
#50 Mine, WV	85.2	73.5	11.7	Metallurgical	Low		
*12,000 **1.0%							
Total Assigned	135.0	123.3	11.7				
Unassigned Reserves/(e)/:							
Alabama	123.4	123.4	-	Metallurgical	Low to High		
*12,000 **1.0%							
Alabama/(b)(f)/	45.3	45.3	-	Steam	Low to High		
*12,000 0.7%-2.5%							
Alabama	31.9	-	31.9	Metallurgical	Medium		
*12,000 **1.0%							
Illinois/(f)/	374.8	374.8	-	Steam	High		
11,600 2.3%							
Indiana, Pennsylvania, Tennessee, West Virginia/(f)/	64.4	64.4	-	Metallurgical/Steam	Low to High	11,600-	
13,000 1.0%-3.0%							
Total unassigned	639.8	607.9	31.9				
Total Proven and Probable	774.8	731.2	43.6				

* Represents the Greater Than symbol
** Represents the Less Than symbol

/(a)/ The amounts in this column reflect recoverable tons. Recoverable tons represent the amount of product that could be used internally or delivered to a customer after considering mining and preparation losses. Neither inferred reserves nor resources which exist in addition to proven and probable reserves were included in these figures. In 2001, reserves decreased due to production, the sale and lease of reserves to others and engineering revisions.

/(b)/ All of United States Steel's recoverable reserves would be recovered utilizing underground mining methods, with the exception of 15.2 million short tons of owned, unassigned, recoverable, steam grade reserves in Alabama which would be recovered utilizing surface mining methods.

/(c)/ "As received" means the quality parameters stated are with the expected product moisture content and quality values that a customer can reasonably expect to receive upon delivery.

/(d)/ Assigned Reserves means recoverable coal reserves which have been committed by United States Steel to our operating mines and plant facilities.

/(e)/ Unassigned Reserves represent coal which has not been committed, and which would require new mines and or plant facilities before operations could begin on the property.

/(f)/ Represents non-compliance steam coal as defined by Phase II of the Clean Air Act, having sulfur content in excess of 1.2 pounds per million Btu's.

Iron Ore Reserves

United States Steel had 695.4 million short tons of recoverable iron ore reserves classified as proven and probable at December 31, 2001. Proven and probable reserves are defined by sites for inspection, sampling, and measurement generally less than 1,000 feet apart, such that continuity between points and subsequent economic evaluation can be assured. Recoverable tons mean the tons of product that can be used internally or delivered to a customer after considering mining and benefication or preparation losses. Neither inferred reserves nor resources which exist in addition to proven and probable reserves were included in these figures. In 2001, reserves decreased due to production and engineering revisions.

All 695.4 million tons of proven and probable reserves are assigned, which means that they have been committed by United States Steel to its one operating mine, and are of blast furnace pellet grade. United States Steel owns 212.2 million of these tons and leases the remaining 483.2 million tons. United States Steel does not own, or control by lease, any unassigned iron ore reserves.

Independent outside entities, including lessors, have reviewed United States Steel's estimates on approximately 75% of the stated iron ore reserves.

Five-Year Operating Summary

<TABLE>
<CAPTION>

(Thousands of net tons, unless otherwise noted)	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>
Raw Steel Production					
Gary, IN	6,114	6,610	7,102	6,468	7,428
Mon Valley, PA	1,951	2,683	2,821	2,594	2,561
Fairfield, AL	2,028	2,069	2,109	2,152	2,361
Domestic Steel	10,093	11,362	12,032	11,214	12,350
Kosice, Slovak Republic	4,051	382	-	-	-
Total	14,144	11,744	12,032	11,214	12,350
Raw Steel Capability					
Domestic Steel	12,800	12,800	12,800	12,800	12,800
U. S. Steel Kosice/(a)/	5,000	467	-	-	-
Total	17,800	13,267	12,800	12,800	12,800
Production as % of total capability - Domestic	78.9	88.8	94.0	87.6	96.5
- USSK	81.0	81.8	-	-	-
Coke Production					
Domestic Steel/(b)/	4,647	5,003	4,619	4,835	5,757
U. S. Steel Kosice	1,555	188	-	-	-
Total	6,202	5,191	4,619	4,835	5,757
Coke Shipments - Domestic					
Trade	2,070	2,069	1,694	2,562	2,995
Intercompany	2,661	2,941	2,982	2,228	2,762
Total	4,731	5,010	4,676	4,790	5,757
Iron Ore Pellet Shipments					
Trade	2,985	3,336	3,017	4,115	4,895
Intercompany	11,928	11,684	12,008	11,331	11,508
Total	14,913	15,020	15,025	15,446	16,403
Coal Shipments					
Trade	1,063	3,228	4,891	6,056	6,422
Intercompany	4,519	3,551	2,033	1,614	1,389
Total	5,582	6,779	6,924	7,670	7,811
Steel Shipments by Product - Domestic Steel					
Sheet and semi-finished steel products	6,411	7,409	8,114	7,608	8,170
Tubular products	1,022	1,145	410	603	947
Plate and tin mill products	2,368	2,202	2,105	2,475	2,526
Total	9,801	10,756	10,629	10,686	11,643
Total as % of domestic steel industry	9.9	9.9	10.0	10.5	11.0
Steel Shipments by Product - U. S. Steel Kosice					
Sheet and semi-finished steel products	2,937	206	-	-	-
Tubular products	138	12	-	-	-
Plate and tin mill products	639	99	-	-	-
Total	3,714	317	-	-	-

</TABLE>

/(a)/ Represents the operations of U. S. Steel Kosice, s.r.o., following the acquisition of the steelmaking operations and related assets of VSZ a.s. on November 24, 2000.

/(b)/ The reduction in coke production after 1997 reflected United States Steel's entry into a strategic partnership (the Clairton 1314B Partnership, L.P.) with two limited partners on June 1, 1997, to acquire an interest in three coke batteries at its Clairton (Pa.) Works.

<TABLE>
<CAPTION>

Five-Year Operating Summary CONTINUED

(Thousands of net tons, unless otherwise noted)	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>
STEEL SHIPMENTS BY MARKET - DOMESTIC STEEL					

Steel service centers	2,421	2,315	2,456	2,563	2,746
Transportation	1,143	1,466	1,505	1,785	1,758
Further conversion:					
Joint ventures	1,328	1,771	1,818	1,473	1,568
Trade customers	1,153	1,174	1,633	1,140	1,378
Containers	779	702	738	794	856
Construction	794	936	844	987	994
Oil, gas and petrochemicals	895	973	363	509	810
Export	522	544	321	382	453
All other	766	875	951	1,053	1,080
Total	9,801	10,756	10,629	10,686	11,643
STEEL SHIPMENTS BY MARKET - U. S. STEEL KOSICE					
Steel service centers	492	53	-	-	-
Transportation	194	13	-	-	-
Further conversion:					
Joint ventures	30	2	-	-	-
Trade customers	958	70	-	-	-
Containers	234	17	-	-	-
Construction	1,034	82	-	-	-
Oil, gas and petrochemicals	168	24	-	-	-
All other	604	56	-	-	-
Total	3,714	317	-	-	-
AVERAGE STEEL PRICE PER TON					
Domestic Steel	$ 427	$ 450	$ 420	$ 469	$ 479
U. S. Steel Kosice	260	269	-	-	-

</TABLE>

<TABLE>
<CAPTION>

Five-Year Financial Summary/(a)/

(Dollars in millions, except as noted)	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>
Revenues and Other Income					
Revenues by product:					
Sheet & semi-finished steel products	$ 3,163	$ 3,288	$ 3,433	$ 3,598	$ 3,923
Tubular products	755	754	221	382	596
Plate & tin mill products	1,273	977	919	1,164	1,197
Raw materials (coal, coke & iron ore)	485	626	549	744	796
Other/(b)/	610	445	414	490	517
Income (loss) from investees	64	(8)	(89)	46	69
Net gains on disposal of assets	22	46	21	54	57
Other income (loss)	3	4	2	(1)	1
Total revenues and other income	$ 6,375	$ 6,132	$ 5,470	$ 6,477	$ 7,156
Income (Loss) From Operations					
Segment income (loss):					
Domestic Steel	$ (461)	$ 98	$ 115	$ 497	$ 732
U. S. Steel Kosice (USSK)	123	2	-	-	-
Items not allocated to segments:					
Net pension credits	146	266	193	186	144
Costs of former businesses	(76)	(86)	(83)	(100)	(125)
Administrative expenses	(22)	(25)	(17)	(24)	(33)
Asset impairments	(166)	(79)	-	-	-
Gains (losses) related to equity investees	114	(36)	(54)	-	-

Other	(63)	(36)	(4)	20	55				
Total income (loss) from operations	(405)	104	150	579	773				
Net interest and other financial costs	141	105	74	42	87				
Provision (credit) for income taxes	(328)	20	25	173	234				
Net Income (Loss)/(c)/	(218)	(21)	44	364	452				
Per common share - basic & diluted	(2.45)	(.24)	.49	4.08	5.07				
Balance Sheet Position at Year-End									
Current assets	$ 2,073	$ 2,717	$ 1,981	$ 1,275	$ 1,531				
Net property, plant & equipment	3,084	2,739	2,516	2,500	2,496				
Total assets	8,337	8,711	7,525	6,749	6,694				
Short-term debt	32	209	13	25	67				
Other current liabilities	1,227	1,182	1,271	991	1,267				
Long-term debt	1,434 /(d)/	2,236	902	464	456				
Employee benefits	2,008	1,767	2,245	2,315	2,338				
Preferred securities	-	249	249	248	248				
Stockholders' equity/(e)/	2,506	1,919	2,056	2,093	1,782				
Cash Flow Data									
Net cash from operating activities	$ 669 /(f)/	$ (627)	$ (80)	$ 380	$ 476				
Capital expenditures	287	244	287	310	261				
Dividends paid/(g)/	57	97	97	96	96				
Employee Data									
Total employment costs	$ 1,581 /(h)/	$ 1,197 /(i)/	$ 1,148	$ 1,305	$ 1,417				
Average domestic employment cost (dollars per hour)	33.88	28.70	28.35	30.42	31.56				
Average number of domestic employees	21,078	19,353	19,266	20,267	20,683				
Average number of USSK employees	16,083	16,256 /(j)/	-	-	-				
Number of pensioners at year-end	91,003	94,339	97,102 /(k)/	92,051	93,952				
Stockholder Data at Year-End/(e)/									
Common shares outstanding (millions)	89.2	88.8	88.4	88.3	86.6				
Registered shareholders (in thousands)	52.4	50.3	55.6	60.2	65.1				
Market price of common stock	$ 18.11	$ 18.00	$ 33.00	$ 23.00	$ 31.25				

</TABLE>

/(a)/ See Notes 1 and 2 of the Notes to Financial Statements for discussion of the basis of presentation and the December 31, 2001 Separation from Marathon.

/(b)/ Includes revenue from the sale of steel production by-products, engineering and consulting services, real estate development and resource management, and, beginning in 2001, transportation services.

/(c)/ Earnings per share for all years is based on the outstanding common shares at December 31, 2001.

/(d)/ Reflects the $900 million Value Transfer. See Note 2 of the Notes to Financial Statements.

/(e)/ For periods prior to 2001, amounts represent Marathon's net investment in United States Steel.

/(f)/ Reflects $819 million of tax settlements with Marathon. See the Statement of Cash Flows.
/(g)/ Represents data pertaining to USX-U. S. Steel Group common stock for periods prior to 2001.
/(h)/ Includes LTV Corporation's tin mill products business and Transtar, Inc. subsidiaries from dates of acquisition, March 1, 2001 and March 23, 2001, respectively.
/(i)/ Includes USSK from date of acquisition on November 24, 2000.
/(j)/ Represents average head count from the date of acquisition.
/(k)/ Includes approximately 8,000 surviving spouse beneficiaries added to the United States Steel pension plan in 1999.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the directors of United States Steel required by this item is incorporated by reference to the material appearing under the heading "Election of Directors" in United States Steel's Proxy Statement dated March 11, 2002, for the 2002 Annual Meeting of Stockholders.

The executive officers of United States Steel or its subsidiaries and their ages as of February 1, 2002, are as follows:

<TABLE>
<S> <C> <C>
Charles G. Carson, III.. 59 Vice President-Environmental Affairs
Roy G. Dorrance..... 56 Executive Vice President-Sheet Products
Albert E. Ferrara, Jr... 53 Senior Vice President and Treasurer
James D. Garraux..... 49 Vice President-Employee Relations
Charles C. Gedeon..... 61 Executive Vice President-Raw Materials & Diversified Businesses
John H. Goodish..... 53 President, U. S. Steel Kosice
Gretchen R. Haggerty.... 46 Senior Vice President and Controller
J. Paul Kadlic..... 60 Executive Vice President-Sheet Products
Dan D. Sandman..... 53 Vice Chairman and Chief Legal & Administrative Officer
Larry G. Schultz..... 52 Vice President-Investor Relations and Financial Analysis
Terrence D. Straub..... 56 Vice President-Governmental Affairs
John P. Surma, Jr..... 47 Vice Chairman and Chief Financial Officer
Stephan K. Todd..... 56 Vice President-Law
Thomas J. Usher..... 59 Chairman of the Board, Chief Executive Officer and President
</TABLE>

With the exception of Mr. Surma, all of the executive officers mentioned above have held responsible management or professional positions with United States Steel or its subsidiaries for more than the past five years. Mr. Surma was Assistant to the Chairman of USX Corporation effective September 1, 2001 and had been the President of Marathon Ashland Petroleum LLC ("MAP") since January 2001. Prior to that, Mr. Surma served as the Senior Vice President, Supply & Transportation for MAP, the President of Speedway SuperAmerica LLC, and was named Senior Vice President, Finance & Accounting for Marathon Oil Company in 1997. Immediately prior to joining Marathon Oil Company, he was a partner with Price Waterhouse LLP.

Item 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated by reference to the material appearing under the heading "Executive Compensation" in United States Steel's Proxy Statement dated March 11, 2002, for the 2002 Annual Meeting of Stockholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is incorporated by reference to the material appearing under the heading "Security Ownership of Directors and Executive Officers" in United States Steel's Proxy Statement dated March 11, 2002, for the 2002 Annual Meeting of Stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is incorporated by reference to the material appearing under the heading "Transactions" in United States Steel's Proxy Statement dated March 11, 2002, for the 2002 Annual Meeting of Stockholders.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

A. Documents Filed as Part of the Report

1. Financial Statements
Financial Statements filed as part of this report are included in Item 8- Financial Statements and Supplementary Data beginning on page F-1.

2. Financial Statement Schedules and Supplementary Data
Schedule II - Valuation and Qualifying Accounts and Reserves is included on page 52. All other schedules are omitted because they are not applicable or the required information is contained in the applicable financial statements or notes thereto.

Report of Independent Accountants on Financial Statement Schedule is included on page 53.

Supplementary Data -
Disclosures About Forward-Looking Statements are provided beginning on page 56.

B. Reports on Form 8-K

Form 8-K dated October 12, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "United States Steel Announces Filing for Exchange Offer".

Form 8-K dated October 22, 2001, as amended, reporting under Item 5. Other Events, as filed by USX Corporation, USX-Marathon Group and USX-U. S. Steel Group Earnings Releases.

Form 8-K dated October 25, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "USX Shareholders Approve Plan of Reorganization".

Form 8-K dated November 2, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "Marathon continues international growth strategy; announces plan to acquire interests in Equatorial Guinea, West Africa".

Form 8-K dated November 5, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "USX Capital LLC Calls Its MIPS".

Form 8-K dated November 7, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "United States Steel To Commence Exchange Offers".

Form 8-K dated November 14, 2001, reporting under Item 9. Regulation FD, as filed by USX Corporation, a description of a presentation given by Clarence Cazalot to an analyst group.

Form 8-K dated November 28, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "USX Capital Trust I Redeems Its QUIPS".

Form 8-K dated December 4, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "U. S. Steel Developing Plan for Significant Consolidation in Domestic Integrated Steel Industry".

Form 8-K dated December 9, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "U. S. Steel, NKK Corporation and National Steel in Consolidation Talks".

Form 8-K dated December 10, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "United States Steel Extends and Decreases Minimum Condition to Exchange Offers".

Form 8-K dated December 13, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "United States Steel Discloses Updated Outlook".

Form 8-K dated December 17, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "United States

Steel Completes Exchange Offers".

Form 8-K dated December 17, 2001, reporting under Item 5. Other Events, as filed by USX Corporation, the press release titled "Fire Halts Production at Double Eagle Steel Coating Company".

Form 8-K dated December 31, 2001, reporting under Item 5. Other Events, as filed by United States Steel Corporation, details of the Separation from USX Corporation (renamed Marathon Oil Corporation) and related exhibits.

Form 8-K dated January 17, 2002, reporting under Item 9. Regulation FD, as filed by United States Steel Corporation, the press release titled "U. S. Steel Announces Option Agreement with NKK Corporation for the Purchase of NKK's Interest in National Steel Corporation".

Form 8-K dated January 18, 2002, reporting under Item 9. Regulation FD, as filed by United States Steel Corporation, the press release titled "United States Steel Discloses Updated Outlook".

Form 8-K dated February 8, 2002, reporting under Item 5. Other Events, as filed by United States Steel Corporation, the press release titled "U. S. Steel Announces Discount on Stock Purchases Through Dividend Reinvestment Plan".

Form 8-K dated February 21, 2002, reporting under Item 9. Regulation FD, as filed by United States Steel Corporation, the narration of a presentation given by John Surma at United States Steel Gary Works.

Form 8-K dated March 1, 2002, reporting under Item 5. Other Events, as filed by United States Steel Corporation, the audited Financial Statements and Supplementary Data; and Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2001; and reports of independent accountants.

Form 8-K dated March 12, 2002, reporting under Item 9. Regulation FD, as filed by United States Steel Corporation, the narration of a presentation given by Tom Usher at the Morgan Stanley Mining, Paper and Packaging Conference.

C. Exhibits

Exhibit No.		
2.	Plan of Acquisition, Reorganization, Arrangement Liquidation or Succession	
	None	
3.	Articles of Incorporation and By-Laws	
	(a) United States Steel Corporation Certificate of Incorporation dated December 31, 2001	
	(b) United States Steel Corporation By-Laws, effective as of December 31, 2001.....	Incorporated by reference to Exhibit 99.2 to the United States Steel Form 8-K dated December 31, 2001.

4.	Instruments Defining the Rights of Security Holders, Including Indentures	
	(a) Credit Agreement dated as of November 30, 2001	
	(b) Security Agreement dated as of November 30, 2001 among United States Steel LLC and JPMorgan Chase Bank, as Collateral Agent	
	(c) Intercreditor Agreement dated as of November 30, 2001 by and among JPMorgan Chase Bank, as a Funding Agent; the Bank of Nova Scotia, as a Funding Agent and as Receivables Collateral Agent; JPMorgan Chase Bank, as Lender Agent; U. S. Steel Receivables LLC, as Transferor; and United States Steel LLC, as Originator, As Initial Servicer and as Borrower	
	(d) Rights Agreement, dated as of December 31, 2001, between	

United States Steel Corporation and Mellon Investor Services, L.L.C., as Rights Agent.....	Incorporated by reference to Exhibit 4 to United States Steel's Form 8-A/A filed on December 31, 2001.
(e) Form of Indenture among United States Steel LLC, Issuer; USX Corporation, Guarantor; and the Bank of New York, Trustee.....	Incorporated by reference to Exhibit 4.1 to United States Steel LLC's Registration Statement on Form S-4/A (File No. 333-71454) filed on November 1, 2001.
(f) Indenture dated July 27, 2001 among United States Steel LLC and United States Steel Financing Corp., Co-Issuers; USX Corporation, Guarantor; and the Bank of New York, Trustee regarding 10-3/4% Notes Due August 1, 2008	
(g) First Supplemental Indenture, dated November 26, 2001 to the Indenture dated July 27, 2001 among United States Steel LLC and United States Steel Financing Corp., Co-Issuers; USX Corporation, Guarantor; and the Bank of New York, Trustee regarding 10-3/4% Notes Due August 1, 2008	
(h) Certificate of Designation respecting the Series A Junior Preferred Stock	

Certain long-term debt instruments are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. United States Steel agrees to furnish to the Commission on request a copy of any instrument defining the rights of holders of long-term debt of United States Steel and of any subsidiary for which consolidated or unconsolidated financial statements are required to be filed.

10. Material Contracts

(a) United States Steel Corporation 2002 Stock Plan.....	Incorporated by reference to Annex F to the USX Proxy Statement dated September 20, 2001.
(b) United States Steel Corporation Senior Executive Officer Annual Incentive Compensation Plan.....	Incorporated by reference to Annex G to the USX Proxy Statement dated September 20, 2001.
(c) United States Steel Corporation Annual Incentive Compensation Plan	
(d) United States Steel Corporation Non-Officer Restricted Stock Plan	
(e) United States Steel Corporation Executive Management Supplemental Pension Program	
(f) United States Steel Corporation Supplemental Thrift Program	
(g) United States Steel Corporation Deferred Compensation Plan for Non-Employee Directors	
(h) Form of Severance Agreements between the Corporation and its Officers	
(i) Retention Agreement between United States Steel Corporation and Thomas J. Usher,	

executed August 8, 2001

(j) Agreement between United States Steel Corporation and John P. Surma, executed December 21, 2001

(k) Retention Agreement between United States Steel Corporation and Dan D. Sandman, executed September 14, 2001

(l) Tax Sharing Agreement between USX Corporation (renamed Marathon Oil Corporation) and United States Steel Corporation..... Incorporated by reference to Exhibit 99.3 to the United States Steel Form 8-K dated December 31, 2001.

(m) Financial Matters Agreement between USX Corporation (renamed Marathon Oil Corporation) and United States Steel Corporation..... Incorporated by reference to Exhibit 99.5 to the United States Steel Form 8-K dated December 31, 2001.

(n) Amended and Restated Receivables Purchase Agreement, dated November 28, 2001 among U. S. Steel Receivables, as Seller; United States Steel LLC, as initial Servicer; the persons party Hereto as CP Conduit Purchasers, Committed Purchasers and Funding Agents And The Bank of Nova Scotia, as Collateral Agent

(o) Purchase and Sale Agreement dated November 28, 2001 among United States Steel LLC, as initial Servicer and as Originator; and U. S. Steel Receivables LLC as purchaser and contributee

12.1 Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

12.2 Computation of Ratio of Earnings to Fixed Charges

21. List of Significant Subsidiaries

23. Consent of PricewaterhouseCoopers LLP

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
(Millions of Dollars)

<TABLE>
<CAPTION>

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions/(a)/	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 2001:					
Reserves deducted in the balance sheet from the assets to which they apply:					
Allowance for doubtful accounts	$57	$112	$ 1	$ 5	$165
Investments and long-term receivables reserve	38	38	-	1	75
Deferred tax valuation allowance:					
State	34	-	28 /(b)/	53 /(c)/	9
Foreign	21	-	-	1	20
Year ended December 31, 2000:					
Reserves deducted in the balance sheet from the assets to which they apply:					

Allowance for doubtful accounts	$10	$ 11	$37 /(d)/	$ 1	$ 57
Investments and long-term receivables reserve	3	36 /(e)/	-	1	38
Deferred tax valuation allowance:					
State	41	-	-	7	34
Foreign	-	-	21 /(d)/	-	21
Year ended December 31, 1999:					
Reserves deducted in the balance sheet from the assets to which they apply:					
Allowance for doubtful accounts	$ 9	$ 2	$ 4	$ 5	$ 10
Investments and long-term receivables reserve	10	-	-	7	3
State deferred tax valuation allowance	44	-	-	3	41

</TABLE>

/(a)/ Deductions for the allowance for doubtful accounts and long-term receivables include amounts written off as uncollectible, net of recoveries. Unless otherwise noted, reductions in the tax valuation allowances reflect changes in the amount of deferred taxes expected to be realized, resulting in credits to the provision for income taxes.
/(b)/ Reflects valuation allowances established for deferred tax assets generated in the current period, primarily related to net operating losses.
/(c)/ The reduction in the valuation allowance is related to net operating losses previously attributed to United States Steel which were retained by Marathon in connection with the Separation. The transfer of net operating losses and the related valuation allowance was recorded as an adjustment to Marathon's net investment.
/(d)/ Relates to the acquisition of U. S. Steel Kosice, s.r.o.
/(e)/ Includes $36 million classified as income (loss) from investees relating to notes receivable from an equity investee.

Report of Independent Accountants on Financial Statement Schedules

To the Stockholders of United States Steel Corporation:

Our audits of the consolidated financial statements referred to in our report dated February 15, 2002, included in this Annual Report on Form 10-K also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
February 15, 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity indicated on March 19, 2002.

UNITED STATES STEEL CORPORATION

By /s/ Gretchen R. Haggerty
Gretchen R. Haggerty
Senior Vice President and Controller

Signature	Title
/s/ Thomas J. Usher Thomas J. Usher	Chairman of the Board, Chief Executive Officer, President and Director
/s/ John P. Surma, Jr.	Vice Chairman and Chief Financial Officer and Director

	John P. Surma, Jr.	
/s/ Gretchen R. Haggerty		Senior Vice President and Controller
Gretchen R. Haggerty		
/s/ J. Gary Cooper		Director
J. Gary Cooper		
/s/ Robert J. Darnall		Director
Robert J. Darnall		
/s/ Roy G. Dorrance		Vice Chairman and Chief Operating Officer and Director
Roy G. Dorrance		
/s/ Shirley Ann Jackson		Director
Shirley Ann Jackson		
/s/ Charles R. Lee		Director
Charles R. Lee		
/s/ Paul E. Lego		Director
Paul E. Lego		
/s/ John F. McGillicuddy		Director
John F. McGillicuddy		
/s/ Dan D. Sandman		Vice Chairman and Chief Legal & Adminstrative Officer and Director
Dan D. Sandman		
/s/ Seth E. Schofield		Director
Seth E. Schofield		
/s/ John W. Snow		Director
John W. Snow		
/s/ Douglas C. Yearley		Director
Douglas C. Yearley		

GLOSSARY OF CERTAIN DEFINED TERMS

The following definitions apply to terms used in this document:

AD	Antidumping
CAA	Clean Air Act
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
Clairton Partnership	Clairton 1314B Partnership, L.P.
CMS	Corrective Measure Study
Commerce	U.S. Department of Commerce
CVD	Countervailing duty
CWA	Clean Water Act
DD&A	depreciation, depletion and amortization
DESCO	Double Eagle Steel Coating Company
DOE	Department of Energy
DOJ	U.S. Department of Justice
EPA	U.S. Environmental Protection Agency
ITC	International Trade Commission
Kobe	Kobe Steel Ltd.
LAER	Lowest Achievable Emission Rate
LTV	LTV Corporation
MACT	Maximum Achievable Control Technology
Marathon	Marathon Oil Corporation
Minntac	U. S. Steel's iron ore operations at Mt. Iron, Minn.
NKK	NKK Corporation
NOV	Notice of Violation
NOx	Nitrogen Oxide
NPDES	National Pollutant Discharge Elimination System
PaDER	Pennsylvania Department of Environmental Resources

POSCO	Pohang Iron & Steel Co., Ltd.
PRO-TEC	PRO-TEC Coating Company, a United States Steel and Kobe Steel Ltd. joint venture.
PRP	potentially responsible party
RCRA	Resource Conservation and Recovery Act
RFI	RCRA Facility Investigation
RI/FS	Remedial Investigation and Feasibility Study
RTI	RTI International Metals, Inc. (formerly RMI Titanium Company)
Republic	Republic Technologies International, LLC
Separation	United States Steel being spun-off from USX Corporation (renamed Marathon Oil Corporation)
SG&A	selling, general and administrative
SIP	State Implementation Plan
Steel Stock	USX-U. S. Steel Group Common Stock
Trust Preferred Securities	6.75% Convertible Quarterly Income Preferred Securities of USX Capital Trust I
USS-POSCO	USS-POSCO Industries, United States Steel and Pohang Iron & Steel Co., Ltd., joint venture.
USS/Kobe	United States Steel and Kobe Steel Ltd. joint venture.
USSK	U. S. Steel Kosice s.r.o.
USWA	United Steelworkers of America
VSZ	VSZ a.s.
VSZ U. S. Steel s.r.o.	U. S. Steel and VSZ a.s. joint venture in Kosice, Slovakia

Supplementary Data
Disclosures About Forward-looking Statements

United States Steel includes forward-looking statements concerning trends, market forces, commitments, material events or other contingencies potentially affecting the company in reports filed with the Securities and Exchange Commission, external documents or oral presentations. In order to take advantage of "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, United States Steel is filing the following cautionary language identifying important factors (though not necessarily all such factors) that could cause actual outcomes to differ materially from information set forth in forward-looking statements made by, or on behalf of, United States Steel and its representatives.

Cautionary Language Concerning Forward-looking Statements

Forward-looking statements with respect to United States Steel may include, but are not limited to, comments about general business strategies, financing decisions, projections of levels of revenues, income from operations or income from operations per ton, net income or earnings per share; levels of capital, environmental or maintenance expenditures; the success or timing of completion of ongoing or anticipated capital or maintenance projects; levels of raw steel production capability, prices, production, shipments, or labor and raw material costs; the acquisition, idling, shutdown or divestiture of assets or businesses; the effect of restructuring or reorganization of business components; the effect of potential judicial proceedings on the business and financial condition; and the effects of actions of third parties such as competitors, or foreign, federal, state or local regulatory authorities.

Forward-looking statements typically contain words such as "anticipates", "believes", "estimates", "expects", "forecasts", "predicts" or "projects", or variations of these words, suggesting that future outcomes are uncertain. The following discussion is intended to identify important factors (though not necessarily all such factors) that could cause future outcomes to differ materially from those set forth in forward-looking statements with respect to United States Steel.

Liquidity Factors

United States Steel's ability to finance its future business requirements through internally generated funds, proceeds from the sale of stock, borrowings and other external financing sources is affected by its performance (as measured by various factors, including cash provided from operating activities), the state of worldwide debt and equity markets, investor perceptions and expectations of past and future performance and actions, the overall U.S. financial climate, and, in particular, with respect to borrowings, by United States Steel's outstanding debt, credit ratings by investor services and compliance with covenants associated with outstanding debt. To the extent that United States Steel Management's assumptions concerning these factors prove to be inaccurate, United States Steel's liquidity position could be materially adversely affected.

Market Factors

United States Steel's expectations as to levels of production and revenues, gross margins, income from operations and income from operations per ton are

based upon assumptions as to future product prices and mix, and levels of raw steel production capability, production and shipments. These assumptions may prove to be inaccurate.

The steel industry is characterized by excess world supply which has restricted the ability of United States Steel and the industry to raise prices during periods of economic growth and resist price decreases during economic contraction.

Domestic flat-rolled steel supply has increased in recent years with the completion and start-up of minimills that are less expensive to build than integrated facilities, and are typically staffed by non-unionized work forces with lower base labor costs and more flexible work rules. Through the use of thin slab casting technology, minimill competitors are increasingly able to compete directly with integrated producers of higher value-added products. Such competition could adversely affect United States Steel's future product prices and shipment levels.

USSK does business primarily in Central Europe and is subject to market conditions in this area which are similar to domestic factors and also can be influenced by matters peculiar to international marketing such as tariffs. USSK is affected by the worldwide overcapacity in the steel industry and the cyclical nature of demand for steel products and that demand's sensitivity to worldwide general economic conditions. In particular, USSK is subject to economic conditions and political factors in Europe, which if changed could negatively affect its results of operations and cash flow. Political factors include, but are not limited to, taxation, nationalization, inflation, currency fluctuations, increased regulation, and quotas, tariffs and other protectionist measures. USSK is also subject to foreign currency exchange risks because its revenues are primarily in euros and its costs are primarily in Slovak koruna and U. S. dollars.

The domestic steel industry has, in the past, been adversely affected by unfairly traded imports. Steel imports to the United States accounted for an estimated 24%, 27% and 26% of the domestic steel market in 2001, 2000 and 1999, respectively. Foreign competitors typically have lower labor costs, and are often owned, controlled or subsidized by their governments, allowing their production and pricing decisions to be influenced by political and economic policy considerations as well as prevailing market conditions. Levels of imported steel following government action on Section 201 activities could adversely affect future market prices and demand levels for domestic steel.

United States Steel also competes in many markets with producers of substitutes for steel products, including aluminum, cement, composites, glass, plastics and wood. The emergence of additional substitutes for steel products could adversely affect future prices and demand for steel products.

The businesses of United States Steel are aligned with cyclical industries such as the automotive, appliance, containers, construction and energy industries. As a result, future downturns in the U.S. economy or any of these industries could adversely affect the profitability of United States Steel.

Operating and Cost Factors

The operations of United States Steel are subject to planned and unplanned outages due to maintenance, equipment malfunctions or work stoppages; and various hazards, including explosions, fires and severe weather conditions, which could disrupt operations or the availability of raw materials, resulting in reduced production volumes and increased production costs.

Labor costs for United States Steel are affected by collective bargaining agreements. United States Steel entered into a five year contract with the United Steel Workers of America, effective August 1, 1999, covering approximately 14,500 employees. The contract provided for increases in hourly wages phased over the term of the agreement beginning in 2000 as well as pension and benefit improvements for active and retired employees and spouses that will result in higher labor and benefit costs for United States Steel each year throughout the term of the contract. In addition, most USSK employees are represented by OZ Metalurg, which on February 16, 2001 signed a Collective Labor Agreement with USSK which, for nonwage issues, covers the years 2001 to 2004. An amendment to this agreement was executed in February 2002, which covers all 2002 wage issues. Wage issues for the remainder of the term of the Collective Labor Agreement are expected to be renegotiated annually. The agreement includes improvements in the employees' social and wage benefits and work conditions. To the extent that increased costs are not recoverable through the sales prices of products, future income from operations would be adversely affected.

Income from operations for United States Steel includes periodic pension credits (which are primarily noncash). The resulting net periodic pension credits totaled $120 million, $273 million and $234 million in 2001, 2000 and 1999, respectively. Future net periodic pension credits can be volatile and are dependent upon the future marketplace performance of plan assets, changes in actuarial assumptions regarding such factors as a selection of a discount rate

and rate of return on assets, plan amendments affecting benefit payout levels and profile changes in the beneficiary populations being valued. Changes in any of these factors could cause net periodic pension credits to change. To the extent that these credits decline in the future, income from operations would be adversely affected.

United States Steel provides health care and life insurance benefits to most employees upon retirement. Most of these benefits have not been prefunded. The accrued liability for such benefits as of December 31, 2001, was $1,763 million. To the extent that competitors do not provide similar benefits, or have been relieved of obligations to provide such benefits following bankruptcy reorganization, the competitive position of United States Steel may be adversely affected, depending on future costs of health care.

Legal and Environmental Factors

The profitability of United States Steel's operations could be affected by a number of contingencies, including legal actions. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the United States Steel financial statements.

The businesses of United States Steel are subject to numerous environmental laws. Certain current and former U. S. Steel Group operating facilities have been in operation for many years and could require significant future accruals and expenditures to meet existing and future requirements under these laws. To the extent that competitors are not required to undertake equivalent costs in their operations, the competitive position of United States Steel could be adversely affected.

For further discussion of certain of the factors described herein, and their potential effects on the businesses of United States Steel, see Item 1. Business, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Exhibit 3(a)

CERTIFICATE OF INCORPORATION

OF

UNITED STATES STEEL CORPORATION

First: The name of the Corporation (which is hereinafter referred to as the "Corporation") is

UNITED STATES STEEL CORPORATION

Second: Its registered office and place of business in the State of Delaware is located at 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle. The registered agent in charge thereof upon whom process against the Corporation may be served is Corporation Service Company.

Third: The purposes of the Corporation are to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware, and without limiting the foregoing to engage in integrated steel operations and to develop, mine, produce, manufacture, construct, transport, buy, hold, sell and generally deal in products, materials, property, both tangible and intangible, and services of all kinds.

Fourth: The total number of shares of capital stock which the Corporation shall have authority to issue is Two Hundred and Fourteen Million (214,000,000), of which Two Hundred Million (200,000,000) shares shall be Common Stock having a par value of one dollar ($1.00) per share and Fourteen Million (14,000,000) shares shall be shares of Preferred Stock, without par value (hereinafter called "Preferred Stock").

A statement of the designations of the Preferred Stock or of any series thereof, and the powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, or of the authority of the Board of Directors to fix by resolution or resolutions such designations and other terms not fixed by the Certificate of Incorporation, is as follows:

1. The Preferred Stock may be issued in one or more series, from time to time, with each such series to have such designation, powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation, subject to the limitations prescribed by law and in accordance with the provisions hereof, the Board of Directors being hereby expressly vested with authority to adopt any such resolution or resolutions. The authority of the Board of Directors with respect to each such series shall include, but not be limited to, the determination or fixing of the following:

(i) The distinctive designation and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by like action of the Board of Directors;

(ii) The dividend rate of such series, the conditions and times upon which such dividends shall be payable, the relation which such dividends shall bear to the dividends payable on any other class or classes of stock or series thereof, or any other series of the same class, and whether dividends shall be cumulative or non-cumulative;

(iii) The conditions upon which the shares of such series shall be subject to redemption by the Corporation and the times, prices and other terms and provisions upon which the shares of the series may be redeemed;

(iv) Whether or not the shares of the series shall be subject to the operation of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if such retirement or sinking fund be established, the annual amount thereof and the terms and provisions relative to the operation thereof;

(v) Whether or not the shares of the series shall be convertible into or exchangeable for shares of any other class or classes, with or without par value, or of any other series of the same class, and, if provision is made for conversion or exchange, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange;

(vi) Whether or not the shares of the series shall have voting rights, in addition to the voting rights provided by law, and, if so, subject to the limitation hereinafter set forth, the terms of such

voting rights;

(vii) The rights of the shares of the series in the event of voluntary or involuntary liquidation, dissolution, or upon the distribution of assets of the Corporation;

(viii) Any other powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the shares of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Certificate of Incorporation.

2. The holders of shares of the Preferred Stock of each series shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available for the payment of dividends, dividends at the rates fixed by the Board of Directors for such series, and no more, before any dividends, other than dividends payable in Common Stock, shall be declared and paid, or set apart for payment, on the Common Stock with respect to the same dividend period.

3. Whenever, at any time, dividends on the then outstanding Preferred Stock as may be required with respect to any series outstanding shall have been paid or declared and set apart for payment on the then outstanding Preferred Stock, and after complying with respect to any retirement or sinking fund or funds for any series of Preferred Stock, the Board of Directors may, subject to the provisions of the resolution or resolutions creating any series of Preferred Stock, declare and pay dividends on the Common Stock, and the holders of shares of the Preferred Stock shall not be entitled to share therein.

4. The holders of shares of the Preferred Stock of each series shall be entitled upon liquidation or dissolution or upon the distribution of the assets of the Corporation to such preferences as provided in the resolution or resolutions creating such series of Preferred Stock, and no more, before any distribution of the assets of the Corporation shall be made to the holders of shares of the Common Stock.

5. Except as otherwise provided by a resolution or resolutions of the Board of Directors creating any series of Preferred Stock or by the General Corporation Law of Delaware, the holders of shares of the Common Stock issued and outstanding shall have and possess the exclusive right to notice of stockholders' meetings and the exclusive power to vote. The holders of shares of the Preferred Stock issued and outstanding shall, in no event, be entitled to more than one vote for each share of Preferred Stock held by them unless otherwise required by law.

Fifth: The existence of the Corporation is to be perpetual.

Sixth: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

Seventh: The number of directors of the Corporation shall be fixed from time to time by, or in the manner provided in, its by-laws and may be increased or decreased as therein provided; but the number thereof shall not be less than three.

The directors of the Corporation shall be divided into three classes: Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the whole number of the Board of Directors. Each of the Class I directors shall hold office until the 2002 annual meeting of the stockholders, each of the Class II directors shall hold office until the 2003 annual meeting of the stockholders, and each of the Class III directors shall hold office until the 2004 annual meeting of the stockholders, and in the case of each class, until their respective successors are duly elected and qualified. At each annual election held from and after the 2002 annual meeting of the stockholders, directors elected to succeed those whose terms expire shall be identified as being of the same class as the directors they succeed and shall be elected to hold office for a term to expire at the third annual meeting of the stockholders after their election, and until their respective successors are duly elected and qualified. If the number of directors is changed, any increase or decrease in directors shall be apportioned among the classes so as to maintain all classes as equal in number as possible, and any additional director elected to any class shall hold office for a term which shall coincide with the terms of the other directors in such class and until his successor is duly elected and qualified.

In the case of any increase in the number of directors of the Corporation, the additional director or directors shall be elected by the Board of Directors.

In the case of any vacancy in the Board of Directors from death, resignation, disqualification or other cause, a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of his successor, shall be elected by a majority of the Board

of Directors then in office, though less than a quorum.

Directors of the Corporation may be removed only for cause.

Eighth: The Board of Directors shall have power to adopt, amend and repeal the by-laws at any regular or special meeting of the Board of Directors, provided that notice of intention to adopt, amend or repeal the by-laws in whole or in part shall have been included in the notice of meeting; or, without any such notice, by a vote of two-thirds of the directors then in office.

Stockholders may adopt, amend and repeal the by-laws at any regular or special meeting of the stockholders by an affirmative vote of two-thirds of the shares outstanding and entitled to vote thereon, provided that notice of intention to adopt, amend or repeal the by-laws in whole or in part shall have been included in the notice of the meeting.

Any action required to be taken at any annual or special meeting of the stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the stockholders or otherwise, may not be taken without a meeting, prior notice and a vote, and stockholders may not act by written consent.

Ninth: The Board of Directors from time to time shall determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by law or authorized by the Board of Directors, or by the stockholders.

Tenth: The directors may from time to time declare such dividends as they shall deem advisable and proper, subject to the provisions of Article Fourth and to such restrictions as may be imposed by law, and pay the same to the stockholders at such times as they shall fix.

The Board of Directors shall have power to issue bonds, debentures, or other obligations, either non-convertible or convertible into the Corporation's stock, subject to the provisions of Article Fourth and upon such

terms, in such manner and under such conditions in conformity with law, as may be fixed by the Board of Directors prior to the issue of such bonds, debentures or other obligations.

Eleventh: No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director, except (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article Eleventh shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Twelfth: The powers and authorities hereinbefore conferred upon the Board of Directors are in furtherance and not in limitation of those conferred by the laws of the State of Delaware.

Thirteenth: The Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law, and all rights preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article.

Fourteenth: The name and mailing address of the Sole Incorporator is as follows:

Name	Address
Deborah M. Reusch	P.O. Box 636 Wilmington, DE 19899

Fifteenth: This Certificate of Incorporation shall be effective as of 11:59 p.m. on December 31, 2001.

I, THE UNDERSIGNED, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the GCL, do make this Certificate of Incorporation, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 31st day of December, 2001.

/s/ Deborah M. Reusch

Deborah M. Reusch
Sole Incorporator

Exhibit 4(a)

==========

CREDIT AGREEMENT

dated as of

November 30, 2001

among

UNITED STATES STEEL LLC

THE LENDERS PARTY HERETO

THE LC ISSUING BANKS PARTY HERETO

JPMORGAN CHASE BANK,
as Administrative Agent, Collateral Agent and Swingline Lender

GENERAL ELECTRIC CAPITAL CORPORATION,
as Documentation Agent and Co-Collateral Agent

and

PNC BANK, NATIONAL ASSOCIATION and
FOOTHILL CAPITAL CORPORATION,
as Co-Syndication Agents

J.P. MORGAN SECURITIES INC.,
as Lead Arranger and Bookrunner

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CREDIT AGREEMENT dated as of November 30, 2001 among UNITED STATES STEEL LLC, the LENDERS party hereto, the LC ISSUING BANKS party hereto, JPMORGAN CHASE BANK, as Administrative Agent, Collateral Agent and Swingline Lender, and GENERAL ELECTRIC CAPITAL CORPORATION, as Documentation Agent and Co-Collateral Agent.

WHEREAS, the Borrower desires to borrow funds and obtain letters of credit under this Agreement for general corporate purposes, including working capital;

WHEREAS, the Borrower is willing to secure (i) its obligations under this Agreement and (ii) certain other obligations under interest rate hedging arrangements and other arrangements entered into with certain Lenders, by granting Liens on certain of its assets to the Collateral Agent as provided in the Security Documents; and

WHEREAS, the Lenders and the LC Issuing Banks are willing to make loans or issue or participate in letters of credit hereunder, and those Lenders who are counterparties to the interest rate hedging arrangements and other arrangements referred to above are willing to enter into or maintain them, under the terms and conditions set forth in this Agreement and the Security Documents;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1

Definitions

Section 1.1. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Adjustment.

"Administrative Agent" means JPMorgan Chase Bank, in its capacity as administrative agent under the Loan Documents, and its successors in such capacity.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by or under common Control with such specified Person.

"Agents" means the Administrative Agent, the Documentation Agent, the Collateral Agent and the Co-Collateral Agent.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate will be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Rate" means for any day:

(a) with respect to any Revolving Loan or Swingline Loan that is a Base Rate Loan, the applicable rate per annum set forth in the Pricing Schedule in the row opposite the caption "Base Rate Margin" and in the column corresponding to the "Pricing Level" that applies for such day;

(b) with respect to any Revolving Loan that is a Eurodollar Loan, the applicable rate per annum set forth in the Pricing Schedule in the row opposite the caption "Euro-Dollar Margin" and in the column corresponding to the "Pricing Level" that applies for such day;

(c) with respect to the commitment fees payable hereunder, the applicable rate per annum set forth in the Pricing Schedule in the row

opposite the caption "Commitment Fee Rate" and in the column corresponding to the "Pricing Level" that applies for such day;

In each case, the "Applicable Rate" will be based on the Senior Debt Rating as of the most recent determination date; provided that:

(i) on the Effective Date, the "Applicable Rates" for purposes of clauses (a), (b) and (c) above will be the applicable rates per annum set forth in the Pricing Schedule and corresponding to Level III Pricing;

(ii) at any time when an Event of Default has occurred and is continuing, such Applicable Rates will be those set forth in the Pricing Schedule and corresponding to the Pricing Level in effect for such day plus 2.00%; and

(iii at the option of the Administrative Agent (or at the request of

the Required Lenders), if the Borrower fails to deliver consolidated financial statements to the Administrative Agent as and when required by Section 5.01(a)(i) or 5.01(a)(ii), such Applicable Rates will be those set forth in the Pricing Schedule and corresponding to Level V Pricing during the period from the expiration of the time specified for such delivery until such financial statements are so delivered.

"Arranger" means J.P. Morgan Securities Inc., in its capacity as arranger of the credit facility provided under this Agreement.

"Assignment" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Availability Block" means (i) at all times prior to the date on which the Borrower has delivered to the Administrative Agent the financial statements required pursuant to Section 5.01(a)(ii) relating to the Fiscal Quarter ending September 30, 2002 (the "Specified Financial Delivery Date"), an amount equal to the sum of (x) an amount equal to 25% of the aggregate amount of the Commitments plus (y) the aggregate amount of Total Spin-Off Proceeds that have not been applied in accordance with Section 6.04 to permanently reduce Debt of the Borrower and (ii) at all times from and after such Specified Financial Delivery Date , an amount equal to zero.

"Availability Reserves" means, as of any date of determination, such reserves in amounts as the Collateral Agent may from time to time establish (upon ten business days' notice to the Borrower in the case of new reserve categories established after the Effective Date and formula changes) and revise (upward or downward) in good faith in accordance with its customary credit policies: (i) to reflect events, conditions, contingencies or risks which, as reasonably determined by the Collateral Agent, do or are reasonably likely to materially adversely affect either (a) the Collateral or its value or (b) the security interests and other rights of the Collateral Agent or any Lender in the Collateral (including the enforceability, perfection and priority thereof) or (ii) to reflect the Collateral Agent's reasonable belief that any collateral report or financial information furnished by or on behalf of the Borrower is or may have been incomplete, inaccurate or misleading in any material respect or (iii) in respect of any state of facts which the Collateral Agent reasonably determines in good faith constitutes a Default or an Event of Default; provided that, at any date of determination (unless and until otherwise determined by the Collateral Agent), "Availability Reserves" shall include (a) a reserve equal to two times the most current month-end liability to Outside

Processor, Third-Party Warehouseman and Borrower Joint Venture locations holding Eligible Inventory, (b) a reserve for obligations secured by Liens on Collateral for which UCC financing statements are filed, (c) a reserve for permitted Liens and (d) a reserve for claims secured by purchase money liens.

"Available Inventory" means, at any time the sum of:

(a) the lesser of (i) 65% of Eligible Finished Goods Inventory and (ii) the product of (x) 85% of the net recovery rates as determined by an independent appraisal multiplied by (y) Eligible Finished Goods Inventory; plus

(b) the lesser of (i) 60% of Eligible Semi-Finished Goods and Scrap Inventory and (ii) the product of (x) 85% of the net recovery rates as determined by an independent appraisal multiplied by (y) Eligible Semi-Finished Goods and Scrap Inventory; plus

(c) the lesser of (i) 25% of Eligible Raw Materials Inventory and (ii) the product of (x) 85% of the net recovery rates as determined by an independent appraisal multiplied by (y) Eligible Raw Materials Inventory.

"Available Receivables" means, at any time, a percentage (not to exceed 85%) of the difference of (i) Eligible Receivables minus (ii) a Dilution Reserve, such percentage and such Dilution Reserve to be determined by the Collateral Agent in its sole discretion (taking into consideration actual dilution) upon the completion of collateral review field work to be performed subsequent to the termination of the Effective Date Receivables Financing.

"Base Rate", when used with respect to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Board of Directors" means, the Board of Directors of the Borrower or any committee thereof duly authorized to act on behalf of such Board of Directors.

"Borrower" means United States Steel LLC, a Delaware limited liability company, and its successors (including United States Steel Corporation upon consummation of the reorganization of United States Steel LLC in corporate form under such name).

"Borrower Joint Venture" means any joint venture in which the Borrower holds, or acquires after the Effective Date, a direct or indirect equity interest.

"Borrowing" means Loans of the same Interest Type made, converted or continued on the same day and, in the case of Eurodollar Loans, as to which the same Interest Period is in effect. The term "Borrowing" does not apply to a Swingline Loan.

"Borrowing Base" means, at any time, subject to adjustment as provided in Section 5.09(b), an amount equal to the sum of (i) Available Inventory less (ii) Availability Reserves less (iii) the aggregate outstanding amount (calculated as the Mark-to-Market Value) of the Derivative Obligations of the Borrower that constitute Secured Derivative Obligations (as defined in the Security Agreement), up to a maximum amount of $25,000,000 plus (iv) Available Receivables if the Effective Date Receivables Financing shall have terminated (and the obligations in respect thereof paid in full) and not been replaced with another Receivables Financing on terms (other than terms relating to pricing or reserve percentages or similar financial terms) satisfactory to the Administrative Agent (it being understood that such Available Receivables shall exclude all Receivables that have become Transferred Receivables (as defined in the Security Agreement) at the time of, or prior to, such termination of the Effective Date Receivables Financing). Standards of eligibility and reserves and advance rates of the Borrowing Base may be revised and adjusted from time to time by the Collateral Agent in its sole discretion (subject to Section 9.02(b)(viii) hereof), with any such changes in such standards to be effective three Business Days after delivery of notice thereof to the Borrower.

"Borrowing Base Certificate" means a certificate, duly executed and certified as accurate and complete by a Financial Officer of the Borrower, appropriately completed and substantially in the form of Exhibit D-1 (or, at any time when such certificate is required to be delivered on a bi-weekly basis pursuant to Section 5.01(b), substantially in the form of Exhibit D-2) together with all attachments and supporting documentation (i) as contemplated thereby, (ii) as outlined on Schedule 1 to Exhibit D-1 and (iii) as reasonably requested by the Collateral Agent.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any

day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Expenditures" means, for any period, the additions to property, plant and equipment and other capital expenditures of the Borrower and its Restricted Subsidiaries that are (or would be) set forth as capital expenditures in a consolidated statement of cash flows of the Borrower and its Restricted Subsidiaries for such period prepared in accordance with GAAP

"Capital Lease Obligations" of any Person means obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required under GAAP to be classified and accounted for as capital leases on a balance sheet of such Person. The amount of such obligations will be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateral Account" has the meaning specified in Section 1 of the Security Agreement.

"Change in Control" means the occurrence of any of the following:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for the purposes of this clause (a) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding Equity Interests in the Borrower.

(b) individuals who constituted the Board of Directors of the Borrower at any given time (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Borrower as approved by a vote of 66-2/3% of the directors of the Borrower then still in office who were either directors at such time or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office;

(c) the adoption of a plan relating to the liquidation or dissolution of the Borrower; or

(d) the merger or consolidation of the Borrower with or into another Person or the merger of another Person with or into the Borrower, or the sale of all or substantially all the assets of the Borrower (determined on a consolidated basis) to another Person, other than a merger or consolidation transaction in which holders of Equity Interests representing 100% of the ordinary voting power represented by the Equity Interests in the Borrower immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the ordinary voting power represented by the Equity Interests in the surviving Person in such merger or consolidation transaction issued and outstanding immediately after such transaction and in substantially the same proportion as before the transaction.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after such date or (c) compliance by any Lender or the LC Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or the LC Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after such date.

"Co-Collateral Agent" means General Electric Capital Corporation, in its capacity as co-collateral agent for the Lenders under the Loan Documents, and its successors in such capacity.

"Collateral" means any and all "Collateral", as defined in any Security Document.

"Collateral Access Agreement" means an agreement substantially in the form of Exhibit F-1 or Exhibit F-2.

"Collateral Agent" means JPMorgan Chase Bank, in its capacity as collateral agent for the Lenders under the Loan Documents, and its successors in such capacity.

"Collateral Requirement" means the requirement that:

(a the Administrative Agent (i) shall have received a counterpart of the Security Agreement duly executed and delivered by JPMorgan Chase Bank, as Collateral Agent, and (ii) shall have received from the Borrower a counterpart of the Security Agreement duly executed and delivered on behalf of the Borrower;

(b all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect or record such Liens to the extent, and with the priority, required by the Security Documents, shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording;

(c the Borrower shall have obtained all consents and approvals

required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting of the Liens granted by it thereunder;

(d the Borrower shall have taken all other action required under the Security Documents to perfect, register and/or record the Liens granted by it thereunder; and

(e the Administrative Agent shall have received a fully executed copy of the Intercreditor Agreement.

"Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment pursuant to which such Lender shall have assumed its initial Commitment, as applicable. The initial aggregate amount of the Commitments is $400,000,000.

"Consolidated Cash Interest Expense" means, for any period, the amount by which:

(a the sum of (i) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of the Borrower and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, (ii) any interest accrued during such period, in respect of Debt of the Borrower or any Restricted Subsidiary, that is required under GAAP to be capitalized rather than included in consolidated interest expense for such period, and (iii) to the extent not included in cash interest expense for such period pursuant to subclause (i) of this clause (a), cash payments (if any) made during such period in

respect of obligations referred to in clause (b)(ii) below that were amortized or accrued in a previous period, exceeds

(b the sum of (i) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of financing costs paid in a previous period, (ii) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of debt discount or accrued interest payable in kind for such period and (iii) the interest income of the Borrower and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated EBITDA" means, for any period, the sum of (a) Consolidated Net Income for such period, minus (b) to the extent included in calculating such Consolidated Net Income (and without duplication), any gains for such period, plus (c) each of the following (without duplication) to the extent deducted in calculating such Consolidated Net Income;

(i) all income tax expense of the Borrower and its Restricted Subsidiaries for such period;

(ii) Consolidated Cash Interest Expense for such period;

(iii) depreciation, depletion and amortization expense of the Borrower and its Restricted Subsidiaries for such period (excluding amortization expense attributable to any prepaid operating activity item that was paid in cash in a prior period) and

(iv) all other non-cash charges of the Borrower and its Restricted Subsidiaries for such period (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period);

in each case, with respect to any period prior to the Separation, as such amounts are attributed to the U.S. Steel Group. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary is included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Borrower by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Consolidated Net Income" means, for any period, the net income or loss of the Borrower and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (and calculated for any period prior to the Separation as net income or loss attributed to the U.S. Steel Group for such period); provided that there shall be excluded (a) the income of any Person (except the Borrower and its Restricted Subsidiaries) in which any other Person (except the Borrower, a Restricted Subsidiary or a director holding qualifying shares in compliance with applicable law) owns an Equity Interest, except to the extent that dividends or other distributions were actually paid by such Person to the Borrower or any Restricted Subsidiary during such period, and (b) the income or loss of any Person accrued before (i) the date it becomes a Restricted Subsidiary, (ii) the date it is merged into or consolidated with the Borrower or any Restricted Subsidiary or (iii) the date its assets are acquired by the Borrower or any Restricted Subsidiary.

"Control" means possession, directly or indirectly, of the power (a) to vote 30% or more of any class of voting securities of a Person or (b) to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Debt" of any Person means, without duplication:

(a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind,

(b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments,

(c) all obligations of such Person on which interest charges are customarily paid (other than obligations where interest is levied only on late or past due amounts),

(d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person,

(e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business),

(f) all Debt of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Debt secured thereby has been assumed,

(g) all Guarantees by such Person of Debt of others,

(h) all Capital Lease Obligations of such Person,

(i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty,

(j) all capital stock of such Person which is required to be redeemed or is redeemable at the option of the holder if certain events or conditions occur or exist or otherwise,

(k) the aggregate amount advanced by buyers or lenders with respect to all Receivables Financings, net of repayments or recoveries through liquidation of the assets transferred pursuant to such Receivables Financing, and

(l) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

The Debt of any Person shall include the Debt of any other entity (including any partnership in which such Person is a general partner) to the extent that such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent that contractual provisions binding on the holder of such Debt provide that such Person is not liable therefor.

Notwithstanding the foregoing, the term "Debt" will exclude (x) any indebtedness for which Marathon Oil Corporation indemnifies the Borrower pursuant to the terms of the Financial Matters Agreement, so long as such indebtedness (i) has not been refinanced and (ii) Marathon Oil Corporation has an Investment Grade Rating from both Moody's and S&P and (y) Industrial Revenue Bond Obligations to the extent the Borrower (i) has delivered to the holders of such obligations an irrevocable notice of redemption or directed delivery of such a notice and (ii) has set aside cash or U.S. Government Obligations, pursuant to a defeasance mechanism or otherwise, sufficient to redeem such obligations. As used herein, the term "U.S. Government Obligations" shall refer to direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or

instrumentality thereon) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

Notwithstanding the foregoing, in connection with the purchase by the Borrower or any Restricted Subsidiary of any business, the term "Debt" will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final

closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid when due.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Derivative Obligations" has the meaning specified in Section 1 of the Security Agreement.

"Designated Lender" means, with respect to any Designating Lender, an Eligible Designee designated by it pursuant to Section 9.05(a) as a Designated Lender for purposes of this Agreement.

"Designating Lender" means, with respect to each Designated Lender, the Lender that designated such Designated Lender pursuant to Section 9.05(a).

"Dilution Reserve" means a reserve amount to be determined by the Collateral Agent in its sole discretion upon the completion of collateral review field work to be performed subsequent to the termination of the Effective Date Receivables Financing.

"Documentation Agent" means General Electric Capital Corporation in its capacity as documentation agent for the Lenders under the Loan Documents, and its successors in such capacity.

"dollars" or "$" refers to lawful money of the United States.

"Domestic Subsidiary" means each Subsidiary that is not a Foreign Subsidiary.

"Effective Date" means the date on which each of the conditions specified in Section 4.01 is satisfied (or waived in accordance with Section 9.02).

"Effective Date Receivables Financing" means the Receivables Financing of the Borrower that is in effect on the Effective Date, as amended, supplemented or modified from time to time (subject to Section 5.13 hereof), and as such receivables financing may be renewed, extended or rolled over on substantially the same terms as are in effect on the Effective Date; provided that the Debt arising from the Effective Date Receivables Financing shall comply with the limitations set forth in Section 6.06(g).

"Eligible Designee" means a special purpose corporation that (i) is organized under the laws of the United States or any state thereof, (ii) is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's.

"Eligible Finished Goods Inventory" means all Finished Goods Inventory that is Eligible Inventory.

"Eligible Inventory" means at any date of determination thereof, the aggregate value (as reflected on the plant level records of the Borrower and consistent with the Borrower's current and historical accounting practices whereby manufactured items are valued at pre-determined costs and purchased items are valued at rolling average actual cost) at such date of all Qualified Inventory owned by the Borrower and located in any jurisdiction in the United States of America as to which appropriate UCC financing statements have been filed (or delivered to the Collateral Agent for filing pursuant to Section 4.01(h) naming the Borrower as "debtor" and JPMorgan Chase Bank as Collateral Agent, as "secured party," adjusted on any date of determination to exclude, without duplication, all Qualified Inventory that is Ineligible Inventory, minus all Valuation Reserves.

"Eligible Raw Materials Inventory" means all Raw Materials Inventory that is Eligible Inventory.

"Eligible Receivables" means at any date of determination thereof, the aggregate value (determined on a basis consistent with GAAP and the Borrower's then current and historical accounting practices) of all Qualified Receivables

of the Borrower, net of (x) any amounts in respect of sales, excise or similar taxes included in such Receivables and (y) returns, discounts, claims, credits and allowances of any nature at any time issued, owing, granted, outstanding available or claimed (calculated without duplication of deductions taken pursuant to the exclusion of "Ineligible Receivables" as described below), adjusted on any date of determination to exclude, without duplication, all Qualified Receivables that are Ineligible Receivables.

"Eligible Semi-Finished Goods and Scrap Inventory" means all Semi-Finished Goods and Scrap Inventory that is Eligible Inventory.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, the preservation or reclamation of natural resources, the management, release or threatened

release of any Hazardous Material or the effects of the environment on health and safety.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of remediation, fines, penalties or indemnities), of the Borrower directly or indirectly resulting from or based on (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Material, (c) exposure to any Hazardous Material, (d) the release or threatened release of any Hazardous Material into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means (i) shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person or (ii) any warrants, options or other rights to acquire such shares or interests.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower or any Subsidiary, is treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Internal Revenue Code, is treated as a single employer under Section 414 of the Internal Revenue Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (except an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Internal Revenue Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Internal Revenue Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any ERISA Affiliate of any liability with respect to withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the

imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used with respect to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Events of Default" has the meaning specified in Article 7.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Excluded Taxes" means, with respect to any Lender Party or other recipient of a payment made by or on account of any obligation of the Borrower hereunder:

(a income or franchise taxes imposed on (or measured by) its net income, receipts, capital or net worth by the United States (or any jurisdiction within the United States, except to the extent that such

jurisdiction within the United States imposes such taxes solely in connection with such Lender Party's enforcement of its rights or exercise of its remedies under the Loan Documents), or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located;

(b any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction described in clause (a) above; and

(c in the case of a Foreign Lender, any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement or designates a new lending office or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.17(e).

Notwithstanding the foregoing, a withholding tax will not be an "Excluded Tax" to the extent that (A) it is imposed on amounts payable to a Foreign Lender by reason of an assignment made to such Foreign Lender at the Borrower's request pursuant to Section 2.19(b), (B) it is imposed on amounts payable to a Foreign Lender by reason of any other assignment and does not exceed the amount for which the assignor would have been indemnified pursuant to Section 2.17(a) or (C) in the case of designation of a new lending office, it does not exceed the amount for which such

Foreign Lender would have been indemnified if it had not designated a new lending office.

"Exposure" means, with respect to any Lender at any time, the sum of (i) the aggregate outstanding principal amount of such Lender's Revolving Loans and (ii) such Lender's LC Exposure and Swingline Exposure at such time.

"Facility Availability" means, at any time, an amount equal to (i) the lesser of (x) the aggregate amount of the Lenders' Commitments at such time and (y) the Borrowing Base, at such time, less (ii) the Total Outstanding Amount at such time, less (iii) the Availability Block at such time.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published on such Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Financial Matters Agreement" means the Financial Matters Agreement to be dated as of the date of the Separation between the Borrower and Marathon Oil Corporation.

"Financial Officer" means the chief financial officer, treasurer, any assistant treasurer, the controller or any assistant controller of the Borrower.

"Financing Transactions" means the execution, delivery and performance by the Borrower of the Loan Documents to which it is to be a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Finished Goods Inventory" means finished goods to be sold by the Borrowers in the ordinary course of business, including plates, finished tubes, tin plates and finished sheets, but excluding Semi-Finished Goods and Scrap Inventory and Raw Materials Inventory.

"Fiscal Quarter" means a fiscal quarter of the Borrower.

"Fiscal Year" means a fiscal year of the Borrower.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction outside the United States.

"Foreign Subsidiary" means a Subsidiary (which may be a corporation, limited liability company, partnership or other legal entity) organized under the laws of a jurisdiction outside the United States, and conducting substantially all its operations outside the United States.

"GAAP" means generally accepted accounting principles as in effect from

time to time in the United States, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of USX Corporation and its consolidated Subsidiaries delivered to the Lenders.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Debt or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Debt or other obligation; provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas,

infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest rate, currency exchange rate or commodity price hedging arrangement.

"Indemnified Taxes" means all Taxes except Excluded Taxes.

"Industrial Revenue Bond Obligations" means an obligation to a state or local government unit that secures the payment of bonds issued by a state or local government unit or any obligation under the Financial Matters Agreement relating to Industrial Revenue Bond Obligations or any Debt incurred to refinance, in whole or in part, such obligations.

"Ineligible Inventory" means all Qualified Inventory described in one or more of the following clauses, without duplication:

(a) Qualified Inventory that is not subject to a perfected first priority Lien in favor of the Collateral Agent or that is subject to any Lien other than the Liens permitted pursuant to Section 6.02; or

(b) Qualified Inventory that is not located at or in transit to property that is either owned or leased by the Borrower; provided that any Qualified Inventory located at or in transit to property that is leased by the Borrower shall be deemed "Ineligible Inventory" pursuant to this clause (b) unless the Borrower shall have delivered to the Collateral Agent a Collateral Access Agreement (or, if applicable, a landlord waiver in form and substance satisfactory to the Collateral Agent) with respect to such leased location; and provided further that any Qualified Inventory located at or in transit to a Third-Party Location shall not be deemed "Ineligible Inventory" pursuant to this clause (b) on any date of determination if (w) the value of such Qualified Inventory on such date of determination (as reflected on the plant level records of the Borrower and consistent with the Borrower's current and historical accounting practices whereby manufactured items are valued at pre-determined costs and purchased items are valued at rolling average actual cost) is greater than $500,000, (x) the Borrower shall have delivered to the Collateral Agent a Collateral Access Agreement with respect to such Third-Party Location, (y) the aggregate number of Third-Party Locations designated by the Borrower as eligible locations in respect of which Qualified Inventory shall be excluded from "Ineligible Inventory" in reliance on this clause (b) does not exceed 60 on such date of determination and (z) in the case of any Third Party Location owned or leased by a Borrower Joint Venture, the terms of the joint venture

arrangements in respect of such Borrower Joint Venture are satisfactory to the Collateral Agent and the Lenders; or

(c) Qualified Inventory that is on consignment and Qualified Inventory

subject to a negotiable document of title (as defined in the Uniform Commercial Code as in effect from time to time in the State of New York); or

(d) Qualified Inventory located on the premises of customers or vendors (other than Outside Processors); or

(e) Qualified Inventory comprised of Finished Goods Inventory and Semi-Finished Goods and Scrap Inventory that has been written down pursuant to the Borrower's existing accounting procedures (as such existing accounting procedures are set forth in Schedule 1.01 hereto); provided, however, that the scrap value of such Qualified Inventory will be included in the calculation of "Eligible Inventory"; or

(f) Qualified Inventory that consists of maintenance spare parts; or

(g) Qualified Inventory that is classified as supplies, and sundry in the Borrower's historical and current accounting records, including, but not limited to, fuel oil, coal chemicals, metal products, miscellaneous, non-LIFO inventory, store supplies, cleaning mixtures, lubricants and the like; or

(h) Qualified Inventory that is billed not shipped Inventory; or

(i) Qualified Inventory considered non-conforming, which shall mean, on any date, all inventory classified as "non-prime" or "seconds" or other "off-spec" Inventory, to the extent that such Qualified Inventory exceeds 3% of Total Qualified Inventory; provided that the scrap value of such Qualified Inventory shall be included in the calculation of Eligible Inventory. For purposes of this clause (i), "Total Qualified Inventory" means all Raw Materials Inventory, Finished Goods Inventory and Semi-Finished Goods and Scrap Inventory; or

(j) Qualified Inventory that is not located in the United States; or

(k) Qualified Inventory that is not owned solely by the Borrower, or as to which the Borrower does not have good, valid and marketable title thereto; or

(l) intercompany profit included in the value of Qualified Inventory; or

(m) Qualified Inventory that consists of scale, slag and other by-products; or

(n) Qualified Inventory that consists of raw materials other than iron ore, coke, coal, scrap, limestone, other alloys and fluxes; or

(o) Qualified Inventory that does not otherwise conform to the representations and warranties contained in this Agreement or the other Loan Documents; or

(p) depreciation included in the value of Qualified Inventory; or

(q) non-production costs included in the value of Qualified Inventory; or

(r) slabs that are more than two months old and other semi-finished and finished goods that are more than eight months old provided that the scrap value of such inventory shall be included in the calculation of Eligible Inventory; or

(s) such other Qualified Inventory as may be deemed ineligible by the Collateral Agent from time to time in its sole discretion.

"Ineligible Receivables" shall be determined by the Collateral Agent in its sole discretion upon the completion of collateral review field work to be performed subsequent to the termination of the Effective Date Receivables Financing and shall include such ineligibles based on traditional asset based lending concepts, and any other ineligibles as may be deemed appropriate at the sole discretion of the Collateral Agent.

"Information Memorandum" means the Confidential Information Memorandum dated October 4, 2001 relating to the Borrower and the Financing Transactions.

"Intercreditor Agreement" means the Intercreditor Agreement dated as of November 30, 2001 among JPMorgan Chase Bank, as a Funding Agent, The Bank of Nova Scotia, as a Funding Agent and as Receivables Collateral Agent, JPMorgan Chase Bank, as Lender Agent, U.S. Steel Receivables LLC, as Transferor, and United States Steel LLC, as Originator, as Initial Servicer and as Borrower, as acknowledged and agreed by the Administrative Agent, the Collateral Agent and the Co-Collateral Agent, substantially in the form of Exhibit E.

"Interest Election" means an election by the Borrower to change or continue the Interest Type of a Borrowing in accordance with Section 2.07.

"Interest Payment Date" means (a) with respect to any Base Rate Loan, the last day of each March, June, September and December, (b) with respect to any Swingline Loan, the day on which such Loan is required to be repaid and (c) with respect to any Eurodollar Loan, the last day of the Interest Period applicable

to the Borrowing of which such Loan is a part and, if such Interest Period is longer than three months, each day

during such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period beginning on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be deemed to be the effective date of the most recent conversion or continuation of such Borrowing.

"Interest Type", when used with respect to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Inventory" has the meaning set forth in Article 9 of the Uniform Commercial Code as in effect from time to time in the State of New York.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"LC Disbursement" means a payment made by the LC Issuing Bank in respect of a drawing under a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all Letters of Credit outstanding at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Lender at any time will be its Percentage of the total LC Exposure at such time.

"LC Issuing Bank" means JPMorgan Chase Bank, PNC Bank, National Association, Mellon Bank, N.A. and any other Lender that may agree to issue letters of credit hereunder, in each case in its capacity as

an issuer of a Letter of Credit, and their respective successors in such capacity as provided in Section 2.05(i). The LC Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates, in which case the term "LC Issuing Bank" shall include each such Affiliate with respect to Letters of Credit issued by it.

"LC Reimbursement Obligations" means, at any time, all obligations of the Borrower to reimburse the LC Issuing Bank for amounts paid by it in respect of drawings under Letters of Credit, including any portion of such obligations to which Lenders have become subrogated by making payments to the LC Issuing Bank pursuant to Section 2.05(e).

"Lender Affiliate" means, (a) with respect to any Lender, (i) an Affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by such Lender or an Affiliate of such Lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Lender Parties" means the Lenders, the LC Issuing Bank and the Agents.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment, other than any such Person that ceases to be a party hereto pursuant to an Assignment. Unless the context requires otherwise, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Leverage Ratio" means, on any day, the ratio of (a) Total Debt as of such day to (b) Consolidated EBITDA for the period of four consecutive Fiscal Quarters (subject to Section 6.15) ended on such day (or, if such day is not the last day of a Fiscal Quarter, ended on the last day of the Fiscal Quarter most recently ended before such day).

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for

purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days before the beginning of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. If such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days before the beginning of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, any promissory note issued by the Borrower pursuant to Section 2.09(e) and the Security Documents.

"Loans" means loans made by the Lenders to the Borrower pursuant to this Agreement. Unless the context requires otherwise, the term "Loans" includes Swingline Loans.

"Lorain Merger" means the proposed merger of Lorain Tubular Company LLC with and into the Borrower.

"Marathon Oil Corporation" means Marathon Oil Corporation, a Delaware corporation (currently named USX Corporation), together with its successors.

"Mark-to-Market Value" has the meaning specified in Section 1 of the Security Agreement.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, properties, assets, financial condition, contingent liabilities or material agreements of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower to perform any of its obligations under any Loan Document or (c) the rights of or benefits available to any Lender Party under, or the validity or enforceability of, any Loan Document.

"Material Debt" means Debt (other than obligations in respect of the Loans and Letters of Credit), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Restricted Subsidiaries in an aggregate principal amount exceeding $20,000,000. For purposes of determining Material Debt, the "principal amount" of the obligations of the Borrower or any Restricted Subsidiary in respect of any Hedging Agreement at any time will be the maximum aggregate amount (after giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Maturity Date" means December 31, 2004 (or, if such day is not a Business Day with respect to Eurodollar Loans, the next preceding day that is a Business Day with respect to Eurodollar Loans).

"Maximum Facility Availability" means, at any date, an amount equal to the sum of (a) the lesser of (i) the aggregate amount of the Lenders' Commitments on such date and (ii) the Borrowing Base on such date, less (b) the Availability Block on such date.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Other Taxes" means any and all present or future recording, stamp, documentary, excise, transfer, sales, property or similar taxes, charges or levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

"Outside Processor" means any Person that provides processing services with respect to Qualified Inventory owned by the Borrower and on whose premises Qualified Inventory is located, which premises are neither owned nor leased by the Borrower.

"Participants" has the meaning specified in Section 9.04(e).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Percentages will be determined based on the Commitments most recently in effect, adjusted to give effect to any assignments.

"Perfection Certificate" means a certificate in the form of Exhibit A to the Security Agreement or any other form approved by the Administrative Agent.

"Permitted Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof; (ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by any Lender or a bank or trust company which is organized under the laws of the United States of America, any State thereof or any foreign country recognized by the United States of America, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $50,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Exchange Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor; (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a Lender or a bank meeting the qualifications described in clause (ii) above; (iv) investments in commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Borrower) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the times as of which any investment therein is made of "P-1" (or higher) by Moody's or "A-1" (or higher) by S&P; (v) investments in securities with maturities of six months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's; (vi) overnight investments with banks rated "B" or better by Fitch, Inc.; (vii) in the case of a Restricted Subsidiary that is a Foreign Subsidiary, investments of the type and maturity described in clauses (i) through (vi) above of foreign obligors, which investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies; and (viii) deposits in Slovak financial institutions that do not at any time exceed $5,000,000 in the aggregate.

"Permitted Liens" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.05;

(b) carriers', warehousemen's, mechanics', materialmen's,

repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.05;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, and Liens imposed by statutory or common law relating to banker's liens or rights of setoff or similar rights relating to deposit accounts, in each case in the ordinary course of business;

(e) Liens arising in the ordinary course of business in favor of issuers of documentary letters of credit;

(f) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article 7; and

(g) easements, zoning restrictions, rights-of-way, licenses, reservations, minor irregularities of title and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligation and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Restricted Subsidiary;

provided that the term "Permitted Liens" shall not include any Lien that secures Debt.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (except a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) a "contributing sponsor" as defined in Section 4001(a)(13) of ERISA.

"Pricing Schedule" means the Pricing Schedule attached hereto.

"Prime Rate" means, for any day, the rate of interest per annum then most recently publicly announced by JPMorgan Chase Bank as its

prime rate in effect at its principal office in New York City. Each change in the Prime Rate will be effective for purposes hereof from and including the date such change is publicly announced as being effective.

"Qualified Inventory" means all Raw Materials Inventory, Semi-Finished Goods and Scrap Inventory and Finished Goods Inventory held by the Borrower in the normal course of business and owned solely by the Borrower (per plant level records whereby manufactured items are valued at pre-determined costs and purchased items are valued at rolling average actual cost).

"Qualified Receivables" means all Receivables that are directly created by the Borrower in the ordinary course of business arising out of the sale of goods or rendition of services by the Borrower, which are at all times acceptable to the Collateral Agent in all respects in the exercise of its reasonable judgment and the customary credit policies of the Collateral Agent.

"Rating Agency" means each of S&P and Moody's.

"Raw Materials Inventory" means any raw materials used or consumed in the manufacture or production of other inventory including, without limitation, iron ore and sinter, coke, coal, limestone and other alloys and fluxes, but excluding steel scrap and iron scrap (it being understood that steel scrap and iron scrap shall be included in Inventory not constituting "Raw Materials").

"Receivables" means any account (as defined in the Uniform Commercial Code as in effect from time to time in the State of New York) and any other right, title or interest which, in accordance with GAAP, would be included in receivables on a consolidated balance sheet of the Borrower.

"Receivables Financing" means any receivables securitization program or other type of accounts receivable financing transaction by the Borrower or any of its Restricted Subsidiaries; provided that substantially all Debt incurred in connection therewith (other than Debt of a Special Purpose Financing Subsidiary) arises from a transfer of accounts receivable which is intended by the parties thereto to be treated as a sale.

"Receivables Purchase Agreement" means the Amended and Restated Receivables Purchase Agreement dated as of November 28, 2001 among U.S. Steel Receivables LLC, as seller, the Borrower, as initial servicer and in its individual capacity, The Bank of Nova Scotia, as collateral agent, JPMorgan Chase Bank, as a committed purchaser and a funding agent, and the various other Persons from time to time party thereto, as amended, supplemented or modified from time to time (subject

to Section 5.13 hereof), entered into in connection with the Effective Date Receivables Financing.

"Register" has the meaning specified in Section 9.04(c).

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and its Affiliates.

"Required Lenders" means, at any time, Lenders having aggregate Exposures and unused Commitments representing more than 50% of the sum of all Exposures and unused Commitments at such time; provided that the "Required Lenders" shall be comprised of a minimum of three Lenders.

"Restricted Debt" means Debt of the Borrower or any Restricted Subsidiary, the payment, prepayment, redemption, purchase or defeasance of which is restricted under Section 6.08.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest in the Borrower, or any payment (whether in cash, securities or other property) or incurrence of an obligation by the Borrower or any of its Restricted Subsidiaries, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interest in the Borrower (including, for this purpose, any payment in respect of any Equity Interest under a Synthetic Purchase Agreement).

"Restricted Subsidiary" means any Subsidiary that is not an Unrestricted Subsidiary.

"Revolving Availability Period" means the period from and including the Effective Date to but excluding the Maturity Date (or, if earlier, the date on which all outstanding Commitments terminate).

"Revolving Loan" means a Loan made pursuant to Section 2.02.

"S&P" means Standard & Poor's.

"SEC" means the Securities and Exchange Commission.

"Secured Obligations" has the meaning specified in Section 1 of the Security Agreement.

"Secured Parties" has the meaning specified in Section 1 of the Security Agreement.

"Security Agreement" means the Security Agreement among the Borrower and the Collateral Agent, substantially in the form of Exhibit C.

"Security Documents" means the Security Agreement, the Intercreditor Agreement and each other security agreement, instrument or document executed and delivered pursuant to Section 5.12 to secure any of the Secured Obligations.

"Semi-Finished Goods and Scrap Inventory" means semi-finished goods produced by the Borrower in the ordinary course of business, including slabs, blooms, coiled strip, black plate, sheets hot rolled and cold rolled, unfinished tubes, scrap and pig iron.

"Senior Debt Rating" means a rating of the Borrower's senior long-term debt which is not secured or supported by a guarantee, letter of credit or other form of credit enhancement; provided that if a Senior Debt Rating by a Rating Agency is required to be at or above a specified level and such Rating Agency shall have changed its system of classifications after the date hereof, the requirement will be met if the Senior Debt Rating by such Rating Agency is at or above the new rating which most closely corresponds to the specified level under the old rating system; and provided further that the Senior Debt Rating in effect on any date is that in effect at the close of business on such date.

"Senior Unsecured Debt" means the 103/4% Senior Notes due August 1, 2008 issued by the Borrower before the Effective Date in the aggregate principal amount of $535,000,000 and the Debt represented thereby.

"Senior Unsecured Debt Documents" means the indenture under which the Senior Unsecured Debt is issued and all other instruments, agreements and other documents evidencing or governing the Senior Unsecured Debt or providing for any Guarantee or other right in respect thereof.

"Separation" means the separation of the Borrower from USX Corporation pursuant to an Agreement and Plan of Reorganization to be entered into among USX Corporation, the Borrower and certain of its Subsidiaries, as described in USX Corporation's 2000 Form 10-K, USX Corporation's Latest Form 10-Q and USX Corporation's Latest Proxy Statement.

"Significant Subsidiary" of any Person means any subsidiary of such Person, whether now or hereafter owned, formed or acquired which,

at the time of determination is a "significant subsidiary" of such Person, as such term is defined on the date of this Agreement in Regulation S-X of the SEC (a copy of which is attached as Exhibit G), except that "5 percent" will be substituted for "10 percent" in each place where it appears in such definition of "significant subsidiary"; provided however, that an Unrestricted Subsidiary of the Borrower shall not be a "Significant Subsidiary".

"Special Purpose Financing Subsidiary" means a Subsidiary of the Borrower which is a special-purpose company created and used solely for purposes of effecting a Receivables Financing.

"Statutory Reserve Adjustment" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Federal Reserve Board). Such reserve percentages will include those imposed pursuant to such Regulation D. Eurodollar Loans will be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Adjustment will be adjusted automatically on and as of the effective date of any change in any applicable reserve percentage.

"StraightLine Line of Business" means the division of the Borrower known as "Straightline" or "Straightline Source" that sells steel products via the internet.

"subsidiary" means, with respect to any Person (the "parent") at any date, (a) any corporation, limited liability company, partnership or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date and (b) any other corporation, limited liability company, partnership or other entity (i) of which securities or other ownership interests (x) representing more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership voting interests or (y) otherwise having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions, are, as of such date, owned, controlled or held, or (ii) that is otherwise Controlled

(pursuant to clause (b) of the definition of "Control") as of such date, by the parent and/or one or more of its subsidiaries.

"Subsidiary" means any subsidiary of the Borrower.

"Swingline Exposure" means, at any time, the aggregate outstanding principal amount of the Swingline Loans at such time. The Swingline Exposure of any Lender at any time will be its Percentage of the total Swingline Exposure at such time.

"Swingline Lender" means JPMorgan Chase Bank, in its capacity as the lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.04.

"Synthetic Purchase Agreement" means any swap, derivative or other agreement or combination of agreements pursuant to which the Borrower or a Restricted Subsidiary is or may become obligated to make (i) any payment in connection with the purchase by any third party, from a Person other than the Borrower or a Restricted Subsidiary, of any Equity Interest or Restricted Debt or (ii) any payment (other than on account of a permitted purchase by it of any Equity Interest or Restricted Debt) the amount of which is determined by reference to the price or value at any time of any Equity Interest or Restricted Debt; provided that no phantom stock or similar plan providing for payments only to current or former directors, officers or employees of the Borrower or its Restricted Subsidiaries (or their heirs or estates) will be deemed to be a Synthetic Purchase Agreement.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Third-Party Location" means any property that is either owned or leased by (a) a Third-Party Warehouseman, (b) an Outside Processor, or (c) a Borrower Joint Venture.

"Third-Party Warehouseman" means any Person on whose premises Qualified Inventory is located, which premises are neither owned nor leased by the Borrower, any customer of or vendor to the Borrower, or an Outside Processor.

"Total Debt" means, as of any date, the sum of (a) the aggregate principal amount of Debt of the Borrower and its Restricted Subsidiaries outstanding as of such date, in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, and (b) the aggregate principal amount of Debt of

the Borrower and its Restricted Subsidiaries outstanding as of such date that is not required to be reflected on a balance sheet in accordance with GAAP, determined on a consolidated basis.

"Total Outstanding Amount" means, at any date, the aggregate Exposures of all Lenders at such date.

"Total Spin-Off Proceeds" has the meaning set forth in Section 6.04.

"Transaction Liens" means the Liens on Collateral granted by the Borrower under the Security Documents.

"Tubular Line of Business" means the business of Lorain Tubular Company LLC and any other assets and liabilities of the Borrower or any of its Restricted Subsidiaries primarily related to their tubular products business.

"United States" means the United States of America.

"Unrestricted Subsidiary" means any Subsidiary designated by the Borrower's board of directors as an Unrestricted Subsidiary pursuant to Section 5.14 subsequent to the date of this Agreement.

"USSK" means U.S. Steel Kosice, s.r.o, a company organized under the laws of the Slovak Republic.

"U.S. Steel Group" means the group of businesses of USX Corporation that is primarily engaged in the production and sale of steel mill products, coke, and taconite pellets and that has been reported as the "U.S. Steel Group" in USX Corporation's reports on Forms 10-K and 10-Q filed with the SEC.

"USX Corporation" means USX Corporation, a Delaware corporation, and its successors.

"USX Corporation's Latest Form 10-Q" means USX Corporation's quarterly report on Form 10-Q for the quarter ended September 30, 2001, as filed with the SEC pursuant to the Exchange Act.

"USX Corporation's Latest Proxy Statement" means USX Corporation's proxy statement on Form 8-K as filed with the SEC on September 20, 2001.

"USX Corporation's 2000 Form 10-K" means USX Corporation's annual report on Form 10-K for 2000, as filed with the SEC pursuant to the Exchange Act.

"Valuation Reserves" means the sum of the following:

(a) a favorable variance reserve for variances between pre-determined cost and actual costs;

(b) a calculated revaluation reserve, as determined by the Collateral Agent in its sole discretion;

(c) a reserve for costs incurred at headquarters which are allocated to Inventory;

(d) a lower of cost or market reserve which includes all Inventory sold for less than pre-determined cost as deemed appropriate by the Collateral Agent in its sole discretion;

(e) a reserve for iron ore transportation costs, as determined by the Collateral Agent in its sole discretion; and

(f) such other reserves as may be deemed appropriate by the Collateral Agent from time to time in their sole discretion.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 0.1. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified by Interest Type (e.g., a "Eurodollar Loan" or a "Eurodollar Borrowing").

Section 0.2. Terms Generally. The definitions of terms herein (including those incorporated by reference to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may

require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such

amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the word "property" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 0.3. Accounting Terms; Changes in GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment of any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment of any provision hereof for such purpose), regardless of whether such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be applied on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE 1

The Credits

Section 1.1. Commitments. (a) Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not at any time result in (A) such Lender's Exposure exceeding its Commitment or (B) the Total Outstanding Amount exceeding the Maximum Facility Availability then in effect. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) The Commitments of the Lenders are several, i.e., the failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder, and no Lender shall be responsible for any other Lender's failure to make Loans as and when required hereunder.

Section 1.2. Revolving Loans. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Loans of the same Interest Type made by the Lenders ratably in accordance with their respective Commitments, as the Borrower may request (subject to Section 2.14) in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan. Any exercise of such option shall not affect the Borrower's obligation to repay such Loan as provided herein.

(b) At the beginning of each Interest Period for any Eurodollar Borrowing, the aggregate amount of such Borrowing shall be an integral multiple of $1,000,000 and not less than $5,000,000. When each Base Rate Borrowing is made, the aggregate amount of such Borrowing shall be an integral multiple of $1,000,000 and not less than $5,000,000; provided that a Base Rate Borrowing may be in an aggregate amount that (i) is equal to the entire unused balance of the Commitments or (ii) is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e). Borrowings of more than one Interest Type may be outstanding at the same time; provided that there shall not at any time be more than a total of seven Eurodollar Borrowings outstanding.

(c) Notwithstanding any other provision hereof, the Borrower will not be entitled to request, or to elect to convert or continue, any Eurodollar Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 1.3. Requests to Borrow Revolving Loans. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of a Base Rate Borrowing, not later than 12:00 noon, New York City time, on the date of the proposed Borrowing. Each such

telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of such Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest

Period to be applicable thereto, which shall be a period contemplated by the definition of "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

If no election as to the Interest Type of a Borrowing is specified, the requested Borrowing will be a Base Rate Borrowing. If no Interest Period with respect to a requested Eurodollar Borrowing is specified, the Borrower will be deemed to have selected an Interest Period of one month's duration. Promptly after it receives a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender as to the details of such Borrowing Request and the amount of such Lender's Loan to be made pursuant thereto.

Section 1.4. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time during the Revolving Availability Period, in each case in an amount that (i) is an integral multiple of $100,000 and not less than $250,000, (ii) will not result in the aggregate outstanding principal amount of all Swingline Loans exceeding $25,000,000 and (iii) will not result in the Total Outstanding Amount exceeding the Maximum Facility Availability then in effect; provided that the Swingline Lender will not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy or e-mail transmission), not later than 3:00 p.m., New York City time, on the proposed date of borrowing. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent shall promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the Borrower's general deposit account with the Swingline Lender (or, if such Swingline Loan is made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e), by remittance to the LC Issuing Bank) by 5:00 p.m., New York City time, on the requested date of such Swingline Loan. Each Swingline Loan shall bear interest at the rate specified in Section 2.13(c).

(c) The Borrower unconditionally promises to pay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of

the Maturity Date and the first day after such Swingline Loan is made that is the 15th or last day of a calendar month and is one Business Day after such Swingline Loan is made; provided that on each day that a Borrowing of Revolving Loans is made, the Borrower shall repay all Swingline Loans that were outstanding when such Borrowing was requested.

(d) The Borrower will have the right at any time to prepay any Swingline Loan in full or in part in an amount that is an integral multiple of $100,000 and not less than $250,000. The Borrower shall notify the Swingline Lender and the Administrative Agent, by telephone (confirmed by telecopy or e-mail transmission), of the date and amount of any such prepayment not later than 12:00 noon on the date of prepayment. Each such prepayment shall be made directly to the Swingline Lender and shall be accompanied by accrued interest on the amount prepaid.

(e) The Swingline Lender may, by written notice given to the Administrative Agent not later than 3:00 p.m., New York City time, on any Business Day, require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans then outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly after it

receives such notice, the Administrative Agent shall notify each Lender as to the details thereof and such Lender's Percentage of such aggregate amount of Swingline Loans. Each Lender agrees, upon receipt of such notification, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Percentage of such aggregate amount of Swingline Loans. Each Lender's obligation to acquire participations in Swingline Loans pursuant to this subsection is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or any reduction or termination of the Commitments, and each payment by a Lender to acquire such participations shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this subsection by wire transfer of immediately available funds, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06(b) shall apply, mutatis mutandis, to the payment obligations of the Lenders under this subsection), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in Swingline Loans acquired pursuant to this subsection, and thereafter payments in respect of such Swingline Loans shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or any other party on behalf of the Borrower) in respect of a Swingline Loan after the Swingline Lender receives the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent, which shall promptly remit any such amounts received by it to the Lenders that shall have made payments pursuant to this subsection and to the Swingline Lender, as their interests may appear. The purchase of

participations in Swingline Loans pursuant to this subsection will not relieve the Borrower of any default in the payment thereof.

Section 1.5. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Administrative Agent and the LC Issuing Bank, from time to time during the Revolving Availability Period. If the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the LC Issuing Bank relating to any Letter of Credit are not consistent with the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal or Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the LC Issuing Bank) to the LC Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the requested date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.05(c)), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the LC Issuing Bank, the Borrower also shall submit a letter of credit application on the LC Issuing Bank's standard form (with such changes as are agreed by such LC Issuing Bank and the Borrower) in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the LC Exposure will not exceed $75,000,000 and (ii) the Total Outstanding Amount will not exceed the Maximum Facility Availability then in effect.

(c) Expiration Date. Each Letter of Credit shall expire at or before the close of business on the earlier of (i) the date that is eighteen months after such Letter of Credit is issued (or, in the case of any renewal or extension thereof, eighteen months after such renewal or extension) and (ii) the date that is five Business Days before the Maturity Date.

(d) Participations. Effective upon the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without

any further action on the part of the LC Issuing Bank or the Lenders, the LC Issuing Bank grants to each Lender, and each Lender acquires from the LC Issuing Bank, a participation in such Letter of Credit equal to such Lender's Percentage of the aggregate amount available to be drawn thereunder. Pursuant to such participations, each Lender agrees to pay to the Administrative Agent, for the account of the LC Issuing Bank, such Lender's Percentage of (i) each LC Disbursement made by the LC Issuing Bank and not reimbursed by the Borrower on

the date due as provided in Section 2.05(e) and (ii) any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender's obligation to acquire participations and make payments pursuant to this subsection is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or any reduction or termination of the Commitments, and each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the LC Issuing Bank makes any LC Disbursement under a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying an amount equal to such LC Disbursement to the Administrative Agent not later than 12:00 noon, New York City time, on the day that such LC Disbursement is made, if the Borrower receives notice of such LC Disbursement before 10:00 a.m., New York City time, on such day, or, if such notice has not been received by the Borrower before such time on such day, then not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives such notice, if such notice is received before 10:00 a.m., New York City time, on the day of receipt, or (ii) the next Business Day, if such notice is not received before such time on the day of receipt; provided that, if such LC Disbursement is at least $250,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.04 that such payment be made with the proceeds of a Base Rate Revolving Loan or a Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Base Rate Revolving Loan or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Percentage thereof. Promptly after it receives such notice, each Lender shall pay to the Administrative Agent its Percentage of the payment then due from the Borrower, in the same manner as is provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06(b) shall apply, mutatis mutandis, to such payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the LC Issuing Bank the amounts so received by it from the Lenders. If a Lender makes a payment pursuant to this subsection to reimburse the LC Issuing Bank for any LC Disbursement (other than by funding Base Rate Revolving Loans as contemplated above), (i) such payment will not constitute a Loan and will not relieve the Borrower of its obligation to reimburse such LC Disbursement and (ii) such

Lender will be subrogated to its pro rata share of the LC Issuing Bank's claim against the Borrower for such reimbursement. Promptly after the Administrative Agent receives any payment from the Borrower pursuant to this subsection, the Administrative Agent will distribute such payment to the LC Issuing Bank or, if Lenders have made payments pursuant to this subsection to reimburse the LC Issuing Bank, then to such Lenders and the LC Issuing Bank as their interests may appear.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in Section 2.05(e) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the LC Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Administrative Agent, the Lenders, the LC Issuing Bank and their respective Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the LC Issuing Bank; provided that the foregoing shall not excuse the LC Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the LC Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. In the absence of gross negligence or wilful misconduct on the part of the LC Issuing Bank (as finally determined by a court of competent jurisdiction), the LC Issuing Bank shall be deemed to have exercised care in each such determination. Without limiting the generality of the foregoing, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter

of Credit, the LC Issuing Bank may, in its sole discretion, either (A) accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or (B) refuse to accept and make payment upon such documents if such documents do not

strictly comply with the terms of such Letter of Credit.

(g) Disbursement Procedures. The LC Issuing Bank shall, promptly after its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The LC Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the LC Issuing Bank has made or will make an LC Disbursement pursuant thereto; provided that any failure to give or delay in giving such notice will not relieve the Borrower of its obligation to reimburse the LC Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. Unless the Borrower reimburses an LC Disbursement in full on the day it is made, the unpaid amount thereof shall bear interest, for each day from and including the day on which such LC Disbursement is made to but excluding the day on which the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Base Rate Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to Section 2.05(e), then Sections 2.13(d) and 2.13(e) shall apply. Interest accrued pursuant to this subsection shall be for the account of the LC Issuing Bank, except that a pro rata share of interest accrued on and after the day that any Lender reimburses the LC Issuing Bank for a portion of such LC Disbursement pursuant to Section 2.05(e) shall be for the account of such Lender.

(i) Replacement of LC Issuing Bank. The LC Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced LC Issuing Bank and the successor LC Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement. At the time any such replacement becomes effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced LC Issuing Bank pursuant to Section 2.12(b). On and after the effective date of any such replacement, (i) the successor LC Issuing Bank will have all the rights and obligations of the LC Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "LC Issuing Bank" will be deemed to refer to such successor or to any previous LC Issuing Bank, or to such successor and all previous LC Issuing Banks, as the context shall require. After an LC Issuing Bank is replaced, it will remain a party hereto and will continue to have all the rights and obligations of an LC Issuing Bank under this Agreement with respect to Letters of Credit issued by it before such replacement, but will not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If an Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposures representing more than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this

subsection, the Borrower shall deposit in its Cash Collateral Account an amount in cash equal to 102% of the total LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral will become effective immediately, and such deposit will become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (i) or (j) of Article 7. Any amount so deposited (including any earnings thereon) will be withdrawn from the Borrower's Cash Collateral Account by the Administrative Agent and applied to pay LC Reimbursement Obligations as they become due; provided that (i) if at any time all Events of Default have been cured or waived, such amount, to the extent not theretofore so applied, (and excluding amounts required to be deposited in the Cash Collateral Account pursuant to Section 2.10(b) or Section 5.12(b)) will be returned to the Borrower upon its request and (ii) if at any time the maturity of the Loans has been accelerated, such amount (to the extent not theretofore so applied or returned) will be applied to pay the Secured Obligations as provided in Section 7 of the Security Agreement.

Section 1.6. Funding of Revolving Loans. (a) Each Lender making a Revolving Loan hereunder shall wire the principal amount thereof in immediately available funds, by 1:00 p.m., New York City time, on the proposed date of such Loan, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent shall make such funds available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request; provided that Base Rate Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e) will be remitted by the Administrative Agent to the LC Issuing Bank.

(b) Unless the Administrative Agent receives notice from a Lender before the proposed date of any Borrowing that such Lender will not make its share of such Borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.06(a) and may, in reliance on such assumption, make a corresponding amount available to the Borrower. In such event, if a Lender has not in fact made its share of such Borrowing available to the Administrative Agent, such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the day such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate reasonably determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to Base Rate Loans. If

such Lender pays such amount to the Administrative Agent, such amount shall constitute such Lender's Loan included in such Borrowing.

Section 1.7. Interest Elections. (a) Each Borrowing of Revolving Loans initially shall be of the Interest Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Interest Type or, in the case of a Eurodollar Borrowing, to continue such Borrowing for one or more additional Interest Periods, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent thereof by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting that a Borrowing of the Interest Type resulting from such election be made on the effective date of such election. Each such telephonic Interest Election shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or e-mail transmission to the Administrative Agent of a written Interest Election in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election shall specify the following information in compliance with Section 2.02 and subsection (e) of this Section:

(i) the Borrowing to which such Interest Election applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of "Interest Period".

If an Interest Election requests a Eurodollar Borrowing but does not specify an Interest Period, the Borrower will be deemed to have selected an Interest Period of one month's duration.

(d) Promptly after it receives an Interest Election, the Administrative Agent shall advise each Lender as to the details thereof and such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election with respect to a Eurodollar Borrowing before the end of an Interest Period applicable thereto, such Borrowing (unless repaid) will be converted to a Base Rate Borrowing at the end of such Interest Period. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) each Eurodollar Borrowing (unless repaid) will be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto on the date of such notice.

Section 1.8. Termination or Reduction of Commitments. (a) Unless previously terminated, the Commitments will terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) the amount of each reduction of the Commitments shall be an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect thereto and to any concurrent prepayment of Revolving Loans pursuant to Section 2.10, the total Exposures would exceed the total Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under Section 2.08(b), at least three Business Days before the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly after it receives any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section will be irrevocable; provided that any such notice terminating the Commitments may state that it is conditioned on the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or before the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments will be permanent and will be made ratably among the Lenders in accordance with their respective Commitments.

Section 1.9. Payment at Maturity; Evidence of Debt. (a) The Borrower unconditionally promises to pay to the Administrative Agent on the Maturity Date, for the account of each Lender, the then unpaid principal amount of such Lender's Revolving Loans.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Interest Type thereof and each Interest Period (if any) applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to subsections (b) and (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that any failure by any Lender or the Administrative Agent to maintain such accounts or any error therein shall not affect the Borrower's obligation to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 1.10. Optional and Mandatory Prepayments. (a) Optional Prepayments. The Borrower will have the right at any time to prepay any Borrowing in whole or in part, subject to the provisions of this Section.

(b) Mandatory Prepayments. If at any date the Total Outstanding Amount exceeds the Maximum Facility Availability calculated as of such date, then not later than the next succeeding Business Day, the Borrower shall be required to prepay the Loans (or, if no Loans are outstanding, deposit cash in the Cash Collateral Account to cash collateralize Letter of Credit liabilities) in an amount equal to such excess until the Total Outstanding Amount, net of the amount of cash collateral deposited in the Cash Collateral Account, does not

exceed the Maximum Facility Availability.

(c) Allocation of Prepayments. Before any optional or mandatory prepayment of Borrowings hereunder, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to Section 2.10(f).

(d) Partial Prepayments. Each partial prepayment of a Borrowing shall be in

an amount that would be permitted under Section 2.02(b) for a Borrowing of the same Interest Type, except as needed to apply fully the required amount of a mandatory prepayment. Each partial prepayment of a Borrowing shall be applied ratably to the Loans included in such Borrowing.

(e) Accrued Interest. Each prepayment of a Borrowing shall be accompanied by accrued interest to the extent required by Section 2.11 or Section 2.13.

(f) Notice of Prepayments. The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy or e-mail transmission) of any prepayment of any Borrowing hereunder (i) in the case of a Eurodollar Borrowing, not later than 12:00 noon, New York City time, three Business Days before the date of prepayment and (ii) in the case of a Base Rate Borrowing, not later than 12:00 noon, New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that, if a notice of optional prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.08(c), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08(c). Promptly after it receives any such notice, the Administrative Agent shall advise the Lenders of the contents thereof.

Section 1.11. Change in Control. (a) If a Change in Control of the Borrower shall occur, the Borrower will, within one Business Day after the occurrence thereof, give the Administrative Agent notice thereof, and the Administrative Agent shall promptly notify each Lender thereof. Such notice shall describe in reasonable detail the facts and circumstances giving rise thereto and the date of such Change in Control and each Lender may, by notice to the Borrower and the Administrative Agent (a "Termination Notice") given not later than ten days after the date of such Change of Control, terminate its Commitment, which shall be terminated, and declare any Loans made by it (together with accrued interest thereon) and any other amounts payable hereunder for its account to be, and such Loans and such amounts shall become, due and payable, in each case on

the day following delivery of such Termination Notice (or if such day is not a Business Day, the next succeeding Business Day), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(b) If the Commitment of any Lender is terminated pursuant to this Section at a time when any Letter of Credit is outstanding, then (i) such Lender shall remain responsible to the LC Issuing Bank with respect to such Letter of Credit to the same extent as if its Commitment had not terminated and (ii) the Borrower shall pay to such Lender an amount in immediately available funds (which funds shall be held as collateral pursuant to arrangements satisfactory to such Lender) equal to such Lender's Percentage of the aggregate amount available for drawing under all Letters of Credit outstanding at such time.

(c) If the Commitment of any Lender is terminated pursuant to this Section at a time when any Swingline Loan is outstanding, then (i) such Lender shall remain responsible to the Swingline Lender with respect to such Swingline Loan to the same extent as if its Commitment had not terminated and (ii) the Borrower shall pay to such Lender an amount in immediately available funds (which funds shall be held as collateral pursuant to arrangements satisfactory to such Lender) equal to such Lender's Percentage of the aggregate outstanding principal amount of such Swingline Loan at such time.

Section 1.12. Fees. (a) The Borrower shall pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily unused amount of each Commitment of such Lender during the period from and including the Effective Date to the date on which such Commitment terminates. Accrued commitment fees will be payable in arrears on the last day of March, June, September and December of each year and the day when the Commitments terminate, commencing on the first such day to occur after the date hereof. All commitment fees will be computed on the basis of a year of 360 days and will be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Lender's Commitment will be deemed to be used to the extent of its outstanding Revolving Loans and LC Exposure (and its Swingline Exposure will be disregarded for such purpose).

(b) The Borrower shall pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue for each day, at the Applicable

Rate that applies to Eurodollar Revolving Loans, on the amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) on such day, during the period from the Effective Date to the later of the date on which such Lender's Commitment terminates and the date on

which such Lender ceases to have any LC Exposure, and (ii) to the LC Issuing Bank a fronting fee, which shall accrue at the rate or rates per annum separately agreed upon by the Borrower and such LC Issuing Bank on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from the Effective Date to the later of the date on which the Commitments terminate and the date on which there ceases to be any LC Exposure, as well as the fees separately agreed upon by the Borrower and such LC Issuing Bank with respect to issuing, amending, renewing or extending any Letter of Credit or processing drawings thereunder. Participation fees and fronting fees accrued through the last day of March, June, September and December of each year will be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees accrued to the date on which the Commitments terminate will be payable on such date, and any such fees accruing after such date will be payable on demand. Any other fees payable to the LC Issuing Bank pursuant to this subsection will be payable within 10 days after demand. All such participation fees and fronting fees will be computed on the basis of a year of 360 days and will be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower shall pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon by the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the LC Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

Section 1.13. Interest. (a) The Loans comprising each Base Rate Borrowing shall bear interest for each day at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest for each Interest Period in effect for such Borrowing at the Adjusted LIBO Rate for such Interest Period plus the Applicable Rate.

(c) The Swingline Loans shall bear interest at the rate applicable to Base Rate Revolving Loans.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate that would, in the absence of an Event of Default, be otherwise applicable to such Loan as provided in the preceding subsections of this Section or (ii) in the case of any other amount, 2% plus the rate that would, in the absence of an Event of Default, be applicable to Base Rate Revolving Loans, as provided in subsection (a) of this Section.

(e) Interest accrued on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to Section 2.13(d) shall be payable on demand, (ii) upon any repayment of any Loan (except a prepayment of a Base Rate Revolving Loan before the end of the Revolving Availability Period), interest accrued on the principal amount repaid shall be payable on the date of such repayment and (iii) upon any conversion of a Eurodollar Loan before the end of the current Interest Period therefor, interest accrued on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder will be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate will be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case will be payable for the actual number of days elapsed (including the first day but excluding the last day). Each applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and its determination thereof will be conclusive absent manifest error.

Section 1.14. Alternate Rate of Interest. If before the beginning of any Interest Period for a Eurodollar Borrowing:

(i) deposits in dollars in the applicable amounts are not being offered by the Administrative Agent in the London interbank market for such Interest Period; or

(ii) Lenders having 50% or more of the aggregate principal amount of the Loans to be included in such Borrowing advise the Administrative Agent that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing will be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing will be made as a Base Rate Borrowing.

Section 1.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the LC Issuing Bank; or

(ii) impose on any Lender or the LC Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make Eurodollar Loans) or to increase the cost to such Lender or the LC Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce any amount received or receivable by such Lender or the LC Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrower shall pay to such Lender or the LC Issuing Bank, as the case may be, such additional amount or amounts as will compensate it for such additional cost incurred or reduction suffered.

(b) If any Lender or the LC Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the LC Issuing Bank's capital or on the capital of such Lender's or the LC Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the LC Issuing Bank, to a level below that which such Lender or the LC Issuing Bank or such Lender's or the LC Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the LC Issuing Bank's policies and the policies of such Lender's or the LC Issuing Bank's holding company with respect to capital adequacy), then from time to time following receipt of the certificate referred to in subsection (c) of this Section, the Borrower

shall pay to such Lender or the LC Issuing Bank, as the case may be, such additional amount or amounts as will compensate it or its holding company for any such reduction suffered.

(c) A certificate of a Lender or the LC Issuing Bank setting forth the amount or amounts necessary to compensate it or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. Each such certificate shall contain a representation and warranty on the part of the Lender to the effect that such Lender has complied with its obligations pursuant to Section 2.19 hereof in an effort to eliminate or reduce such amount. The Borrower shall pay such Lender or the LC Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay by any Lender or the LC Issuing Bank to demand compensation pursuant to this Section will not constitute a waiver of its right to demand such compensation; provided that the Borrower will not be required to compensate a Lender or the LC Issuing Bank pursuant to this Section for any increased cost or reduction incurred more than 180 days before it notifies the Borrower of the Change in Law giving rise to such increased cost or reduction and of its intention to claim compensation therefor. However, if the Change in Law giving rise to such increased cost or reduction is retroactive, then the 180-day period referred to above will be extended to include the period of retroactive effect thereof.

Section 1.16. Break Funding Payments. If (a) any principal of any Eurodollar Loan is repaid on a day other than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) any Eurodollar Loan is converted on a day other than the last day of an Interest Period applicable thereto, (c) the Borrower fails to borrow, convert, continue or prepay any Revolving Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(f) and is revoked in accordance therewith), or (d) any Eurodollar Loan is assigned on a day other than the last day of an Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then the Borrower shall compensate each Lender for its loss, cost and expense

attributable to such event. In the case of a Eurodollar Loan, such loss, cost and expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the end of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have begun on the date of such failure), over (ii) the amount of interest that would accrue on such

principal amount for such period at the interest rate which such Lender would bid were it to bid, at the beginning of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 1.17. Taxes. (a) All payments by the Borrower under the Loan Documents shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that, if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable will be increased as necessary so that, after all required deductions (including deductions applicable to additional sums payable under this Section) are made, each relevant Lender Party receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify each Lender Party, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Lender Party with respect to any payment by or obligation of the Borrower under the Loan Documents (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment delivered to the Borrower by a Lender Party on its own behalf, or by the Administrative Agent on behalf of a Lender Party, shall be conclusive absent manifest error. If the Borrower has indemnified any Lender Party pursuant to this Section 2.17(c), such Lender Party shall take such steps as the Borrower shall reasonably request (at the Borrower's expense) to assist the Borrower in recovering the Indemnified Taxes or Other Taxes and any penalties or interest attributable thereto; provided that no Lender Party shall be required to take any action pursuant to this Section 2.17(c) unless, in the judgment of such Lender Party, such action (i) would not subject such Lender Party to any unreimbursed cost or expense and (ii) would not otherwise be disadvantageous to such Lender Party.

(d) As soon as practicable after the Borrower pays any Indemnified Taxes or Other Taxes to a Governmental Authority, the Borrower shall deliver to

the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the laws of the United States, or any treaty to which the United States is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. If any such Foreign Lender becomes subject to any Tax because it fails to comply with this subsection as and when prescribed by applicable law, the Borrower shall take such steps (at such Foreign Lender's expense) as such Foreign Lender shall reasonably request to assist such Foreign Lender to recover such Tax.

Section 1.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it under the Loan Documents (whether of principal, interest or fees, or reimbursement of LC Disbursements, or amounts payable under Section 2.15, 2.16 or 2.17 or otherwise) before the time expressly required under the relevant Loan Document for such payment (or, if no such time is expressly required, before 12:00 noon, New York

City time), on the date when due, in immediately available funds, without set-off or counterclaim. Any amount received after such time on any day may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at One Chase Manhattan Plaza, 8th Floor, New York, NY 10081, except payments to be made directly to the LC Issuing Bank or the Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly after receipt thereof. Unless otherwise specified herein, if any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment will be extended to the next succeeding Business Day and, if such payment accrues interest, interest thereon will be payable for the period of such extension. All payments under each Loan Document shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the

Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or any of its participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this subsection shall not apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this subsection shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless, before the date on which any payment is due to the Administrative Agent for the account of one or more Lender Parties hereunder, the Administrative Agent receives from the Borrower notice that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance on such assumption, distribute to each relevant Lender Party the amount due to it. In such event, if the Borrower has not in fact made such payment, each Lender Party severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender Party with interest

thereon, for each day from and including the day such amount is distributed to it to but excluding the day it repays the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender fails to make any payment required to be made by it pursuant to Section 2.04(e), 2.05(d), 2.05(e), 2.06(b), 2.18(d) or 9.03(c), the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 1.19. Lender's Obligation to Mitigate; Replacement of Lenders . (a) If any Lender requests compensation under Section 2.15, or if the Borrower is

required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use all commercially reasonable efforts to mitigate or eliminate the amount of such compensation or additional amount, including without limitation, by designating a different lending office for funding or booking its Loans hereunder or by assigning its rights and obligations hereunder to another of its offices, branches or affiliates; provided that no Lender shall be required to take any action pursuant to this Section 2.19(a) unless, in the judgment of such Lender, such designation or assignment or other action (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future, (ii) would not subject such Lender to any unreimbursed cost or expense and (iii) would not otherwise be disadvantageous to such Lender. The Borrower shall pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Commitment is being assigned, the LC Issuing Bank and the Swingline Lender), which consents shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and

all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment cease to apply.

Section 1.20. Optional Increase in Commitments. At any time, if no Default shall have occurred and be continuing (or would result after giving effect thereto), the Borrower, may, if it so elects, increase the aggregate amount of the Commitments (each such increase to be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000), either by designating a financial institution not theretofore a Lender to become a Lender (such designation to be effective only with the prior written consent of the Administrative Agent and each LC Issuing Bank, which consent will not be unreasonably withheld or delayed, and only if such financial institution accepts a Commitment in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000), or by agreeing with an existing Lender that such Lender's Commitment shall be increased. Upon execution and delivery by the Borrower and such Lender or other financial institution of an instrument (a "Commitment Acceptance") in form reasonably satisfactory to the Administrative Agent, such existing Lender shall have a Commitment as therein set forth or such other financial institution shall become a Lender with a Commitment as therein set forth and all the rights and obligations of a Lender with such a Commitment hereunder; provided:

(a) that the Borrower shall provide prompt notice of such increase to the Administrative Agent, who shall promptly notify the Lenders;

(b) that the Borrower shall have delivered to the Administrative Agent a copy of the Commitment Acceptance;

(c) that the amount of such increase, together with all other increases in the aggregate amount of the Commitments pursuant to this Section 2.20 since the date of this Agreement, does not exceed $150,000,000;

(d) that, before and after giving effect to such increase, the representations and warranties of the Borrower contained in Article 3 of this Agreement shall be true and correct; and

(e) that the Administrative Agent shall have received such evidence (including an opinion of Borrower's counsel) as it may

reasonably request to confirm the Borrower's due authorization of the transactions contemplated by this Section 2.20 and the validity and enforceability of the obligations of the Borrower resulting therefrom.

On the date of any such increase, the Borrower shall be deemed to have represented to the Administrative Agent and the Lenders that the conditions set forth in clauses (a) through (e) above have been satisfied.

Upon any increase in the aggregate amount of the Commitments pursuant to this Section 2.20:

(x) within five Domestic Business Days, in the case of any Base Rate Borrowings then outstanding, and at the end of the then current Interest Period with respect thereto, in the case of any Eurodollar Borrowings then outstanding, the Borrower shall prepay such Borrowing in its entirety and, to the extent the Borrower elects to do so and subject to the conditions specified in Article 4, the Borrower shall reborrow Loans from the Lenders in proportion to their respective Commitments after giving effect to such increase, until such time as all outstanding Loans are held by the Lenders in such proportion; and

(y) each existing Lender whose Commitment has not increased pursuant to this Section 2.20 (each, a "Non-Increasing Lender") shall be deemed, without further action by any party hereto, to have sold to each Lender whose Commitment has been assumed or increased under this Section 2.20 (each, an "Increased Commitment Lender"), and each Increased Commitment Lender shall be deemed, without further action by any party hereto, to have purchased from each Non-Increasing Lender, a participation (on the terms specified in Section 2.05 and 2.04, respectively) in each outstanding Letter of Credit and each Swingline Loan in which such Non-Increasing Lender has acquired a participation in an amount equal to such Increased Commitment Lender's Percentage thereof, until such time as all LC Exposures and Swingline Exposures are held by the Lenders in proportion to their respective Commitments after giving effect to such increase.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender Parties that:

Section 2.1. Organization; Powers. The Borrower and each of its Restricted Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where failures to do so, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 2.2. Authorization; Enforceability. The Financing Transactions to be entered into by the Borrower are within its corporate, limited liability company or similar company powers and have been duly authorized by all necessary corporate, limited liability company (or similar) action and, if required, stockholder or equity holder action. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document to which the Borrower is to be a party, when executed and delivered by the Borrower, will constitute, a legal, valid and binding obligation of the Borrower, as the case may be, in each case enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 2.3. Governmental Approvals; No Conflicts. The Financing Transactions (a) do not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect and (ii) filings necessary to perfect the Transaction Liens, (b) will not violate any applicable law or regulation or the charter, by-laws, limited liability company agreement or other organizational documents of the Borrower or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its properties, or give rise to a right thereunder to require the Borrower to make any payment, and (d) will not result in the creation or imposition of any Lien (other than the Transaction Liens) on any property of the Borrower.

Section 2.4. Financial Statements; No Material Adverse Change . (a) The Borrower has heretofore furnished to the Lenders (i) USX Corporation's 2000 Form 10-K containing the audited consolidated balance sheet of the U.S. Steel Group as of December 31, 2000 and the related consolidated statements of income and cash flows for the Fiscal Year then ended, reported on by PricewaterhouseCoopers LLP, independent public accountants, and (ii) USX Corporation's Latest Form 10-Q containing the unaudited consolidated balance sheet of the

U.S. Steel Group as of September 30, 2001 and the related consolidated statements of income and cash flows for the Fiscal Quarter then ended and for

the portion of the Fiscal Year then ended, all certified by its chief financial officer. Such financial statements present fairly, in all material respects, the consolidated financial position of the U.S. Steel Group as of such dates and its consolidated results of operations and cash flows for such periods in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) The Borrower has heretofore furnished to the Lenders its pro forma consolidated balance sheet as of June 30, 2001, prepared giving effect to the Financing Transactions as if the Financing Transactions had occurred on such date. Such pro forma consolidated balance sheet (i) has been prepared in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Information Memorandum (which assumptions are believed by the Borrower to be reasonable), (ii) is based on the best information available to the Borrower after due inquiry, (iii) accurately reflects all adjustments necessary to give effect to the Financing Transactions and (iv) presents fairly, in all material respects, the pro forma consolidated financial position of the Borrower and its Subsidiaries as of June 30, 2001 as if the Financing Transactions had occurred on such date.

(c) Since December 31, 2000, there has been no material adverse change in the business, operations, properties, assets, financial condition, contingent liabilities or material agreements of the Borrower and its Subsidiaries, taken as a whole, except as disclosed prior to the Effective Date in USX Corporation's 2000 Form 10-K, USX Corporation's Latest Form 10-Q or USX Corporation's Latest Proxy Statement.

Section 2.5. Security Documents. The Security Documents create valid security interests in the Collateral purported to be covered thereby, which security interests are and will remain perfected security interests, prior to all other Liens, other than Liens permitted under Section 6.02. Each of the representations and warranties made by the Borrower in the Security Documents to which it is a party is true and correct in all material respects.

Section 2.6. Borrower's Subsidiaries. As of the Effective Date, the Borrower has no Subsidiaries other than those set forth on Schedule 3.06. Each Subsidiary identified on Schedule 3.06 is a Restricted Subsidiary.

Section 2.7. Litigation and Environmental Matters. (a) Except as set forth in (i) USX Corporation's 2000 Form 10-K, (ii) USX Corporation's Latest Form 10-Q, (iii) USX Corporation's Latest Proxy Statement, (iv) USX Corporation's quarterly reports on Form 10-Q for the quarters ended

March 31, 2001 and June 30, 2001, as filed with the SEC pursuant to the Exchange Act or (v) the Borrower's and USX Corporation's registration statement on Form S-4, as filed with the SEC on October 12, 2001, there is no action, suit, arbitration proceeding or other proceeding, inquiry or investigation, at law or in equity, before or by any arbitrator or Governmental Authority pending against the Borrower or of which the Borrower has otherwise received official notice or which, to the knowledge of the Borrower, is threatened against the Borrower (i) as to which there is a reasonable possibility of an unfavorable decision, ruling or finding which would reasonably be expected to result in a Material Adverse Effect or (ii) that involves any of the Loan Documents or the Financing Transactions.

(b) Except as set forth in USX Corporation's 2000 Form 10-K, USX Corporation's Latest Form 10-Q or USX Corporation's Latest Proxy Statement, the Borrower does not presently anticipate that remediation costs and penalties associated with any Environmental Law, to the extent not previously provided for, will have a Material Adverse Effect.

Section 2.8. Compliance with Laws and Agreements. The Borrower is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property (including (i) all Environmental Laws, (ii) ERISA, (iii) applicable laws, regulations and orders dealing with intellectual property, and (iv) the Fair Labor Standards Act and other applicable law dealing with such matters) and all indentures, agreements and other instruments binding on it or its property, except where failures to do so, in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 2.9. Investment and Holding Company Status. The Borrower is not (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended or (b) a "holding company" or "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 2.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect.

Section 2.11. Regulation U. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U).

Section 2.12. Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. The Information Memorandum and any other written information (other than projected financial information) set forth in (a) USX Corporation's Proxy Statement on Form 14A filed with the SEC on September 20, 2001, (b) the Borrower's Confidential Offering Circulars dated July 24, 2001 and September 6, 2001 relating to the Borrower's 10-3/4% Senior Notes, (c) the Borrower's roadshow materials presented in connection with its July, 2001 and September, 2001 offering of 10-3/4% Senior Notes, (d) a presentation prepared for the proposed members of the Lender syndicate and (vi) materials regarding the Borrower's inventory that has been made available by or on behalf of the Borrower to the Arranger, any Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or thereunder, is complete and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based on assumptions believed to be reasonable at the time.

Section 2.13. Senior Debt. The Secured Obligations constitute "Secured Indebtedness" and "Senior Indebtedness" under and as defined in the Senior Unsecured Debt Documents.

Section 2.14. Processing of Receivables. In the ordinary course of its business, the Borrower processes its accounts receivable in a manner such that (i) each payment received by the Borrower in respect of accounts receivables is allocated to a specifically identified invoice or invoices, which invoice or invoices corresponds to a particular account receivable owing to the Borrower and (ii) if, at any time, less than 100% of the accounts receivables to the Borrower are included in a Receivables Financing, payments received in respect of those accounts receivable included in a Receivables Financing would be identifiable and separable from payments received in respect of accounts receivable not so included in a Receivables Financing.

Section 2.15. Senior Unsecured Debt Documents. The Borrower has heretofore furnished to the Lenders true and correct copies of all Senior Unsecured Debt Documents.

Section 2.16. Solvency. Immediately after the Financing Transactions to occur on the Effective Date are consummated and after giving effect to the application of the proceeds of each Loan made on the Effective Date and after giving effect to the application of the proceeds of each Loan made on any other date, (a) the fair value of the assets of the Borrower, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the Borrower will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (c) the Borrower will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and proposed to be conducted after the Effective Date.

ARTICLE 3

CONDITIONS

Section 3.1. Effective Date. The obligations of the Lenders to make Loans and of the LC Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received counterparts hereof signed by the Borrower and each of the Lenders listed on the signature pages hereof (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of telex, facsimile or other written confirmation from such party that it has executed a counterpart hereof).

(b) The Administrative Agent shall have received favorable written opinions (in each case, addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Berry & Associates, special counsel for the Borrower, and the General Counsel or an Assistant General

Counsel of the Borrower, (i) which opinions are substantially in the form of Exhibit B-1 and Exhibit B-2, respectively, and (ii) covering such other matters relating to the Borrower, the Loan Documents or the Financing Transactions as the Required Lenders shall reasonably request. The Borrower requests such counsel to deliver such opinion.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization for and validity of the

Financing Transactions and any other legal matters relating to the Borrower, the Loan Documents or the Financing Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in clause (a), (b) and (c) of Section 4.03.

(e) The fact that the Required Lenders shall not have notified the Administrative Agent of their determination that, since December 31, 2000, any event, development or circumstance has occurred that has had or would reasonably be expected to have a Material Adverse Effect, other than those events, developments and circumstances that have been disclosed (i) to the Administrative Agent in writing or (ii) in USX Corporation's 2000 Form 10-K, USX Corporation's Latest Form 10-Q, USX Corporation's Latest Proxy Statement or the Borrower's and USX Corporation's registration statement on Form S-4 filed on October 12, 2001.

(f) The fact that neither the Arranger nor the Administrative Agent shall have become aware of any information or other matter affecting the Borrower or the Financing Transactions which was in existence prior to the date of this Agreement and is inconsistent in a material and adverse manner with any such information or other matter disclosed to them prior to the date of this Agreement.

(g) The Borrower shall have paid all fees and other amounts due and payable to the Lender Parties on or before the Effective Date, including, to the extent invoiced, all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by the Borrower under the Loan Documents.

(h) The Collateral Requirement shall have been satisfied and the Administrative Agent shall have received a completed Perfection Certificate dated the Effective Date and signed by a Financial Officer or other executive officer of the Borrower, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Borrower in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been released.

(i) The Administrative Agent shall have received evidence

reasonably satisfactory to it that all insurance required by Section 5.07 is in effect.

(j) All consents and approvals required to be obtained from any Governmental Authority or other Person in connection with the Financing Transactions shall have been obtained and be in full force and effect, except where failure to obtain such approval or consent would not have a Material Adverse Effect.

(k) The Lenders shall have received (i) a monthly computation of the Borrower's liquidity position (including cash, receivables, inventory and borrowings) for each month of Fiscal Year 2001 that ends at least 20 days prior to the date of this Agreement, (ii) a business plan for each Fiscal Year that begins during the term of this Agreement (including financial forecasts on a quarterly basis for Fiscal Year 2001 and Fiscal Year 2002 and on an annual basis for each Fiscal Year thereafter) and (iii) a written analysis of the business and prospects of the Borrower and its Subsidiaries for the term of this Agreement, all in form and substance reasonably satisfactory to the Lenders in their good faith judgment.

(l) The Administrative Agent shall have received a completed Borrowing Base Certificate dated the Effective Date and signed by a Financial Officer.

(m) The Administrative Agent shall have completed all such field exams as it deems reasonably necessary or desirable, and shall have received evidence satisfactory to it that the Collateral Agent and Co-Collateral Agent and their respective designated representatives shall have completed all such field exams and received all such inventory appraisals from independent appraisers as the Collateral Agent and Co-Collateral Agent deem reasonably necessary or desirable.

(n) The Administrative Agent shall have received evidence satisfactory to it that the Effective Date Receivables Financing shall have been consummated prior to or concurrently with the occurrence of the Effective Date.

Promptly after the Effective Date occurs, the Administrative Agent shall notify the Borrower and the Lenders thereof, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the LC Issuing Bank to issue Letters of Credit shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) before 5:00 p.m., New York City time, on December 3, 2001 (and, if any such condition is not so satisfied or waived, the Commitments shall terminate at such time).

Section 3.2. Conditions to Initial Utilization. The obligation of each Lender to make a Loan on the occasion of the initial Borrowing, the obligation of the Swingline Lender to make the initial Swingline Loan (if such initial Swingline Loan is made prior to the occasion of the initial Borrowing and the issuance of the initial Letter of Credit) and the obligation of the LC Issuing Bank to issue the initial Letter of Credit (if such initial Letter of Credit is issued prior to the occasion of the initial Borrowing and the making of the initial Swingline Loan), are each subject to the satisfaction of the following conditions:

(a) The Effective Date shall have occurred.

(b) The Administrative Agent shall have received evidence satisfactory to it that the Lorain Merger shall have been consummated.

(c) The Administrative Agent shall have received evidence satisfactory to it that the Separation shall have been completed ((x) without the requirement of any Borrowing or Swingline Loan being made or any Letter of Credit (other than Letters of Credit in an aggregate amount not in excess of $15,000,000) being issued hereunder, (y) with trade payables being paid currently and expenses and liabilities being paid in the ordinary course of business and (z) without acceleration of sales), and the Borrower shall no longer be a subsidiary of USX Corporation.

(d) After giving effect to the consummation of the Lorain Merger and the Separation, the Borrowing Base, as set forth in the most recent Borrowing Base Certificate (dated within 30 days of the date of such initial Borrowing, Swingline Loan or Letter of Credit), shall not be less than $325,000,000.

(e) The Administrative Agent shall have received evidence satisfactory to it that the Borrower's contemplated tax settlement with Marathon Oil Corporation shall have been consummated and shall have resulted in a value transfer to the Borrower (in the form of a reduction in Debt attributed to the Borrower) in an amount equal to or greater than $300,000,000.

Section 3.3. Conditions to Each Utilization. The obligation of each Lender to make a Loan on the occasion of any Borrowing (including the initial Borrowing), the obligation of the Swingline Lender to make any Swingline Loan (including the initial Swingline Loan) and the obligation of the LC Issuing Bank to issue, amend, renew or extend any Letter of Credit (including the initial Letter of Credit), are each subject to receipt of the Borrower's request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) Immediately after giving effect to such Borrowing or Swingline Loan or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(b) The representations and warranties of the Borrower set forth in the Loan Documents shall be true on and as of the date of such Borrowing or Swingline Loan or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(c) Immediately before and after such Borrowing or Swingline Loan is made, or such Letter of Credit is issued, amended, renewed or extended, as applicable, the Total Outstanding Amount will not exceed the Maximum Facility Availability.

Each Borrowing, each Swingline Loan and each issuance, amendment, renewal or

extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in clauses (a), (b) and (c) of this Section.

ARTICLE 4

AFFIRMATIVE COVENANTS

Until all the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or been cancelled and all LC Disbursements have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 4.1. Financial Statements and Other Information. (a) The Borrower will furnish to the Administrative Agent (for delivery to each Lender):

(i) as soon as available and in any event within 90 days after the end of each Fiscal Year, its audited consolidated balance sheet as of the end of such Fiscal Year and the related statements of income and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PricewaterhouseCoopers LLC or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) as presenting fairly in all material respects the financial position, results of operations and cash flows of the Borrower

and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP;

(ii) as soon as available and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, its consolidated balance sheet as of the end of such Fiscal Quarter and the related statements of income and cash flows for such Fiscal Quarter and for the then elapsed portion of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Financial Officer as (x) reflecting all adjustments (which adjustments are normal and recurring unless otherwise disclosed) necessary for a fair presentation of the results for the period covered and (y) having been prepared in accordance with the applicable rules of the SEC;

(iii) as soon as available and in any event within 30 days after the end of each fiscal month (x) its shipment and average selling price data for such month and for the then elapsed portion of the Fiscal Year and (y) the additional monthly financial information described in (and substantially in the form of) Schedule 5.01, certified as to accuracy by a Financial Officer;

(iv) concurrently with each delivery of financial statements under clause (i) or (ii) above, a certificate of a Financial Officer (x) certifying as to whether a Default has occurred and is continuing and, if a Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (y) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.12 through 6.14, inclusive, and (z) stating whether any change in GAAP or in the application thereof has become effective since the date of the Borrower's most recent audited financial statements referred to in Section 3.04 or delivered pursuant to this Section and, if any such change has become effective, specifying the effect of such change on the financial statements accompanying such certificate;

(v) concurrently with each delivery of financial statements under clause (i) above, a certificate of the accounting firm that reported on such financial statements stating whether during the course of their examination of such financial statements they obtained knowledge of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(vi) no later than 45 days after the beginning of each Fiscal Year, a detailed consolidated budget for such Fiscal Year (which budget shall (A) include a projected consolidated balance sheet and related statements of projected operations and cash flows as of the end of and for such Fiscal

Year, a projected Borrowing Base as of the last day of each Fiscal Quarter in such Fiscal Year, and projected levels of Facility Availability as of the last day of each Fiscal Quarter in such Fiscal Year, and (B) set forth the assumptions used in preparing such budget) and, promptly when available, any significant revisions of such budget;

(vii) promptly after the same become publicly available, copies of all periodic and other material reports and proxy statements filed by the Borrower or any Restricted Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC;

(viii) concurrently with each delivery of financial statements under clause (i) or (ii) above, the related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements;

(ix) promptly upon the effectiveness of any material amendment or modification of, or any waiver of the rights of the Borrower or any Restricted Subsidiary under, (A) any Senior Unsecured Debt Document, (B) the certificate of formation, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents of the Borrower or any Restricted Subsidiary or (C) any document evidencing any Receivables Financing, written notice of such amendment, modification or waiver describing in reasonable detail the purpose and substance thereof; and

(x) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower and its Restricted Subsidiaries, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request.

Information required to be delivered pursuant to Sections 5.01(a)(i), 5.01(a)(ii) or 5.01(a)(vii) above shall be deemed to have been delivered on the date on which the Borrower provides notice to the Administrative Agent that such information has been posted on the Borrower's website on the Internet at the website address listed on the signature pages hereof, at sec.gov/edaux/searches.htm or at another website identified in such notice and accessible by the Lenders without charge; provided that (i) such notice may be included in a certificate delivered pursuant to Section 5.01(a)(iv) and (ii) the Borrower shall deliver paper copies of the information referred to in Sections 5.01(a)(i), 5.01(a)(ii) and 5.01(a)(vii) to the Administrative Agent for any Lender which requests such delivery.

(b) Borrowing Base Reports. The Borrower will furnish to the Administrative Agent, the Collateral Agent and the Co-Collateral Agent (and the Administrative Agent shall thereafter deliver to each Lender):

(i) as soon as available and in any event within 15 days after the end of each calendar month, a completed Borrowing Base Certificate (accompanied by supporting documentation and supplemental reporting) calculating and certifying the Borrowing Base as of the end of such calendar month, signed on behalf of the Borrower by a Financial Officer and in form and substance satisfactory to the Collateral Agent; provided that such Borrowing Base Certificate (accompanied by supporting documentation and supplemental reporting) shall be furnished to the Administrative Agent, the Collateral Agent and the Co-Collateral Agent as soon as available and in any event within two Business Days after the end of each period of two calendar weeks (each such biweekly period deemed, for purposes hereof, to end on a Friday) at the end of which Facility Availability (calculated, for purposes of this Section 5.01(b)(i), without giving effect to the Availability Block) is less than $100,000,000; and;

(ii) within two Business Days of any request therefor, such other information in such detail concerning the amount, composition and manner of calculation of the Borrowing Base as any Lender may reasonably request.

Section 4.2. Notice of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Restricted Subsidiary or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liabilities of the Borrower and its Restricted Subsidiaries in an aggregate amount exceeding $50,000,000;

(d) the occurrence of any change in the Borrower's Senior Debt Ratings by either Moody's or S&P; and

(e) any other development that results in, or would reasonably be

expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 4.3. Information Regarding Collateral. (a) The Borrower will furnish to the Administrative Agent prompt written notice of any change in (i) the Borrower's corporate name or any trade name used to identify it in the conduct of its business or the Borrower's chief executive office, its principal place of business, or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (ii) the Borrower's identity or corporate structure, (iii) the Borrower's State Organizational Identification Number (or Charter Number) and (iv) the Borrower's Federal Taxpayer Identification Number. The Borrower will not effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code and all other actions have been taken that are required so that such change will not at any time adversely affect the validity, perfection or priority of any Transaction Lien on any of the Collateral. The Borrower will also promptly notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

(b) Each year, at the time annual financial statements with respect to the preceding Fiscal Year are delivered pursuant to Section 5.01(a)(i), the Borrower will deliver to the Administrative Agent a certificate of a Financial Officer and the chief legal officer (or other in-house counsel) of the Borrower (i) setting forth the information required pursuant to Sections A.1, A.2 and B.1 of the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Effective Date or the date of the most recent certificate delivered pursuant to this subsection and (ii) certifying that all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each appropriate office in each jurisdiction identified pursuant to clause (i) above to the extent necessary to protect and perfect the Transaction Liens for a period of at least 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period).

(c) The Borrower will furnish to the Administrative Agent, the Collateral Agent and the Co-Collateral Agent prompt written notice of the occurrence of any "Termination Event" (as defined in the Effective Date Receivables Financing). From and after the occurrence of any such Termination Event, the Borrower shall furnish to the Administrative Agent and the Collateral

Agent a daily written report reflecting then current amortization of the Effective Date Receivables Financing. On any date when the Effective Date Receivables Financing shall have terminated and the payment of all obligations owing by the Borrower and its Subsidiaries in respect thereof shall have been paid in full, the Borrower shall provide prompt written notice thereof to the Administrative Agent, the Collateral Agent and the Co-Collateral Agent.

(d) Upon the request of any Lender, the Borrower will furnish to the Collateral Agent copies of any servicer reports that have been furnished to JPMorgan Chase Bank or The Bank of Nova Scotia, in their respective capacities as agents, under the Effective Date Receivables Financing.

Section 4.4. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

Section 4.5. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to, pay all of its material Debt and other material obligations, including Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation and (d) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

Section 4.6. Maintenance of Properties. The Borrower will, and will cause

each of its Subsidiaries (other than any Unrestricted Subsidiary) to, maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

Section 4.7. Insurance. (a) The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to maintain, at its sole cost and expense, insurance coverage (x) as in effect on the date of the Agreement and described in Schedule 5.07 or (y) otherwise with financially sound and reputable insurers (which insurers shall be reasonably acceptable to the Administrative Agent, the Collateral Agent and the Co-Collateral Agent) in such amounts, and with such deductibles (including provisions for self-insurance), as are set forth on Schedule 5.07

hereof. If at any time the Borrower is unable to maintain (or cause to be maintained) such insurance coverage with the deductibles shown on Schedule 5.07 at favorable premiums, it shall so advise the Administrative Agent, the Collateral Agent and the Co-Collateral Agent in writing at least 30 days prior to the expiration of the then current policy (enclosing with such notice copies of any proposals from insurers regarding the insurance coverage in question as well as the Borrower's recommendations with respect thereto). The Administrative Agent shall promptly (but in no event later than 15 days from receipt of such notice) advise the Borrower of the requirements of the Administrative Agent (which requirements shall be determined in good faith by mutual agreement among the Administrative Agent, the Collateral Agent and the Co-Collateral Agent) regarding such insurance coverage, and the Borrower shall be bound to adhere to such requirements. If the Borrower at any time or times hereafter fails to obtain or maintain the insurance coverage required pursuant to this Section 5.07 or to pay all premiums relating thereto, the Collateral Agent may at any time or times thereafter obtain and maintain such required insurance coverage and pay such premiums and take such other actions with respect thereto that the Collateral Agent deems reasonably advisable. The Collateral Agent shall not have any obligation to obtain insurance for the Borrower or any of its Subsidiaries or to pay any premiums therefor. By doing so, the Collateral Agent shall not be deemed to have waived any Default arising from failure of the Borrower to maintain (or cause to be maintained) such insurance or to pay (or cause to be paid) any premiums therefor. All sums so disbursed, including reasonable attorneys' fees, court costs and other charges related thereto, shall be payable on demand by the Borrower to the Administrative Agent and shall be additional obligations hereunder secured by the Collateral. The Collateral Agent and the Co-Collateral Agent reserve the right at any time upon any change in the Borrower's risk profile to require additional insurance coverages and limits of insurance to, in such Agents' reasonable opinion, adequately protect the interests of the Lender Parties in all or any portion of the Collateral.

(b) Property damage policies maintained with respect to any Collateral shall be endorsed or otherwise amended to include a lenders' loss payable clause, in each case in favor of the Collateral Agent and providing for losses thereunder to be payable to the Collateral Agent or its designee as loss payee and (ii) a provision to the effect that none of the Administrative Agent, the Collateral Agent, the Co-Collateral Agent nor any other Lender Party shall be a coinsurer. Commercial general liability policies shall be endorsed to name the Collateral Agent as an additional insured. Each such policy referred to in this subsection also shall provide that it shall not be canceled, modified or not renewed (i) by reason of nonpayment of premium except upon at least 10 days' prior written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason

except upon at least 30 days' prior written notice thereof by the insurer to the Collateral Agent. The Borrower shall deliver to the Collateral Agent, prior to the cancellation, modification or nonrenewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent) together with evidence reasonably satisfactory to the Collateral Agent of payment of the premium therefor.

Section 4.8. Casualty and Condemnation. The Borrower will furnish to the Administrative Agent, the Collateral Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding.

Section 4.9. Proper Records; Rights to Inspect and Appraise. (a) The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to, keep proper books of record and account in which complete and correct entries are made of all transactions relating to its business and activities. The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to, permit any representatives designated by the Administrative Agent, the Collateral Agent, the Co-Collateral Agent or any Lender, upon reasonable prior notice, to visit

and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

(b) The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to, permit the Collateral Agent and/or the Co-Collateral Agent and any representatives designated by either of them (including any consultants, accountants, lawyers and appraisers retained by the Collateral Agent) to conduct collateral reviews and evaluations and appraisals of the assets included in the Borrowing Base and the Borrower's computation of the Borrowing Base, all at such reasonable times and as often as reasonably requested. The Borrower shall pay the documented fees and expenses of employees of the Collateral Agent (including reasonable and customary internally allocated fees of such employees incurred in connection with periodic collateral evaluations and appraisals and internally allocated monitoring fees associated with the Collateral Agent's "collateral agent services group" or similar body) or any representatives (including any inventory appraisal firm) retained by the Collateral Agent to conduct any such evaluation or appraisal; provided the Borrower shall not be required to pay such fees and expenses of collateral reviews and appraisals performed by the Collateral Agent and the Co-Collateral Agent, except (i) in respect of one such collateral review and one such appraisal performed by the Collateral Agent (or, at the option of the Co-Collateral Agent,

by the Collateral Agent and the Co-Collateral Agent together) in any calendar year, and (ii) in respect of up to four such collateral reviews and four such appraisals performed by the Collateral Agent (or, at the option of the Co-Collateral Agent, by the Collateral Agent and the Co-Collateral Agent together) at such times as Facility Availability (calculated for purposes hereof without giving effect to the Availability Block) is less than $100,000,000, and (iii) in respect of any such collateral reviews and such collateral appraisals performed by the Collateral Agent and the Co-Collateral Agent during the continuance of a Default or Event of Default; and provided further that the Borrower shall not be required to pay the fees and expenses of inventory appraisal firms hired by the Collateral Agent, except (i) in respect of one inventory appraisal per calendar year during the term of this Agreement, (ii) in respect of up to four inventory appraisals per calendar year at such times as Facility Availability (calculated for this purpose without giving effect to the Availability Block) is less than $100,000,000, and (iii) in respect of any one or more additional inventory appraisals conducted at the request of the Collateral Agent during the continuance of a Default or Event of Default. The Collateral Agent, the Co-Collateral Agent and any representative designated by either of them to conduct such collateral reviews, evaluations and appraisals shall, during any review, inspection or other activity performed at any of the Borrower's plant sites, (x) be accompanied at all times by a plant safety representative (and the Borrower hereby agrees to cause such a plant safety representative to be available for such purpose at such reasonable hours as may be requested and upon reasonable prior notice) and (y) comply at all times with the Borrower's rules regarding safety and security to the extent that the Collateral Agent, Co-Collateral Agent or representative has been notified of such rules. In connection with any collateral monitoring or review and appraisal relating to the computation of the Borrowing Base, the Borrower shall make adjustments to the Borrowing Base (which may include maintaining additional reserves or modifying the eligibility criteria for components of the Borrowing Base) to the extent required by the Collateral Agent or the Required Lenders as a result of any such monitoring, review or appraisal. The Collateral Agent and the Co-Collateral Agent shall furnish to the Administrative Agent (for delivery to each Lender) a copy of the final written collateral review or appraisal report prepared in connection with such monitoring, review or appraisal.

Section 4.10. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to, comply with all laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws and ERISA and the respective rules and regulations thereunder) applicable to it or its property, other than such laws, rules or regulations (a) the validity or applicability of which the Borrower or any Subsidiary is contesting in good faith by appropriate proceedings or (b) the failure to comply with which cannot reasonably be expected to result in a Material Adverse Effect.

Section 4.11. Use of Proceeds and Letters of Credit. The proceeds of the Revolving Loans and Swingline Loans will be used only to finance the general corporate purposes (including working capital needs) of the Borrower. No part of the proceeds of any Loan will be used, directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Federal Reserve Board, including Regulations T, U and X. Letters of Credit will be requested and used only to finance the general corporate purposes (including working capital needs) of the Borrower, and will not be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Federal Reserve Board, including regulations T, U and X.

Section 4.12. Further Assurances. (a) The Borrower will execute and deliver any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), that may be required under any applicable law, or that the Administrative Agent, the Collateral Agent or the Required Lenders may reasonably request, to cause the Collateral Requirement to be and remain satisfied, all at the Borrower's expense. The Borrower will provide to the Collateral Agent, from time to time upon request, evidence reasonably satisfactory to the Collateral Agent as to the perfection and priority of the Transaction Liens created or intended to be created by the Security Documents.

(b) If, on the date when all of the Commitments are terminated (whether pursuant to Section 2.08 or otherwise), any Letter of Credit remains outstanding, the Borrower shall deposit in the Cash Collateral Account on such date an amount in cash equal to 102% of the total LC Exposure as of such date plus any accrued and unpaid interest thereon. Any amount so deposited (including any earnings thereon) will be withdrawn from the Cash Collateral Account by the Administrative Agent and applied to pay LC Reimbursement Obligations as they become due; provided that at such time as all outstanding Letters of Credit have expired, and all LC Reimbursement Obligations (plus accrued and unpaid interest thereon) have been paid in full, such amount, to the extent not therefore applied, shall be returned to the Borrower.

Section 4.13. Amendments to Effective Date Receivables Financing. The Borrower shall (a) provide the Administrative Agent and the Collateral Agent with written notice of any proposed amendment, modification or other change to, and each consent to a departure from, the terms or provisions of the Effective Date Receivables Financing and (b) promptly following the effectiveness thereof, provide the Administrative Agent and the Collateral Agent with a copy of each such amendment, modification or other change to, and each such consent to a departure from, the terms or provisions of the Effective Date Receivables Financing. The Borrower shall not, without the prior written consent of the Required

Lenders, amend, modify or otherwise change or obtain a consent to a departure from (i) the definitions of "USS Credit Agreement" or "USS Security Agreement" contained in the Receivables Purchase Agreement or (ii) any other provision of (including by the addition of a provision) the Effective Date Receivables Financing which could in any way impair the interests of the Lender Parties in the Collateral.

Section 4.14. Designation of Subsidiaries. The Borrower's board of directors may at any time designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation, no Default shall have occurred and be continuing (including, without limitation, any Default as a result of a breach of the covenants set forth in Sections 6.01, 6.02 and 6.04), (ii) immediately after giving effect to such designation, the Borrower shall be in compliance, on a pro forma basis, with the covenants set forth in Section 6.13 and Section 6.14 (and, as a condition precedent to the effectiveness of any such designation, the Borrower shall deliver to the Administrative Agent a copy of the board resolution giving effect to such designation and a certificate of a Financial Officer setting forth in reasonable detail the calculations demonstrating such compliance), (iii) no Subsidiary may be designated as an Unrestricted Subsidiary under this Agreement unless it is, or will concurrently become, an "Unrestricted Subsidiary" as defined in, and for all purposes of, the Senior Unsecured Debt Documents and (iv) no Unrestricted Subsidiary may be designated as a Restricted Subsidiary under this Agreement unless it is, or will concurrently become, a "Restricted Subsidiary" as defined in, and for all purposes of, the Senior Unsecured Debt Documents. The designation of any Restricted Subsidiary as an Unrestricted Subsidiary shall constitute an investment by the Borrower therein at the date of designation in an amount equal to the net book value of the Borrower's investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Debt or Liens of such Subsidiary existing at such time.

ARTICLE 5

NEGATIVE COVENANTS

Until all the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or been cancelled and all LC Disbursements have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 5.1. Debt; Certain Equity Securities. (a) The Borrower will not create, incur, assume or permit to exist any Debt, except:

(i) Debt created under the Loan Documents;

(ii) other Debt that would be permitted to be incurred by the Borrower pursuant to and in accordance with Section 4.12(b) of the Senior Unsecured Debt Documents (as such Senior Unsecured Debt Documents are in effect on the date of this Agreement, and without giving effect to any suspension or release of the Borrower's obligation to comply with such Section 4.12(b) which may occur pursuant to Section 4.9 of the Senior Unsecured Debt Documents); and

(iii) other unsecured Debt in an aggregate principal amount not exceeding $100,000,000 at any time outstanding, to the extent that the Borrower would be permitted to incur such Debt pursuant to and in accordance with Section 4.12(a) of the Senior Unsecured Debt Documents (as such Senior Unsecured Debt Documents are in effect on the date of this Agreement, and without giving effect to any suspension or release of the Borrower's obligation to comply with such Section 4.12(a) which may occur pursuant to Section 4.9 of the Senior Unsecured Debt Documents); provided that all such Debt is on terms and conditions and subject to covenants that, taken as a whole, are no more restrictive than the terms, conditions and covenants contained in this Agreement; and provided further that the aggregate principal amount of all such Debt having a final maturity date on or before the Maturity Date does not exceed $25,000,000;

provided that, notwithstanding anything to the contrary in this Section 6.08(a), the Borrower will not create, incur, assume or permit to exist any Debt arising from a Receivables Financing, except to the extent that the aggregate amount of such Debt, together with the aggregate amount of Debt incurred by Restricted Subsidiaries in reliance on Section 6.06(g), does not exceed $600,000,000 (it being understood that for purposes of determining the amount of Debt arising in connection with a Receivables Financing, Debt arising from transactions among the Borrower and its Subsidiaries in connection therewith shall be disregarded).

(b) The Borrower will not issue any preferred stock or other preferred Equity Interests, which in either case, is subject to mandatory redemption at any time prior to the first anniversary of the Maturity Date.

Section 5.2. Liens. The Borrower will not, and will not permit any of its Subsidiaries (other than any Unrestricted Subsidiary) to, create or permit to exist any Lien on any property now owned or hereafter acquired

by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(i) Liens on Collateral granted by the Borrower under the Security Documents;

(ii) Permitted Liens;

(iii) any Lien on any property of the Borrower or any Restricted Subsidiary existing on the date hereof and listed in Schedule 6.02; provided that (A) such Lien shall not apply to any other property of the Borrower or any Restricted Subsidiary and (B) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(iv) any Lien existing on any property or asset before the acquisition thereof by the Borrower or any Restricted Subsidiary or existing on any property or asset of any Person that first becomes a Restricted Subsidiary after the date hereof before the time such Person becomes a Restricted Subsidiary; provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary, as the case may be, (B) such Lien will not apply to any other property or asset of the Borrower or any Restricted Subsidiary and (C) such Lien will secure only those obligations which it secures on the date of such acquisition or the date such Person first becomes a Restricted Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(v) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Restricted Subsidiary; provided that (A) the Debt secured by such liens is permitted by Section 6.01, (B) such Liens and the Debt secured thereby are incurred before or within 90 days after such acquisition or the completion of such construction or improvement, (C) the Debt secured thereby does not exceed 90% of the cost of acquiring, constructing or improving such fixed or capital assets and (D) such Liens will not apply to any other property of the Borrower or any Restricted Subsidiary;

(vi) Liens to secure a Debt owing to the Borrower;

(vii) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by a Lien permitted by any of clauses (iii), (iv) or (v) of this Section; provided that such Debt is not increased (except by the amount of fees, expenses and premiums required to be paid in

connection with such refinancing, extension, renewal or refunding) and is not secured by any additional assets;

(viii) Liens securing Debt arising out of a Receivables Financing;

(ix) Liens securing industrial revenue or pollution control bonds issued by the Borrower (or prior to the Separation, by USX Corporation); provided, however, that such Liens relate solely to the project being financed and are removed within 90 days following completion of the project being financed; and

(x) Liens not otherwise permitted by the foregoing clauses of this Section 6.02 on assets not constituting Collateral, securing Debt in an aggregate principal amount at any time outstanding not to exceed $10,000,000.

Section 5.3. Fundamental Changes. (a) The Borrower will not, and will not permit any of its Subsidiaries (other than any Unrestricted Subsidiary) to, merge into or consolidate with any other Person, or liquidate or dissolve, or permit any other Person to merge into or consolidate with it, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, (i) any Person organized under the laws of the United States of America or one of its States or the District of Columbia may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Person (other than the Borrower) organized under the laws of the United States of America or one of its States or the District of Columbia may merge into any Restricted Subsidiary in a transaction in which the surviving entity is a Restricted Subsidiary and, (iii) any Restricted Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; provided that, if any such merger involves a Person that is not a wholly owned Subsidiary immediately before such merger, such merger shall not be permitted unless also permitted by Section 6.04.

(b) Neither the Borrower nor any Subsidiary (other than a Special Purpose Financing Subsidiary or any Unrestricted Subsidiary) will engage to any material extent in any business except businesses of the types conducted by the Borrower and its respective Subsidiaries on the date of this Agreement and businesses reasonably related, ancillary or complementary thereto.

Section 5.4. Investments, Loans, Advances, Guarantees and Acquisitions. (a) The Borrower will not, and will not permit any of its Subsidiaries (other than an Unrestricted Subsidiary) to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a

wholly owned Subsidiary before such merger) any Equity Interest in or evidence of indebtedness or other security (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loan or advance to, Guarantee any obligation of, or make or permit to exist any investment or other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, except:

(i) Permitted Investments and investments in cash;

(ii) investments existing on the date of this Agreement, which investments (other than investments that, individually, do not exceed $10,000,000) are listed in Schedule 6.04;

(iii) investments by the Borrower and its Restricted Subsidiaries in Equity Interests in their respective Restricted Subsidiaries (or in any Person that will, upon the making of such investment, become a Restricted Subsidiary); provided that the aggregate amount of investments by the Borrower in, and loans and advances by the Borrower to, and Guarantees by the Borrower of Debt of, Restricted Subsidiaries permitted solely in reliance on this clause (iii), taken together with the aggregate amount of loans and advances made by the Borrower to Restricted Subsidiaries in reliance on clause (iv), shall not exceed an amount at any time outstanding equal to 5% of the Borrower's Net Worth (and, for purposes hereof, the "Borrower's Net Worth" at any date shall be equal to the shareholders' equity of the Borrower (other than any amount attributable to stock which is required to be redeemed or is redeemable at the option of the holder, if certain events or conditions occur or exist or otherwise) as determined by reference to the financial statements of the Borrower then most recently

delivered pursuant to Section 5.01(a)(i) or Section 5.01(a)(ii));

(iv) loans or advances made by the Borrower to any Restricted Subsidiary or made by any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary; provided that the amount of such loans and advances made by the Borrower to Restricted Subsidiaries shall be subject to the limitation set forth in clause 6.04(a)(iii) above and provided further that the amount of such loans and advances made by a Restricted Subsidiary to another Restricted Subsidiary shall be subject to the limitations set forth in Section 6.06(c) and Section 6.06(e);

(v) investments by the Borrower in one or more Restricted Subsidiaries (or in any Person that will, upon the making of such investment, become a Restricted Subsidiary) in connection with the Borrower's sale or spin-off of all or part of one or more lines of business (including, without limitation, the Borrower's Tubular Line of Business

and/or the Borrower's StraightLine Lines of Business); provided that (x) such sale or spin-off actually occurs within 360 days following the date of any such investment, (y) the Leverage Ratio will not exceed 3.75:1.00 on a pro forma basis after giving effect to such spin-off and (z) the Borrower has delivered to the Administrative Agent financial projections (in form and substance satisfactory to the Administrative Agent) demonstrating compliance, after giving effect to such spin-off, with Sections 6.13 and 6.14 through and including September 30, 2002;

(vi) investments by the Borrower or a Restricted Subsidiary in a Restricted Subsidiary in respect of ordinary cash management activities;

(vii) so long as no Default has occurred and is continuing, investments by the Borrower or a Restricted Subsidiary in one or more Restricted Subsidiaries, Unrestricted Subsidiaries (which investments in Unrestricted Subsidiaries include, in accordance with Section 5.14, any designation of a Subsidiary as an Unrestricted Subsidiary) or any other Person; provided that the aggregate amount of all investments permitted by this clause (vii) (excluding investments in Unrestricted Subsidiaries where the consideration consists of Equity Interests of the Borrower, to the extent of such Equity Interest consideration) shall not exceed $20,000,000 at any time outstanding;

(viii) Guarantees constituting Debt permitted by Section 6.01 and Section 6.06; provided that the aggregate principal amount of Debt of Subsidiaries that is Guaranteed by the Borrower shall be subject to the limitation set forth in clause 6.04(a)(iii) above;

(ix) investments received in connection with (x) the bankruptcy, reorganization or recapitalization of, or settlement of delinquent accounts and disputes with, customers and suppliers or (y) foreclosure by the Borrower or any of its Restricted Subsidiaries with respect to any secured investment or other transfer of title with respect to any secured investment in default, in each case in the ordinary course of business;

(x) receivables owing to the Borrower or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Borrower or any such Restricted Subsidiary deems reasonable under the circumstances;

(xi) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(xii) loans or advances to employees made in the ordinary course of business consistent with past practices of the Borrower or such Restricted Subsidiary;

(xiii) investments in stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Borrower or any Restricted Subsidiary or in satisfaction of judgments;

(xiv) investments in any Person to the extent such investment represents the non-cash portion of the consideration received for an asset sale permitted under Section 6.05(b), (e) or (f);

(xv) loans or advances to USS/POSCO Industries for repairs of damages and business interruption caused by the fire that occurred on May 31, 2001 in an aggregate amount not to exceed $25,000,000; provided that to the extent such loans or advances are not repaid with the proceeds of

insurance on or before June 30, 2003, (A) any such loans or advances made by the Borrower shall be subject to the limitations set forth in Section 6.01 and (B) any such loans or advances made by a Restricted Subsidiary shall be subject to the limitations set forth in Section 6.06(c);

(xvi) investments in the Borrower;

(xvii) investments in any Person if, as a result of such investment, such other Person is merged with or consolidated into, or transfers or conveys all or substantially all its assets to, the Borrower or a Restricted Subsidiary, in each case subject to the limitations set forth in Section 6.04(b); and

(xviii) Receivables Financings otherwise permitted under this Agreement.

provided that the foregoing shall not prohibit a spin-off of a portion (not to exceed 25%) of the Borrower's Tubular Line of Business if (A) of the aggregate gross proceeds from such spin-off transaction (the "Total Spin-Off Proceeds"), at least 75% is in the form of cash or cash equivalents ("Cash Spin-Off Proceeds"), (B) Cash Spin-Off Proceeds are applied to permanently reduce Debt of the Borrower to the extent the Borrower elects and (C) an amount equal to the excess of (1) the Total Spin-Off Proceeds over (2) the amount of Cash Spin-Off Proceeds applied within 45 days after receipt thereof to permanently reduce Debt of the Borrower, shall increase the amount of the Availability Block (in accordance with the definition of "Availability Block" set forth in Section 1.01).

(b) The Borrower will not, and will not permit any of its Subsidiaries (other than an Unrestricted Subsidiary) to make any material acquisition unless (i) immediately before and after giving effect thereto, no Default shall have occurred and be continuing , (ii) in the case of any acquisition of a Person, such acquisition is non-hostile, (iii) the assets received by the Borrower or its Restricted Subsidiary in connection therewith are used or usable in the same line of business in which the Borrower or such Restricted Subsidiary have previously been engaged, (iv) immediately before and after giving effect thereto, Facility Availability is at least $100,000,000 and (v) immediately before and after giving effect thereto, the Borrower would be in pro forma compliance with the covenants set forth in Section 6.13 and Section 6.14 (calculated giving effect to such acquisition as if it had been consummated on the first day of the fiscal period with respect to which such covenant is calculated).

Section 5.5. Asset Sales. The Borrower will not, and will not permit any of its Subsidiaries (other than any Unrestricted Subsidiary) to, sell, transfer, lease or otherwise dispose of any property, including any Equity Interest owned by it, nor will any Subsidiary (other than an Unrestricted Subsidiary) issue any additional Equity Interest in such Subsidiary, except:

(a) sales of inventory, used or surplus equipment and Permitted Investments in the ordinary course of business;

(b) sales, transfers and other dispositions to the Borrower or a Restricted Subsidiary; provided that the aggregate fair market value of all assets sold or otherwise transferred to a Foreign Subsidiary in reliance on this clause (b) shall not exceed $50,000,000; and provided further that any sales, transfers or dispositions involving a Restricted Subsidiary are entered into in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and on fair and reasonable terms and conditions no less favorable to the Borrower or such Subsidiary as the terms and conditions which would apply in a comparable transaction on an arm's length basis with a Person other than a Subsidiary or Affiliate of the Borrower;

(c) transfers of assets in connection with a Receivables Financing that is otherwise permitted under this Agreement.

(d) sales, transfers and other dispositions of assets (except Equity Interests in a Restricted Subsidiary) that are not permitted by any other clause of this Section; provided that the aggregate fair market value of all assets sold, transferred or otherwise disposed of in reliance on this clause shall not exceed $25,000,000 during any Fiscal Year;

(e) sale of real property in the ordinary course of business;

(f) sales of real property that has not been used by the Borrower or any Restricted Subsidiary in the production of steel or steel products at any time within 90 days prior to the date of sale;

(g) sales that are permitted pursuant to Section 6.04(a)(v); and

(h) Sale-Leaseback Transactions permitted pursuant to Section 6.07.

provided that all sales, transfers, leases and other dispositions permitted by this Section (except those permitted by clause (b), (e) or (f) above) shall be made for fair value and solely for cash consideration and provided further that any sale of real property having a value in excess of $10,000,000 that is permitted by clause (e) or (f) of this Section shall be made for fair value and for at least 10% cash consideration.

Section 5.6. Subsidiary Debt. The Borrower will not permit any of its Restricted Subsidiaries to incur or otherwise be liable in respect of any Debt other than:

(a) Debt of such Restricted Subsidiary existing on the date of this Agreement and identified on Schedule 6.06, and refinancings, extensions, renewals or refundings of such Debt that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof;

(b) Debt of such Restricted Subsidiary owing to the Borrower;

(c) Debt of such Restricted Subsidiary owing to a Domestic Subsidiary that is a Restricted Subsidiary; provided that the aggregate amount for all Subsidiaries of all Debt permitted by this clause (c) shall not exceed $50,000,000 at any time outstanding and provided further that the aggregate amount for all Foreign Subsidiaries of all Debt permitted by this clause (c) shall not exceed $25,000,000 at any time outstanding;

(d) Debt of such Restricted Subsidiary in respect of capital leases; provided that the aggregate amount for all Restricted Subsidiaries of all such Debt permitted by this clause (d) shall not exceed $20,000,000;

(e) Debt of such Restricted Subsidiary owing to a Foreign Subsidiary that is a Restricted Subsidiary; provided that the aggregate amount for all Restricted Subsidiaries (other than Foreign Subsidiaries) of all such Debt shall not exceed $5,000,000;

(f) Debt of any Person that first becomes a Restricted Subsidiary after the date of this Agreement; provided that (i) such Debt exists at the time such Person first becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) the aggregate principal amount of Debt permitted by this clause (f) shall not exceed $50,000,000 at any time outstanding;

(g) Debt arising from Receivables Financings; provided that the aggregate amount for all Restricted Subsidiaries of such Debt shall not exceed $600,000,000 (it being understood that for purposes of determining the amount of Debt arising in connection with a Receivables Financing, Debt arising from transactions among the Borrower and its Subsidiaries in connection therewith shall be disregarded);

(h) Debt of any Restricted Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Debt assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets before the acquisition thereof, and extensions, renewals and replacements of any such Debt that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof; provided that (A) such Debt is incurred before or within 90 days after such acquisition or the completion of such construction or improvement and (B) the aggregate principal amount of Debt permitted by this clause (h) shall not exceed $25,000,000 at any time outstanding;

(i) Debt of such Subsidiary owing to another Subsidiary in respect of ordinary cash management activities; and

(j) Debt of USSK incurred pursuant to one or more working capital facilities in an aggregate amount not to exceed $50,000,000 at any time outstanding.

Section 5.7. Sale and Leaseback Transactions. The Borrower will not, and will not permit any of its Subsidiaries (other than any Unrestricted Subsidiary) to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred (a "Sale-Leaseback Transaction"), except for Sale-Leaseback Transactions, that, considered in the aggregate with all Sale-Leaseback Transactions engaged in by the Borrower and its Restricted Subsidiaries during the term of this Agreement, do not involve properties having a fair market value in excess of $150,000,000; provided that all obligations

under such sale-leaseback agreements shall constitute Debt for purposes of calculating compliance with the covenants set forth in this Article 6.

Section 5.8. Restricted Payments. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, unless (a) Facility Availability is equal to or greater than $100,000,000 (both immediately before and after giving effect to such Restricted Payment) and (b) the Borrower is in compliance with the covenants set forth in Sections 6.13 and 6.14 immediately before and after giving effect to such Restricted Payment; provided that, notwithstanding the foregoing, the Borrower may (i) pay regular quarterly dividends on its capital stock in an aggregate amount not exceeding $40,000,000 in any Fiscal Year and (ii) make other Restricted Payments in the ordinary course of business as required pursuant to and in accordance with the Borrower's stock option plans or other benefit plans for management and/or employees of the Borrower.

Section 5.9. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries (other than any Unrestricted Subsidiary) to, directly or indirectly, pay any funds to or for the account of, make any investment (whether by acquisition of stock or indebtedness, by loan, advance, transfer of property, Guarantee or other agreement to pay, purchase or service, directly or indirectly, any Debt, or otherwise) in, Guarantee any Debt of, sell, lease or otherwise transfer any property to, or purchase, lease or otherwise acquire any property or services from, or otherwise engage in or effect any other transaction with, any of its Affiliates; provided that this Section 6.09 shall not prohibit:

(i) the Borrower or any of its Restricted Subsidiaries from performing its respective obligations under the agreements and transactions described on Schedule 6.09;

(ii) the Borrower or any of its Restricted Subsidiaries from entering into transactions with any Affiliate if such transactions are entered into in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and on fair and reasonable terms and conditions no less favorable to the Borrower or such Subsidiary as the terms and conditions which would apply in a comparable transaction on an arm's length basis with a Person other than an Affiliate or a Subsidiary; and

(iii) Restricted Payments permitted by Section 6.08, so long as, immediately after giving effect thereto, no Default shall have occurred and be continuing.

Section 5.10. Restrictive Agreements. The Borrower will not and will not permit any of its Subsidiaries (other than any Unrestricted Subsidiary) to, directly or indirectly, enter into or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition on (a) the ability of the Borrower or any Restricted Subsidiary to create or permit to exist any Lien on any of its property or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Restricted Subsidiary or to Guarantee Debt of the Borrower or any other Restricted Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, any Senior Unsecured Debt Document or any document evidencing any Receivables Financing, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof and identified on Schedule 6.10 (but shall apply to any amendment or modification expanding the scope of , or any extension or renewal of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of this Section shall not apply to restrictions or conditions imposed by any agreement relating to secured Debt permitted by this Agreement if such restrictions or conditions apply only to the property securing such Debt and (v) clause (a) of this Section shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

Section 5.11. Designation of Unrestricted Subsidiaries. The Borrower will not cause or permit any Subsidiary that is a Restricted Subsidiary on the date of this Agreement to be designated as or otherwise become an Unrestricted Subsidiary.

Section 5.12. Capital Expenditures. The Borrower will not permit the aggregate amount of Capital Expenditures made by the Borrower and its Restricted Subsidiaries (other than Foreign Subsidiaries) in any Fiscal Year referred to below (or other fiscal period referred to below) to exceed the sum of:

(i) $145,000,000 (in the case of the period of two consecutive Fiscal

Quarters ending December 31, 2001), $380,000,000 (in the case of the Fiscal Year ending December 31, 2002), $340,000,000 (in the case of the Fiscal Year ending December 31, 2003) or $400,000,000 (in the case of the Fiscal Year ending December 31, 2004); plus

(ii) for each Fiscal Year ending after December 31, 2001, the amount (if any) by which (x) the amount of Capital Expenditures for the

immediately preceding Fiscal Year (or other fiscal period specified in clause (i)) permitted pursuant to clause (i) above (without including any carryover amount from any prior Fiscal Year or fiscal period) exceeded (y) the amount of Capital Expenditures actually made during such immediately preceding Fiscal Year (or other fiscal period specified in clause (i));

provided that, in any Fiscal Year ending after December 31, 2001, the aggregate amount of Capital Expenditures made by the Borrower and its Restricted Subsidiaries (other than Foreign Subsidiaries) may exceed the sum determined pursuant to clauses (i) and (ii) above for such Fiscal Year (such sum, the "General CapEx Limit" for such Fiscal Year) by an aggregate amount not to exceed $75,000,000, if (but only to the extent that) immediately after giving effect to each Capital Expenditure that would, taken together with all prior Capital Expenditures made by the Borrower and its Restricted Subsidiaries (other than Foreign Subsidiaries) during such Fiscal Year, exceed the General CapEx Limit, Facility Availability would be greater than $200,000,000.

Section 5.13. Interest Expense Coverage Ratio. At the last day of any Fiscal Quarter ending during any period set forth below, the Borrower will not permit the ratio of (a) Consolidated EBITDA to (b) Consolidated Cash Interest Expense, in each case for any period of four consecutive Fiscal Quarters (subject to Section 6.15) ending on such date, to be less than the ratio set forth below opposite such period:

Period	Ratio
September 30, 2002 - March 30, 2003	2.00:1.00
March 31, 2003 and thereafter	2.50:1.00

Section 5.14. Leverage Ratio. The Borrower will not permit the Leverage Ratio at any time during any period set forth below to exceed the ratio set forth opposite such period:

Period	Ratio
September 30, 2002 - December 30, 2002	6.00:1.00
December 31, 2002 - March 30, 2003	5.50:1.00
March 31, 2003 - June 29, 2003	5.00:1.00
June 30, 2003 - September 29, 2003	4.50:1.00
September 30, 2003 - March 30, 2004	4.00:1.00
March 31, 2004 and thereafter	3.75:1.00

Section 5.15. Periods of Less Than Four Fiscal Quarters. If any determination hereunder is required by the terms hereof to be made for a period of four consecutive Fiscal Quarters at a time when fewer than four full Fiscal Quarters have elapsed since the Effective Date, such determination shall be made for the period elapsed from the first day of the first Fiscal Quarter beginning after the Effective Date through the last day of the most recent Fiscal Quarter then ended (annualized on a simple arithmetic basis, if such determination is to be used in a ratio with a balance sheet item).

Section 5.16. Hedging Agreements. The Borrower will not, and will not permit any of its Subsidiaries (other than any Unrestricted Subsidiary) to, enter into any Hedging Agreement, except Hedging Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or any of its Restricted Subsidiaries is exposed in the conduct of its business or the management of its liabilities.

Section 5.17. Environmental Matters. The Borrower will, and will cause each of its Subsidiaries (other than any Unrestricted Subsidiary) to, comply with all applicable Environmental Laws except where failure to do so, individually or in the aggregate, does not, and would not reasonably be expected to, have a material adverse effect on the Borrower's ability to perform its obligations under any Loan Document or impose any liability on any Lender.

Section 5.18. Amendment of Material Documents. The Borrower will not, and will not permit any of its Subsidiaries (other than, with respect to clause (b) hereof, any Unrestricted Subsidiary) to, without the prior written consent of the Required Lenders, amend, modify or waive any of its rights under (a) any Senior Unsecured Debt Document or (b) its certificate of formation, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents, in each case in any manner that would reasonably be expected to be adverse to the Lender Parties.

ARTICLE 6

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any LC Reimbursement Obligation when the same shall become due, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay when due any interest on any Loan or any fee or other amount (except an amount referred to in clause (a) above) payable under any Loan Document, and such failure shall continue unremedied for a period of five days;

(c) any representation, warranty or certification made or deemed made by or on behalf of the Borrower or any Restricted Subsidiary in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect when made or deemed made and, if the circumstances giving rise to such false or misleading representation or warranty are susceptible to being cured in all material respects, such false or misleading representation or warranty shall not be cured in all material respects for five days after the earlier to occur of (i) the date on which an officer of the Borrower shall obtain knowledge thereof, or (ii) the date on which written notice thereof shall have been given to the Borrower by the Administrative Agent;

(d) the Borrower shall fail to observe or perform any covenant or agreement contained in Section 5.01(a)(ii), Section 5.01(a)(iv), Section 5.02, Section 5.03(c), Section 5.04, Sections 5.06 through 5.08, Sections 5.11 through 5.14 or in Article 6;

(e) the Borrower shall fail to observe or perform (i) any covenant or agreement contained in Section 5.01(b) or Section 5.03(d) and such failure shall continue for 3 days after the earlier of notice of such failure to the Borrower from the Administrative Agent or knowledge of such failure by an officer of the Borrower, or (ii) any covenant or agreement contained in Section 5.01(a)(i), Section 5.01(a)(iii), Sections 5.01(a)(v) through 5.01(a)(xi), Section 5.03(a), Section 5.03(b) and such failure shall continue for ten days after the earlier of notice of such failure to the Borrower from the Administrative Agent or knowledge of such failure by an officer of the Borrower;

(f) the Borrower shall fail to observe or perform any provision of any Loan Document (other than those failures covered by clauses (a), (b), (d) and (e) of this Article 7) and such failure shall continue for 30 days after the earlier of notice of such failure to the Borrower from the Administrative Agent or knowledge of such failure by an officer of the Borrower;

(g) the Borrower or any of its Restricted Subsidiaries shall fail to make a payment or payments (whether of principal or interest and regardless of amount) in respect of any Material Debt when the same shall

become due, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(h) any event or condition occurs that (i) results in any Material Debt becoming due before its scheduled maturity or (ii) enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of Material Debt or any trustee or agent on its or their behalf to cause any Material Debt to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, before its scheduled maturity or (iii) results in the termination of or enables one or more banks or financial institutions to terminate commitments to provide in excess of $20,000,000 aggregate principal amount of credit to the Borrower and/or its Restricted Subsidiaries; provided that, in the case of any event described in clauses (ii) or (iii) that would permit Material Debt to be accelerated or would permit termination of such commitments only after the lapse of a cure period, so long as the Borrower has notified the Administrative Agent immediately upon occurrence of such event, such event shall give rise to an Event of Default hereunder upon expiration of such cure period;

(i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its Significant Subsidiaries or

its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Significant Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(j) the Borrower or any of its Significant Subsidiaries shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any the Borrower or any of its Significant Subsidiaries or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(k) the Borrower or any of its Significant Subsidiaries shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(l) one or more judgments for the payment of money in an aggregate amount exceeding $20,000,000 shall be rendered against the Borrower or any of its Significant Subsidiaries and shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any asset of the Borrower or any of its Significant Subsidiaries to enforce any such judgment;

(m) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(n) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by the Borrower not to be, a valid and perfected Lien on any Collateral, with the priority required by the applicable Security Document, except as a result of a sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents; or

(o) the Effective Date Receivables Financing (or any replacement Receivables Financing entered into in accordance with this Agreement and on terms satisfactory to the Administrative Agent) shall have been terminated, whether voluntarily or otherwise; provided that any such termination of the Effective Date Receivables Financing (or any such replacement Receivables Financing) shall not constitute an Event of Default hereunder if (a) the Effective Date Receivables Financing (or such replacement Receivables Financing) has been replaced with another Receivables Financing on terms satisfactory to the Administrative Agent or (b) Facility Availability (calculated on the date of termination of the Effective Date Receivables Financing) is equal to or greater than 125% of the aggregate amount of the outstandings under the Effective Date Receivables Financing (or such replacement Receivables Financing) (calculated immediately before giving effect to its termination);

then, and in every such event (except an event with respect to the Borrower described in clause (h) or (i) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to

be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are waived by the Borrower; and in the case of any event with respect to the Borrower described in clause (h) or (i) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without

presentment, demand, protest or other notice of any kind, all of which are waived by the Borrower. Additionally, and without limiting the generality of the foregoing, on each Business Day during a Sweep Period (as defined in the Security Agreement), the Collateral Agent may apply funds on deposit in the Cash Collateral Account in accordance with Section 5(f) of the Security Agreement.

ARTICLE 7

THE AGENTS

Section 7.1. Appointment and Authorization. Each Lender Party irrevocably appoints each Agent as its agent and authorizes each Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Section 7.2. Rights and Powers as a Lender. Each Agent shall, in its capacity as a Lender, have the same rights and powers as any other Lender and may exercise or refrain from exercising the same as though it were not one of the Agents. Each Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if it were not an Agent hereunder.

Section 7.3. Limited Duties and Responsibilities . None of the Agents shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) none of the Agents shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) none of the Agents shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required in writing to exercise by the

Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, none of the Agents shall have any duty to disclose, or shall be liable for any failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the Agent or any of its Affiliates in any capacity. None of the Agents shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or wilful misconduct. Each Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower or a Lender, and none of the Agents shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article 4 or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Section 7.4. Authority to Rely on Certain Writings, Statements and Advice. Each Agent shall be entitled to rely on, and shall not incur any liability for relying on, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely on any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 7.5. Sub-Agents and Related Parties. Each Agent may perform any and all its duties and exercise its rights and powers by or through one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding Sections of this Article shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to activities in connection with the syndication of the

credit facilities provided for herein as well as activities as an Agent hereunder.

Section 7.6. Resignation; Successor Agents. Subject to the appointment and

acceptance of a successor Agent as provided in this Section, any Agent may resign at any time (and, upon the request of the Required Lenders, JPMorgan Chase Bank will so resign) by notifying the Lenders, the LC Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Agent; provided that consultation with the Borrower shall not be required if an Event of Default shall have occurred and be continuing. If no successor Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the LC Issuing Bank, appoint a successor Agent which shall be a bank or financial institution with an office in New York, New York, or an Affiliate of any such bank or financial institution. Upon acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Borrower and such successor Agent. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as an Agent hereunder.

Section 7.7. Credit Decisions by Lenders. Each Lender acknowledges that it has, independently and without reliance on any Agent or any other Lender Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance on any Agent or any other Lender Party and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based on this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Section 7.8. Agents' Fees. The Borrower shall pay to each Agent for its own account fees in the amounts and at the times previously agreed upon by the Borrower and such Agent.

Section 7.9. Documentation Agent and Co-Collateral Agent. General Electric Capital Corporation, in its capacities as Documentation Agent and Co-Collateral Agent, shall not have any duties or obligations of any kind under this Agreement.

ARTICLE 8

MISCELLANEOUS

Section 8.1. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 600 Grant Street, Room 1325, Pittsburgh, Pennsylvania 15219, Attention of Treasurer (Facsimile No. (412) 433-4567;

(b) if to the Administrative Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, One Chase Manhattan Plaza, 8th Floor, New York, New York 10081, Attention of Linda D. Hill (Facsimile No. 212-552-7490; with a copy to JPMorgan Chase Bank, 270 Park Avenue, 21st Floor, New York, New York 10017, Attention of James Ramage (Facsimile No. (212) 270-4724);

(c) if to the Collateral Agent, to JPMorgan Chase Bank, 270 Park Avenue, 29th Floor, New York, New York 10017, Attention of Laura Orsini-Tramontana (Facsimile No. (212) 270-7449);

(d) if to the Co-Collateral Agent, to General Electric Capital Corporation, 800 Connecticut Avenue, Two North, Norwalk, Connecticut 06854, Attention of Account Manager - United States Steel (Facsimile No. (203) 852-3660);

(e) if to JPMorgan Chase Bank, as LC Issuing Bank, to it at 270 Park Avenue, 21st Floor, New York, NY 10017, Attention of Carlos Morales (Facsimile No. (212) 270-4724); if to PNC Bank, National Association, as LC Issuing Bank, to it at Firstside Center, 500 First Avenue, 3rd Floor, Pittsburgh, PA 15219, Attention of Ruth Plecenik (Facsimile No. (412) 768-6118); if to Mellon Bank, N.A., as LC Issuing Bank, to it at 500 Ross Street, 8th Floor, Pittsburgh, PA 15262-0001, Attention of Joe Borello (Facsimile No. (412) 236-3437);

(f) if to the Swingline Lender, to it at One Chase Manhattan Plaza, 8th Fl, New York, NY 10081, Attention of Linda D. Hill (Facsimile No. (212) 552-7490);

(g) if to any other Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the Administrative Agent and the Borrower. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement will be deemed to have been given on the date of receipt.

Section 8.2. Waivers; Amendments. (a) No failure or delay by any Lender Party in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Lender Parties under the Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by subsection (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, neither the making of a Loan nor the issuance, amendment, renewal or extension of a Letter of Credit shall be construed as a waiver of any Default, regardless of whether any Lender Party had notice or knowledge of such Default at the time.

(b) No Loan Document or provision thereof may be waived, amended or modified except, in the case of this Agreement, by an agreement or agreements in writing entered into by the Borrower and the Required Lenders or, in the case of any other Loan Document, by an agreement or agreements in writing entered into by the parties thereto with the consent of the Required Lenders; provided that no such agreement shall:

(i) increase the Commitment of any Lender without its written consent;

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fee payable hereunder, without the written consent of each Lender Party affected thereby;

(iii) postpone the maturity of any Loan, or the required date of

any mandatory payment of principal (including without limitation pursuant to Section 2.10(b), or the required date of reimbursement of any LC Disbursement, or any date for the payment of any interest or fee payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender Party affected thereby;

(iv) change Section 2.18(b) or 2.18(c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender;

(v) change any provision of this Section or the percentage set forth in the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to take any action thereunder, without the written consent of each Lender;

(vi) release all or any substantial portion of the Collateral from the Transaction Liens, without the written consent of each Lender (it being understood that, for purposes of this Section 9.02(b)(vi), a release of Collateral comprising 10% or more of the Borrowing Base in effect on the date of such release shall constitute release of a substantial portion of Collateral);

(vii) reduce the amount of the Availability Block, without the written consent of each Lender;

(viii) increase the Borrowing Base advance rates, eliminate or reduce Availability Reserves or otherwise cause the Borrowing Base to be increased, without the written consent of Lenders having aggregate Exposures and unused Commitments representing at least 85% of the sum of all Exposures and unused Commitments at such time;

(ix) increase the aggregate amount of the Commitments by an amount in excess of the amount permitted pursuant to Section 2.20(c), or amend Section 2.20(c) to permit increases in the aggregate Commitments in excess of an aggregate amount equal to $150,000,000 during the term of this Agreement, without the written consent of Lenders having aggregate Exposures and unused Commitments representing at least 75% of the sum of

all Exposures and unused Commitments at such time; or

(x) unless signed by a Designated Lender or its Designating Lender, subject such Designated Lender to any additional obligation or affect its rights hereunder (unless the rights of all the Lenders are similarly affected); and

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent, the LC Issuing Bank or the Swingline Lender without its prior written consent; and provided further that neither a reduction or termination of Commitments pursuant to Section 2.08 or 2.11, nor an increase in Commitments pursuant to Section 2.20, constitutes an amendment, waiver or modification for purposes of this Section 9.02.

(c) Notwithstanding the foregoing, if the Required Lenders enter into or consent to any waiver, amendment or modification pursuant to subsection (b) of this Section, no consent of any other Lender will be required if, when such waiver, amendment or modification becomes effective, (i) the Commitment of each Lender not consenting thereto terminates and (ii) all amounts owing to it or accrued for its account hereunder are paid in full.

Section 8.3. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by each Agent and its Affiliates, including the reasonable fees, charges and disbursements of Davis Polk & Wardwell, special counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of the Loan Documents and any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the LC Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Lender Party, including the fees, charges and disbursements of any counsel for any Lender Party, in connection with the enforcement or protection of its rights in connection with the Loan Documents (including its rights under this Section), the Letters of Credit or the Loans, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Letters of Credit or the Loans.

(b) The Borrower shall indemnify each of the Lender Parties and their respective Related Parties (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Financing Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the

LC Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that (i) such indemnity shall not be available to any Indemnitee to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from such Indemnitee's gross negligence or wilful misconduct; (ii) such indemnity shall not be available to any Indemnitee for losses, claims, damages, liabilities or related expenses arising out of a proceeding in which such Indemnitee and the Borrower are adverse parties to the extent that the Borrower prevails on the merits, as determined by a court of competent jurisdiction (it being understood that nothing in this Agreement shall preclude a claim or suit by the Borrower against any Indemnitee for such Indemnitee's failure to perform any of its obligations to the Borrower under the Loan Documents); (iii) the Borrower shall not, in connection with any such proceeding or related proceedings in the same jurisdiction and in the absence of conflicts of interest, be liable for the fees and expenses of more than one law firm at any one time for the Indemnitees (which law firm shall be selected (x) by mutual agreement of the Administrative Agent and the Borrower or (y) if no such agreement has been reached following the Administrative Agent's good faith consultation with the Borrower with respect thereto, by the Administrative Agent in its sole discretion); (iv) each Indemnitee shall give the Borrower (x) prompt notice of any such action brought against such Indemnitee in connection with a claim for which it is entitled to indemnity under this Section and (y) an opportunity to consult from time to time

with such Indemnitee regarding defensive measures and potential settlement; and (v) the Borrower shall not be obligated to pay the amount of any settlement entered into without its written consent (which consent shall not be unreasonably withheld).

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to any Agent, the LC Issuing Bank or the Swingline Lender under subsection (a) or (b) of this Section, each Lender severally agrees to pay to such Agent, the LC Issuing Bank or the Swingline Lender, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent, the LC Issuing Bank or the Swingline Lender in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based on its share of the sum of the total Exposures and unused Commitments at the time.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Financing Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable within five Business Days after written demand therefor.

Section 8.4. Successors and Assigns. (a) The provisions of this Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the LC Issuing Bank that issues any Letter of Credit), except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (except the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the LC Issuing Bank that issues any Letter of Credit) and, to the extent expressly provided herein, the Related Parties of the Lender Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of any Commitment it has at the time and any Loans at the time owing to it); provided that:

(i) except in the case of an assignment to a Lender or a Lender Affiliate, each of the Borrower and the Administrative Agent (and, in the case of an assignment of all or a portion of a Commitment or any Lender's obligations in respect of its LC Exposure or Swingline Exposure, the LC Issuing Bank and the Swingline Lender) must give their prior written consent to such assignment (which consents shall not be unreasonably withheld);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(iii) unless each of the Borrower and the Administrative Agent otherwise consent, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date on which the relevant Assignment is delivered to the Administrative

Agent) shall not be less than $5,000,000; provided that this clause (iii) shall not apply to an assignment to a Lender or a Lender Affiliate or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans;

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment, together with a processing and recordation fee of $3,500; provided that only one such fee shall be due in respect of a simultaneous assignment to more than one Lender Affiliate; and

(v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent a completed Administrative Questionnaire;

and provided further that any consent of the Borrower otherwise required under this subsection shall not be required if an Event of Default has occurred and is continuing. Subject to acceptance and recording thereof pursuant to subsection

(d) of this Section, from and after the effective date specified in each Assignment the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment, be released from its obligations under this Agreement (and, in the case of an Assignment covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in New York City a copy of each Assignment delivered to it and a register for the recordation of the names and addresses of the Lenders, their respective Commitments and the principal amounts of the Loans and LC Disbursements owing to each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive (absent manifest error), and the parties hereto may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any party hereto at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment executed by an

assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in subsection (b) of this Section and any written consent to such assignment required by subsection (b) of this Section, the Administrative Agent shall accept such Assignment and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this subsection.

(e) Any Lender may, without the consent of the Borrower or any other Lender Party, sell participations to one or more banks or other entities ("Participants") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower and the other Lender Parties shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii) or (vii) of the first proviso to Section 9.02(b) that affects such Participant. Subject to subsection (f) of this Section, each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.09 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.17(e) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal

Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 8.5. Designated Lenders. (a) Subject to the provisions of this

Section 9.05(a), any Lender may from time to time elect to designate an Eligible Designee to provide all or a portion of the Loans to be made by such Lender pursuant to this Agreement; provided that such designation shall not be effective unless the Borrower and the Administrative Agent consent thereto. When a Lender and its Eligible Designee shall have signed an agreement substantially in the form of Exhibit H hereto (a "Designation Agreement") and the Borrower and the Administrative Agent shall have signed their respective consents thereto, such Eligible Designee shall become a Designated Lender for purposes of this Agreement. The Designating Lender shall thereafter have the right to permit such Designated Lender to provide all or a portion of the loans to be made by such Designating Lender pursuant to Section 2.01 and the making of such Loans or portions thereof shall satisfy the obligation of the Designating Lender to the same extent, and as if, such Loans or portion thereof were made by the Designating Lender. As to any Loans or portion thereof made by it, each Designated Lender shall have all the rights that a Lender making such Loans or portion thereof would have had under this Agreement and otherwise; provided that (x) its voting rights under this Agreement shall be exercised solely by its Designating Lender and (y) its Designating Lender shall remain solely responsible to the other parties hereto for the performance of its obligations under this Agreement, including its obligations in respect of the Loans or portion thereof made by it. No additional promissory note shall be required to evidence Loans or portions thereof made by a Designated Lender; and the Designating Lender shall be deemed to hold any promissory note issued pursuant to Section 2.09(e) as agent for its Designated Lender to the extent of the Loans or portion thereof funded by such Designated Lender. Each Designating Lender shall act as administrative agent for its Designated Lender and give and receive notices and other communications on its behalf. Any payments for the account of any Designated Lender shall be paid to its Designating Lender as administrative agent for such Designated Lender and neither the Borrower nor the Administrative Agent shall be responsible for any Designating Lender's application of such payments. In addition, any Designated Lender may (i) with notice to, but without the prior written consent of, the Borrower or the Administrative Agent, assign all or portions of its interest in any Loans to its Designating Lender or to any financial institutions consented to by the Borrower and the Administrative Agent providing liquidity and/or credit facilities to or for the account of such Designated Lender to support the funding of Loans or portions thereof made by such Designated Lender and (ii) disclose on a

confidential basis any non-public information relating to its Loans or portions thereof to any rating agency, commercial paper dealer or provider of any guarantee, surety, credit or liquidity enhancement to such Designated Lender.

(b) Each party to this Agreement agrees that it will not institute against, or join any other Person in instituting against, any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any federal or state bankruptcy or similar law, for one year and a day after all outstanding senior indebtedness of such Designated Lender is paid in full. The Designating Lender for each Designated Lender agrees to indemnify, save, and hold harmless each other party hereto for any loss, cost, damage and expense arising out of its inability to institute any such proceeding against such Designated Lender. This Section 9.05(b) shall survive the termination of this Agreement.

Section 8.6. Survival. All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in certificates or other instruments delivered in connection with or pursuant to the Loan Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Lender Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as any principal of or accrued interest on any Loan or any fee or other amount payable hereunder is outstanding and unpaid or any Letter of Credit is outstanding or any Commitment has not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article 8 shall survive and remain in full force and effect regardless of the consummation of the Financing Transactions, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

Section 8.7. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement (i) will become

effective when the Administrative Agent shall have signed this Agreement and received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto and (ii) thereafter will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy will be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.8. Severability. If any provision of any Loan Document is invalid, illegal or unenforceable in any jurisdiction then, to the fullest extent permitted by law, (i) such provision shall, as to such jurisdiction, be ineffective to the extent (but only to the extent) of such invalidity, illegality or unenforceability, (ii) the other provisions of the Loan Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Lender Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (iii) the invalidity, illegality or unenforceability of any such provision in any jurisdiction shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

Section 8.9. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any obligations of the Borrower now or hereafter existing hereunder and held by such Lender, irrespective of whether or not such Lender shall have made any demand hereunder and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender may have.

Section 8.10. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any relevant appellate court, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final

judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that any Lender Party may otherwise have to bring any action or proceeding relating to any Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in subsection (b) of this Section. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

(d) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in any Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

Section 8.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR ANY TRANSACTION CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.12. Headings. Article and Section headings and the Table of Contents herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 8.13. Confidentiality. Each Lender Party agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such

disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedy hereunder or any suit, action or proceeding relating to any Loan Document or the enforcement of any right thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any actual or prospective assignee of or Participant in any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information either (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to any Lender Party on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to any Lender Party on a nonconfidential basis before disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential.

Section 8.14. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged or otherwise received by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such Lender shall have received such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of payment.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

UNITED STATES STEEL LLC

By: /s/ Gretchen R. Haggerty

Name: Gretchen R. Haggerty
Title:Vice President -
Accounting & Finance

JPMORGAN CHASE BANK,
as Administrative Agent, Collateral Agent,
Swingline Lender,and Lender

By: /s/ James H. Ramage

Name: James H. Ramage
Title:Managing Director

GENERAL ELECTRIC CAPITAL
CORPORATION,
as Documentation Agent, Co-Collateral
Agent, and Lender

By: /s/ Christopher Cox

Name: Christopher Cox
Title:Duly Authorized Signatory

FOOTHILL CAPITAL CORPORATION,
as Co-Syndication Agent and Lender

By: /s/ Sanat Amladi

Name: Sanat Amladi
Title:Assistant Vice President

PNC BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agent and Lender

By: /s/ David B. Gookin

Name: David B. Gookin
Title:Vice President

MELLON BANK, N.A.

By: /s/ Robert J. Reichenbach

Name: Robert J. Reichenbach
Title:Vice President

CREDIT SUISSE FIRST BOSTON

By: /s/ Paul L. Colon

Name: Paul L. Colon
Title:Vice President

By: /s/ Vanessa Gomez

Name: Vanessa Gomez
Title:Associate

GMAC CAPITAL COMMERCIAL
CREDIT LLC

By: /s/ Frank Imperato

Name: Frank Imperato
Title:Senior Vice President

HELLER FINANCIAL INC.

By: /s/ Alfred J. Scoyni

Name: Alfred J. Scoyni
Title:Vice President

THE BANK OF NEW YORK

By: /s/ Walter C. Parelli

Name: Walter C. Parelli
Title:Vice President

THE BANK OF NOVA SCOTIA

By: /s/ M. D. Smith

Name: M. D. Smith
Title:Agent

GOLDMAN SACHS CREDIT
PARTNERS L.P.

By: /s/ Robert Wagner

Name:Robert Wagner
Title:Authorized Signatory

NATIONAL CITY BANK

By: /s/ William R. McDonnell

Name: William R. McDonnell

Title:Vice President

THE NORTHERN TRUST COMPANY

By: /s/ Craig L. Smith

Name: Craig L. Smith
Title:Vice President

Exhibit 4(b)

SECURITY AGREEMENT

dated as of

November 30, 2001

among

UNITED STATES STEEL LLC

and

JPMORGAN CHASE BANK,
as Collateral Agent

TABLE OF CONTENTS

SECURITY AGREEMENT

AGREEMENT dated as of November 30, 2001 among United States Steel LLC (the "Borrower") and JPMorgan Chase Bank, as Collateral Agent.

WHEREAS, the Borrower has entered into the Credit Agreement described in Section hereof, pursuant to which the Borrower has borrowed funds and intends to continue to borrow funds and obtain letters of credit for the purposes set forth therein;

WHEREAS, the Borrower is willing to secure (i) its obligations under the Credit Agreement and the other Financing Documents and (ii) certain other obligations, by granting Liens on certain of its assets to the Collateral Agent as provided in the Security Documents;

WHEREAS, the Lenders are willing to make loans and issue or participate in Letters or Credit under the Credit Agreement described in Section hereof on the terms set forth therein if the foregoing obligations of the Borrower are secured as described above;

WHEREAS, upon any foreclosure or other enforcement of the Security Documents, the net proceeds of the relevant Collateral are to be received by or paid over to the Collateral Agent and applied as provided in Section hereof;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows: .

(a) Terms Defined in Credit Agreement. Terms defined in the Credit Agreement and not otherwise defined in subsection or have, as used herein, the respective meanings provided for therein.

(b) Terms Defined in UCC. As used herein, each of the following terms has the meaning specified in the UCC:

Term	UCC
Account	9-102
Authenticate	9-102
Chattel Paper	9-102
General Intangibles	9-102
Instrument	9-102
Inventory	9-102
Letter-of-Credit Right	9-102

(c) Additional Definitions. The following additional terms, as used herein, have the following meanings:

"Additional Secured Obligations" means the Secured Derivative Obligations.

"Administrative Agent" means JPMorgan Chase Bank, in its capacity as administrative agent under the Loan Documents, and its successors in such capacity.

"Article 9" means Article 9 of the Uniform Commercial Code as set forth in the 1998 Official Text thereof; provided that, when used with respect to any jurisdiction on or after the date when such Article 9 (with or without local changes therein) first becomes effective in such jurisdiction, "Article 9"

refers to Article 9 as in effect in such jurisdiction from time to time.

"Blocked Account Agreement" means, with respect to any account, a blocked account agreement in favor of the Collateral Agent, all in form and substance satisfactory to the Administrative Agent, the Collateral Agent and the Co-Collateral Agent.

"Borrower" means United States Steel LLC, a Delaware limited liability company, and its successors. "Cash Collateral Account" has the meaning set forth in Section .

"Collateral" means all property, whether now owned or hereafter acquired, on which a Lien is granted or purports to be granted to the Collateral Agent pursuant to the Security Documents.

"Collateral Agent" means JPMorgan Chase Bank, in its capacity as Collateral Agent for the Secured Parties under the Security Documents, and its successors in such capacity.

"Contracts" means all contracts for the sale, lease, exchange or other disposition of Inventory, whether or not performed and whether or not subject to termination upon a contingency or at the option of any party thereto.

"Credit Agreement" means the Credit Agreement dated as of November 30, 2001 among the Borrower, the Lenders party thereto, the LC Issuing Banks party thereto, the Swingline Lender party thereto, the Administrative Agent and General Electric Capital Corporation, as Documentation Agent and Co-Collateral Agent, as amended or restated from time to time in accordance with the terms thereof.

"Derivative Obligations" of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Effective Date" means the Effective Date as defined in the Credit Agreement.

"Eligible Transferee" means (a) a special-purpose company created and used solely for purposes of effecting a Receivables Financing, whether or not a Subsidiary of the Borrower, or (b) any other Person which is not a Subsidiary of the Borrower.

"Event of Default" means any Event of Default as defined in the Credit Agreement and any similar event with respect to any Additional Secured Obligation that permits the acceleration of the maturity thereof (or an equivalent remedy).

"Existing Receivables SPV Accounts" has the meaning set forth in Section 5(b).

"First Secured Derivative Obligations" means the Secured Derivative Obligations to the extent (but only to the extent) that the aggregate Mark-to-Market Value of all such Secured Derivative Obligations does not exceed $25,000,000.

"Lien Grantor" means the Borrower.

"Liquid Investment" means (i) direct obligations of the United States or any agency thereof, (ii) obligations guaranteed by the United States or any agency thereof, (iii) time deposits and money market deposit accounts issued by or guaranteed by or placed with a Lender, and (iv) fully collateralized repurchase agreements for securities described in clause (i) or (ii) above entered into with a Lender, provided in each case that such Liquid Investment (x) matures within 30 days after it is first included in the Collateral and (y) is in a form, and is issued and held in a manner, that in the reasonable judgment of the Collateral Agent permits appropriate measures to have been taken to perfect security interests therein.

"Liquidated Secured Obligation" means at any time any Secured Obligation (or portion thereof) that is not an Unliquidated Secured Obligation at such time.

"Mark-to-Market Value" means, at any date with respect to any Derivative Obligation, the termination value thereof (on a net basis), calculated as if such Derivative Obligation had been terminated on such date by reason of a default on the part of the Borrower.

"Opinion of Counsel" means a written opinion of legal counsel (who may be counsel to the Lien Grantor or other counsel, in either case approved by the Administrative Agent in a writing delivered to the Collateral Agent, which

approval shall not be unreasonably withheld) addressed and delivered to the Collateral Agent.

"own" refers to the possession of sufficient rights in property to grant a security interest therein as contemplated by UCC Section 9-203, and "acquire" refers to the acquisition of any such rights.

"Perfection Certificate" means a certificate from the Lien Grantor substantially in the form of Exhibit A, completed and supplemented with the schedules contemplated thereby to the reasonable satisfaction of the Collateral Agent, and signed by an officer of the Lien Grantor.

"Permitted Liens" means (i) the Transaction Liens and (ii) any other Liens on the Collateral permitted to be created or assumed or to exist pursuant to the Credit Agreement, including Liens arising in connection with Receivables Financings (including the Effective Date Receivables Financing).

"Pledged", when used in conjunction with any type of asset, means at any time an asset of such type that is included (or that creates rights that are included) in the Collateral at such time. For example, "Pledged Inventory" means Inventory that is included in the Collateral at such time.

"Post-Petition Interest" means any interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Lien Grantor (or would accrue but for the

operation of applicable bankruptcy or insolvency laws), whether or not such interest is allowed or allowable as a claim in any such proceeding.

"Proceeds" means all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or other realization upon, any Collateral, including all claims of the Lien Grantor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral.

"Receivables" means all Accounts owned by the Lien Grantor and all other rights, titles or interests which, in accordance with GAAP would be included in receivables on its balance sheet (including any such Accounts and/or rights, titles or interests that might be characterized as Chattel Paper, Instruments or General Intangibles under the Uniform Commercial Code in effect in any jurisdiction), in each case arising from the sale, lease, exchange or other disposition of Inventory, and all of the Lien Grantor's rights to any goods, services or other property related to any of the foregoing (including returned or repossessed goods and unpaid seller's rights of rescission, replevin, reclamation and rights to stoppage in transit), and all collateral security and supporting obligations of any kind given by any Person with respect to any of the foregoing.

"Receivables SPV" means U.S. Steel Receivables LLC, a Delaware limited liability company and a wholly-owned Subsidiary of the Borrower.

"Related Documents" means the Credit Agreement, any promissory notes issued pursuant to Section 2.09(e) of the Credit Agreement, the Security Documents and the documentation governing the Additional Secured Obligations.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and its Affiliates.

"Related Transferred Rights" has the meaning specified in Section 2(b) hereof. "Release Conditions" means the following conditions for terminating all the Transaction Liens:

(i) all Commitments under the Credit Agreement shall have expired or been terminated;

(ii) all Liquidated Secured Obligations shall have been paid in full; and

(iii) no Unliquidated Secured

Obligation shall remain outstanding or such Unliquidated Secured Obligation shall be cash collateralized to an extent and in a manner reasonably satisfactory to each affected Secured Party.

"Second Secured Derivative Obligations" means all Secured Derivative Obligations that are not First Secured Derivative Obligations.

"Secured Agreement", when used with respect to any Secured Obligation, refers collectively to each instrument, agreement or other document that sets forth obligations of the Lien Grantor and/or rights of the holder with respect to such Secured Obligation.

"Secured Derivative Obligations" means Derivative Obligations of the

Borrower owing to any Person that was a Lender or Lender Affiliate on the trade date for any such Derivative Obligation, or an assignee of such Person; provided that (i) such Derivative Obligation is entered into in the course of the ordinary business practice of the Borrower and not for speculative purposes, (ii) at or prior to the time the written agreement evidencing such Derivative Obligation (a "Derivative Contract") is executed, the Borrower and the Lender or Lender Affiliate party thereto shall have expressly agreed in writing that such obligations constitute "Secured Derivative Obligations" entitled to the benefits of the Security Documents, (iii) at or prior to the time such Derivative Contract is executed, the Lender or Lender Affiliate party thereto shall have delivered a notice to the Collateral Agent (or, in the case of a Lender Affiliate, an instrument in form and substance satisfactory to the Collateral Agent) to the effect set forth in clause (ii) of this proviso, and acknowledging and agreeing to be bound by the terms of this Agreement with respect to such obligations and (iv) at the time such Derivative Contract is executed, the Borrower shall have specified in writing to the Collateral Agent whether or not, after giving effect to such Derivative Contract, the aggregate Mark-to-Market Value of all Secured Derivative Obligations as of such date will exceed $25,000,000 (and, in the event that such aggregate Mark-to-Market Value will exceed $25,000,000 after giving effect to such Derivative Contract, the Borrower and the Lender or Lender Affiliate party thereto shall have expressly agreed that the Derivative Obligations arising thereunder shall constitute Second Secured Derivative Obligations under this Agreement at all times unless either (x) such aggregate Mark-to-Market Value does not exceed $25,000,000 (as evidenced by the Borrowing Base Certificate then most recently delivered by the Borrower pursuant to Section 5.01(b) of the Credit

Agreement, certifying that the aggregate Mark-to-Market Value of all Secured Derivative Obligations is less than $25,000,000) or (y) together with the Borrowing Base Certificate then most recently delivered by the Borrower pursuant to Section 5.01(b) of the Credit Agreement, the Borrower shall have delivered written notice to the Collateral Agent designating such Derivative Obligations as First Secured Derivative Obligations, which written notice shall include a list of all First Secured Derivative Obligations, the aggregate Mark-to-Market Value of which will not exceed $25,000,000).

"Secured Loan Obligations" means all principal of all Loans and LC Reimbursement Obligations outstanding from time to time under the Credit Agreement, all interest (including Post-Petition Interest) on such Loans and LC Reimbursement Obligations and all other amounts now or hereafter payable by the Borrower pursuant to the Loan Documents.

"Secured Obligations" means the Secured Loan Obligations and the Additional Secured Obligations.

"Secured Parties" means the holders from time to time of the Secured Obligations, and "Secured Party " means any of them as the context may require.

"Security Documents" means this Agreement, the Intercreditor Agreement and all other supplemental or additional security agreements, control agreements, or similar instruments delivered pursuant to the Loan Documents.

"Supporting Obligation" means a "supporting obligation" (as such term is defined in UCC Section 9-102).

"Sweep Period" has the meaning set forth in Section 6(c).

"Transaction Liens" means the Liens granted by the Lien Grantor under the Security Documents.

"Transferred Receivables" means any Receivables that have been sold, contributed or otherwise transferred to an Eligible Transferee in connection with a Receivables Financing that is not prohibited under the Credit Agreement or this Agreement (including, without limitation, the Effective Date Receivables Financing).

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any Transaction Lien on any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Unliquidated Secured Obligation" means, at any time, any Secured Obligation (or portion thereof) that is contingent in nature or unliquidated at such time, including any Secured Obligation that is:

(i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it;

(ii) any other obligation (including any guarantee) that is contingent in nature at such time; or

(iii) an obligation to provide collateral to secure any of the foregoing

types of obligations.

(d) Terms Generally. The definitions of terms herein (including those incorporated by reference to the UCC or to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement and (e) the word "property" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(a) The Lien Grantor, in order to secure the Secured Obligations, grants to the Collateral Agent for the benefit of the Secured Parties a continuing security interest in all the following property of the Lien Grantor, whether now owned or existing or hereafter acquired or arising and regardless of where located, subject to the exceptions set forth in Section 2(b):

(i) all Inventory;

(ii) all Receivables;

(iii) all Contracts;

(iv) all books and records (including customer lists, credit files, computer programs, printouts and other computer materials and records) of the Lien Grantor pertaining to any of its Collateral; and

(v) all other Proceeds of the Collateral described in the foregoing clauses (i) through (iv).

(b) The Collateral shall not include Transferred Receivables and (i) rights to payment and collections in respect of such Transferred Receivables, (ii) security interests or Liens and property subject thereto purporting to secure or guarantee payment of such Transferred Receivables, (iii) guarantees, letters of credit, acceptances, insurance and other arrangements from time to time supporting or securing payment of such Transferred Receivables, (iv) all invoices, documents, books, records and other information with respect to such Transferred Receivables or the obligors thereon, (v) with respect to any such Transferred Receivables, the transferee's interest in the product (including returned product), the sale of which by such transferee gave rise to such Transferred Receivables and (vi) all Proceeds of the items described in subclauses 2(b)(i) through 2(b)(v) (preceding subclauses (b)(i) through (b)(vi), collectively, the "Related Transferred Rights").

(c) With respect to each right to payment or performance included in the Collateral from time to time, the Transaction Lien granted therein includes a continuing security interest in all right, title and interest of the Lien Grantor in and to (i) any Supporting Obligation that supports such payment or performance and (ii) any Lien that (x) secures such right to payment or performance or (y) secures any such Supporting Obligation.

(d) The Transaction Liens are granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or transfer or in any way affect or modify, any obligation or liability of the Lien Grantor with respect to any of the Collateral or any transaction in connection therewith.

. The Lien Grantor represents and warrants that:

(a) The Lien Grantor is duly organized, validly existing and in good standing under the laws of the jurisdiction identified as its jurisdiction of organization in its Perfection Certificate.

(b) The Lien Grantor has good and marketable title to all its Collateral (subject to exceptions that are, in the aggregate, not material), free and clear of any Lien other than Permitted Liens.

(c) The Lien Grantor has not performed any acts that might prevent the Collateral Agent from enforcing any of the provisions of the Security Documents or that would limit the Collateral Agent in any such enforcement. No financing statement, security agreement, mortgage or similar or equivalent document or instrument covering all or part of the Collateral owned by such Lien Grantor is on file or of record in any jurisdiction in which such filing or recording would

be effective to perfect or record a Lien on such Collateral, except financing statements, mortgages or other similar or equivalent documents with respect to Permitted Liens. After the Effective Date, no Collateral owned by such Lien Grantor will be in the possession or under the control of any other Person having a Lien thereon, other than a Permitted Lien.

(d) The Transaction Liens on all Collateral owned by the Lien Grantor (i) have been validly created, (ii) will attach to each item of such Collateral on the Effective Date (or, if such Lien Grantor first obtains rights thereto on a later date, on such later date) and (iii) when so attached, will secure all the Secured Obligations.

(e) The Lien Grantor has delivered a Perfection Certificate to the Collateral Agent. The information set forth therein is correct and complete as of the Effective Date. After the Effective Date, the Collateral Agent or the Administrative Agent may obtain, at the Lien Grantor's expense, a file search report from each UCC filing office listed in its Perfection Certificate, showing the filing made at such filing office to perfect the Transaction Liens on the Collateral.

(f) When UCC financing statements describing the Collateral as set forth in the Lien Grantor's Perfection Certificate have been filed in the offices specified in the Perfection Certificate, the Transaction Liens will constitute perfected security interests in the Collateral owned by the Lien Grantor to the extent that a security interest therein may be perfected by filing pursuant to the UCC, prior to all Liens and rights of others therein except Permitted Liens. Except for the filing of such UCC financing statements, no registration, recordation or filing with any governmental body, agency or official is required in connection with the execution or delivery of the Security Documents or is necessary for the validity or enforceability thereof or for the perfection of the Transaction Liens pursuant to the UCC or for the enforcement of the Transaction Liens pursuant to the UCC.

(g) The Lien Grantor has taken, and will continue to take, all actions necessary under the UCC to perfect its interest in any Receivables purchased or otherwise acquired by it, as against its assignors and creditors of its assignors.

(h) The Lien Grantor's Collateral is insured as required by the Credit Agreement.

(i) Any Inventory produced by the Lien Grantor has or will have been produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended.

(j) The Existing Receivables SPV Accounts are all of the accounts owned by Receivables SPV. Other than (i) the Existing Receivables SPV Accounts, (ii) the Cash Collateral Account and (iii) any lockbox,

concentration or similar account which has been subjected to a Blocked Account Agreement pursuant to Section 4(a), there are no accounts owned by the Lien Grantor or Receivables SPV into which any collections or other payments or proceeds in respect of Pledged Receivables may be deposited.

. The Lien Grantor covenants as follows:

(a) The Lien Grantor will, from time to time, at its own expense, execute, deliver, authorize, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including (x) any filing of financing or continuation statements under the UCC, (y) at any time when the Effective Date Receivables Financing shall have terminated and been paid in full and not been replaced with another Receivables Financing on terms satisfactory to the Administrative Agent, causing any lockbox, concentration or similar account into which payments with respect to Receivables then owned by the Lien Grantor will be received to be subjected to Blocked Account Agreements and (z) at any time when the Effective Date Receivables Financing shall have terminated and been replaced with another Receivables Financing on terms satisfactory to the Administrative Agent, causing the appropriate parties to such replacement Receivables Financing to execute an intercreditor agreement that is substantially identical to the Intercreditor Agreement) that from time to time may be reasonably necessary or desirable, or that the Collateral Agent may reasonably request, in order to:

(i) create, preserve, perfect, confirm or validate the Transaction Liens on the Collateral;

(ii) enable the Collateral Agent and the other Secured Parties to obtain the full benefits of the Security Documents; or

(iii) enable the Collateral Agent to exercise and enforce any of its rights, powers and remedies with respect to any of the Collateral.

To the extent permitted by applicable law, the Lien Grantor authorizes the Collateral Agent to execute and file such financing statements or continuation statements without the Lien Grantor's signature appearing thereon. The

Collateral Agent agrees to provide the Lien Grantor with copies of any such financing statements and continuation statements. The Lien Grantor agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement to the extent permitted by law. The Lien Grantor constitutes the Collateral Agent its attorney-in-fact to execute and file all filings required or so requested for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, shall be irrevocable until all the Transaction Liens granted by the Lien Grantor terminate pursuant to Section 12. The Borrower will pay the costs of, or incidental to, any recording or filing of any financing or continuation statements or other documents recorded or filed pursuant hereto.

(b) The Lien Grantor will not (i) change its name or limited liability company structure (or other form of organization), except to reorganize as a Delaware corporation under the name "United States Steel Corporation", (ii) change its location (determined as provided in UCC Section 9-307) or (iii) except with respect to a Permitted Lien, become bound, as provided in Revised UCC Section 9-203(d) or otherwise, by a security agreement entered into by another Person, unless it shall have given the Collateral Agent prior notice thereof and delivered an Opinion of Counsel with respect thereto in accordance with Section 4(c).

(c) At least 30 days before it takes any action contemplated by Section 4(b), the Lien Grantor, at its own expense, will cause to be delivered to the Collateral Agent an Opinion of Counsel, in form and substance reasonably satisfactory to the Collateral Agent, to the effect that (i) all financing statements and amendments or supplements thereto, continuation statements and other documents required to be filed or recorded in order to perfect and protect the Transaction Liens against all creditors of and purchasers from the Lien Grantor after it takes such action (except any applicable continuation statements specified in such Opinion of Counsel that are to be filed more than six months after the date thereof) have been filed or recorded in each office necessary for such purpose, (ii) all fees and taxes, if any, payable in connection with such filings or recordations have been paid in full and (iii) except as otherwise agreed by the Required Lenders, such action will not adversely affect the perfection or priority of the Transaction Lien on any Collateral to be owned by the Lien Grantor after it takes such action or the accuracy of the Lien Grantor's representations and warranties herein relating to such Collateral.

(d) The Lien Grantor will not sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any of its Collateral; provided that the Lien Grantor may do any of the foregoing unless (i) doing so would breach a covenant in the Credit Agreement or (ii) an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Lien Grantor that its right to do so is terminated, suspended or otherwise limited. Concurrently with any sale or other disposition (except a lease) permitted by the foregoing proviso, the Transaction Liens on the assets sold or disposed of (but not in any Proceeds arising from such sale or disposition)

will cease immediately without any action by the Collateral Agent or any other Secured Party. The Collateral Agent will, at the Borrower's expense, execute and deliver to the Lien Grantor such documents as the Lien Grantor shall reasonably request to evidence the fact that any asset so sold or disposed of is no longer subject to a Transaction Lien.

(e) The Lien Grantor will, promptly upon request, provide to the Collateral Agent all information and evidence concerning the Collateral that the Collateral Agent may reasonably request from time to time to enable it to enforce the provisions of the Security Documents.

(f) From time to time upon request by the Collateral Agent, the Lien Grantor will, at its own expense, cause to be delivered to the Secured Parties an Opinion of Counsel satisfactory to the Collateral Agent as to such matters relating to the transactions contemplated hereby as the Collateral Agent may reasonably request.

. (a) If and when required for purposes hereof, the Collateral Agent will establish an account (the "Cash Collateral Account"), in the name and under the exclusive control of the Collateral Agent, into which all amounts owned by the Lien Grantor that are to be deposited therein pursuant to the Financing Documents shall be deposited from time to time.

(b) Within 30 days following the Effective Date (or such longer period as the Borrower, the Collateral Agent and the Co-Collateral Agent may agree), the Lien Grantor will cause Receivables SPV to have subjected all of its then existing accounts (collectively, the "Existing Receivables SPV Accounts") to Blocked Account Agreements, each of which Blocked Account Agreements shall, to the extent the account subject thereto is a "Lock-Box Account" or "Concentration Account" (each as defined in the Receivables Purchase Agreement), (i) by its terms, first become effective immediately upon receipt by the "Lockbox Box" or "Concentration Account Bank" (each as defined in the Receivables Purchase Agreement) or other depositary bank at which such account is maintained (the

"Depositary Bank") of written notice from The Bank of Nova Scotia, as collateral agent under the Effective Date Receivables Financing (the "Receivables Collateral Agent"), specifying that the Effective Date Receivables Financing has terminated and all monetary obligations in respect thereof have been satisfied in full and that the blocked account agreement in effect with respect to such "Lockbox Account" or "Concentration Account" (each as defined in the Receivables Purchase Agreement) in connection with the Effective Date Receivables Financing shall be terminated in accordance with its terms (or upon written notice from the Collateral Agent to such effect, if (x) the Receivables Collateral Agent has failed to deliver such notice within five Business Days of the date on which it is initially obligated to do so pursuant to the Intercreditor Agreement, (y) the Collateral Agent shall have delivered a Final Notification Request (as defined in the Intercreditor Agreement), and (z) the Funding Agents (as defined in the Intercreditor Agreement) have failed to comply, or to cause the Receivables Collateral Agent to comply, with such Final Notification Request within three Business Days of the date on which such Final Notification Request is effective under the Intercreditor Agreement), (ii) by its terms, terminate upon receipt by the Depositary Bank of written notice from the Collateral Agent to the effect that the Effective Date Receivables Financing has been replaced with another Receivables Financing on terms satisfactory to the Administrative Agent, such that the accounts of Receivables SPV and the lockbox accounts of the Lien Grantor may be subjected to blocked account agreements in connection with such replacement Receivables Financing and (iii) expressly provide that its terms may not be amended or modified without the consent of the Receivables Collateral Agent.

(c) If directed to do so by the Collateral Agent at any time when an Event of Default has occurred and is continuing, the Borrower shall cause to be deposited in the account referred to in clause (d) below, promptly upon receipt thereof, (i) all payments received in respect of the Pledged Receivables and (ii) all other Proceeds of the Collateral.

(d) Within 30 days following the Effective Date, the Borrower shall cause to be subjected to a Blocked Account Agreement any lockbox, concentration or other account into which payments from Receivables SPV to the Borrower in respect of the purchase price of Transferred Receivables may be received.

(e) Unless (x) a Sweep Period shall have occurred and be continuing, (y) an Event of Default shall have occurred and be continuing and the Required Lenders shall have instructed the Collateral Agent to stop withdrawing amounts from the Cash Collateral Account pursuant to this subsection or (z) the maturity of the Loans (or other Secured Obligations) shall have been accelerated pursuant to Article 7 of the Credit Agreement (or otherwise), the Collateral Agent shall withdraw amounts from the Cash Collateral Account (other than amounts required to be deposited in the Cash Collateral Account pursuant to Section 2.10(b) or Section 5.12(b) of the Credit Agreement) and remit such amounts to, or as directed by, the Borrower from time to time.

(f) If an Event of Default shall have occurred and be continuing, the Collateral Agent may (i) retain all cash and investments then held in the Cash Collateral Account, (ii) liquidate any or all investments held therein

and/or (iii) withdraw any amounts held therein and apply such amounts as provided in Section 7. Additionally, and without limiting the generality of the foregoing, during any Sweep Period (i) all amounts held in the Cash Collateral Account (other than amounts deposited therein pursuant to Section 2.05(j), Section 2.10 (b) or Section 5.12(b) of the Credit Agreement as cash collateral for the LC Exposure) shall be applied on a daily basis to the outstanding principal balance of the Base Rate Loans or, if applicable, as provided in Section 7 and (ii) following repayment in full of all outstanding Base Rate Loans pursuant to clause (i), any remaining amounts held in the Cash Collateral Account shall continue to be held in the Cash Collateral Account and (other than amounts deposited therein pursuant to Section 2.05(j), Section 2.10(b) or Section 5.12(b) of the Credit Agreement as cash collateral for the LC Exposure) shall be applied to the outstanding principal balance of maturing Eurodollar Loans upon expiration of the Interest Periods applicable thereto.

(g) Funds held in the Cash Collateral Account may, until withdrawn or otherwise applied pursuant hereto, be invested and reinvested in such Liquid Investments as the Borrower shall request from time to time; provided that, if an Event of Default shall have occurred and be continuing, the Collateral Agent may select such Liquid Investments.

(h) If immediately available cash on deposit in the Cash Collateral Account is not sufficient to make any distribution or withdrawal to be made pursuant hereto, the Collateral Agent will cause to be liquidated, as promptly as practicable, such investments held in or credited to the Cash Collateral Account as shall be required to obtain sufficient cash to make such distribution or withdrawal and, notwithstanding any other provision hereof, such distribution or withdrawal shall not be made until such liquidation has taken place.

. (a) If an Event of Default shall have occurred and be continuing, the Collateral Agent may exercise (or cause its sub-agents to exercise) any or all of the remedies available to it (or to such sub-agents) under the Security Documents.

(b) Without limiting the generality of the foregoing, if an Event of Default shall have occurred and be continuing, the Collateral Agent may exercise on behalf of the Secured Parties all the rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) with respect to any Collateral and, in addition, the Collateral Agent may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, withdraw all cash held in the Cash Collateral Account and apply such cash as provided in Section 7 and, if there shall be no such cash or if such cash shall be insufficient to pay all the Secured Obligations in full, sell, lease, license or otherwise dispose of the Collateral or any part thereof. Notice of any such sale or other disposition shall be given to the Lien Grantor as required by Section 9.

(c) Without limiting the generality of the foregoing, during any Sweep Period (as defined below), the Collateral Agent may (i) exercise all of the remedies described in Section 5(f) and (ii) cause all amounts constituting Collateral that are held in any lockbox, concentration or other account of the Lien Grantor then subject to an effective Blocked Account Agreement (it being understood that any Blocked Account Agreement with respect to an account that is a "Lockbox Account" or "Concentration Account" (each as defined in the Receivables Purchase Agreement) shall only become effective in accordance with Section 5(b)(i)) to be transferred on a daily basis to the Cash Collateral Account. As used herein, the term "Sweep Period" means each period that begins upon the occurrence of (x) an Event of Default described in Section 7(a), Section 7(i), Section 7(j) or Section 7(k) of the Credit Agreement or (y) an Event of Default caused by the Borrower's failure to perform any covenant contained in Section 6.13 or Section 6.14 of the Credit Agreement, and ends when no such Event of Default is continuing; provided that, except in the case of a Sweep Period that begins upon the occurrence of any Event of Default described in Section 7(a), Section 7(i), Section 7(j) or Section 7(k) of the Credit Agreement with respect to the Borrower (which Sweep Period shall commence automatically upon the occurrence of such Event of Default), no Sweep Period shall be deemed to have commenced unless and until the Collateral Agent shall have so determined and shall have so notified the Borrower.

. (a) If an Event of Default shall have occurred and be continuing, the Collateral Agent may apply (i) any cash held in the Cash Collateral Account and (ii) the proceeds of any sale or other disposition of all or any part of the Collateral, in the following order of priorities:

first, to pay the expenses of such sale or other disposition, including reasonable compensation to agents of and counsel for the Collateral Agent, and all expenses, liabilities and advances incurred or made by the Collateral Agent in connection with the Security Documents, and any other amounts then due and payable to the Collateral Agent pursuant to Section or to any Agent pursuant to the Credit Agreement;

second, to pay the unpaid principal of the Secured Obligations (other than Second Secured Derivative Obligations) ratably (or provide for the payment thereof pursuant to Section 7(b)), until payment in full of the

principal of all Secured Obligations (other than Second Secured Derivative Obligations) shall have been made (or so provided for);

third, to pay ratably all interest (including Post-Petition Interest) on the Secured Obligations (other than Second Secured Derivative Obligations) and all commitment and other fees payable under the Related Documents, until payment in full of all such interest and fees shall have been made;

fourth, to pay all other Secured Obligations (other than Second Secured Derivative Obligations) ratably (or provide for the payment thereof pursuant to Section 7(b)), until payment in full of all such other Secured Obligations (other than Second Secured Derivative Obligations) shall have been made (or so provided for);

fifth, to pay ratably the unpaid principal of the Second Secured Derivative Obligations (or provide payment therefor pursuant to Section 7(b)) until payment in full of the principal of all Second Secured Derivative Obligations shall have been made (or so provided for);

sixth, to pay ratably all interest (including Post-Petition Interest) on the Second Secured Derivative Obligations, until payment in full of all such interest shall have been made; and

finally, to pay to the Lien Grantor, or as a court of competent jurisdiction may direct, any surplus then remaining from the proceeds of the Collateral owned by it.

The Collateral Agent may make such distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

(b) If at any time any portion of any monies collected or received by the Collateral Agent would, but for the provisions of this Section 7(b), be

payable pursuant to Section 7(a) in respect of an Unliquidated Secured Obligation, the Collateral Agent shall not apply any monies to pay such Unliquidated Secured Obligation but instead shall request the holder thereof, at least 10 days before each proposed distribution hereunder, to notify the Collateral Agent as to the maximum amount of such Unliquidated Secured Obligation if then ascertainable (e.g., in the case of a letter of credit, the maximum amount available for subsequent drawings thereunder). If the holder of such Unliquidated Secured Obligation does not notify the Collateral Agent of the maximum ascertainable amount thereof at least two Domestic Business Days before such distribution, such Unliquidated Secured Obligation will not be entitled to share in such distribution. If such holder does so notify the Collateral Agent as to the maximum ascertainable amount thereof, the Collateral Agent will allocate to such holder a portion of the monies to be distributed in such distribution, calculated as if such Unliquidated Secured Obligation were outstanding in such maximum ascertainable amount. However, the Collateral Agent will not apply such portion of such monies to pay such Unliquidated Secured Obligation, but instead will hold such monies or invest such monies in Liquid Investments. All such monies and Liquid Investments and all proceeds thereof will constitute Collateral hereunder, but will be subject to distribution in accordance with this Section 7(b) rather than Section 7(a). The Collateral Agent will hold all such monies and Liquid Investments and the net proceeds thereof in trust until all or part of such Unliquidated Secured Obligation becomes a Liquidated Secured Obligation, whereupon the Collateral Agent at the request of the relevant Secured Party will apply the amount so held in trust to pay such Liquidated Secured Obligation; provided that, if the other Secured Obligations theretofore paid pursuant to the same clause of Section 7(a) (i.e., clause second, fourth or fifth) were not paid in full, the Collateral Agent will apply the amount so held in trust to pay the same percentage of such Liquidated Secured Obligation as the percentage of such other Secured Obligations theretofore paid pursuant to the same clause of Section 7(a). If (i) the holder of such Unliquidated Secured Obligation shall advise the Collateral Agent that no portion thereof remains in the category of an Unliquidated Secured Obligation and (ii) the Collateral Agent still holds any amount held in trust pursuant to this Section 7(b) in respect of such Unliquidated Secured Obligation (after paying all amounts payable pursuant to the preceding sentence with respect to any portions thereof that became Liquidated Secured Obligations), such remaining amount will be applied by the Collateral Agent in the order of priorities set forth in Section 7(a)

(c) In making the payments and allocations required by this Section, the Collateral Agent may rely upon information supplied to it pursuant to Section 11(g). All distributions made by the Collateral Agent pursuant to this Section shall be final (except in the event of manifest error) and the Collateral Agent shall have no duty to inquire as to the application by any Secured Party of any amount distributed to it.

. (a) The Lien Grantor will forthwith upon demand pay to the Collateral Agent:

(i) the amount of any taxes that the Collateral Agent may have been required to pay by reason of the Transaction Liens or to free any Collateral from any other Lien thereon;

(ii) the amount of any and all reasonable out-of-pocket expenses, including transfer taxes and reasonable fees and expenses of counsel and other experts, that the Collateral Agent may incur in connection

with (x) the administration or enforcement of the Security Documents, including such expenses as are incurred to preserve the value of the Collateral or the validity, perfection, rank or value of any Transaction Lien, (y) the collection, sale or other disposition of any Collateral or (z) the exercise by the Collateral Agent of any of its rights or powers under the Security Documents;

(iii) the amount of any fees that the Lien Grantor shall have agreed in writing to pay to the Collateral Agent and that shall have become due and payable in accordance with such written agreement; and

(iv) the amount required to indemnify the Collateral Agent for, or hold it harmless and defend it against, any loss, liability or expense (including the reasonable fees and expenses of its counsel and any experts or sub-agents appointed by it hereunder) incurred or suffered by the Collateral Agent in connection with the Security Documents, except to the extent that such loss, liability or expense arises from the Collateral Agent's gross negligence or willful misconduct or a breach of any duty that the Collateral Agent has under this Agreement (after giving effect to Sections 10 and 11). Any such amount not paid to the Collateral Agent on demand will bear interest for each day thereafter until paid at a rate per annum equal to the sum of 2.00% plus the Alternate Base Rate for such day plus the Applicable Rate that would, in the absence of an Event of Default, be applicable to the Base Rate Loans for such day.

(b) If any transfer tax, documentary stamp tax or other tax is payable in connection with any transfer or other transaction provided for in the

Security Documents, the Lien Grantor will pay such tax and provide any required tax stamps to the Collateral Agent or as otherwise required by law.

. The Lien Grantor irrevocably appoints the Collateral Agent its true and lawful attorney, with full power of substitution, in the name of the Lien Grantor, any Secured Party or otherwise, for the sole use and benefit of the Secured Parties, but at the Lien Grantor's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default shall have occurred and be continuing, all or any of the following powers with respect to all or any of the Collateral (to the extent necessary to pay the Secured Obligations in full):

(a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due upon or by virtue thereof,

(b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,

(c) to sell, lease, license or otherwise dispose of the same or the proceeds or avails thereof, as fully and effectually as if the Collateral Agent were the absolute owner thereof, and

(d) to extend the time of payment of any or all thereof and to make any allowance or other adjustment with reference thereto;

provided that, except in the case of Collateral that is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Collateral Agent will give the Lien Grantor at least ten days' prior written notice of the time and place of any public sale thereof or the time after which any private sale or other intended disposition thereof will be made. Any such notice shall (i) contain the information specified in UCC Section 9-613, (ii) be Authenticated and (iii) be sent to the parties required to be notified pursuant to UCC Section 9-611(c); provided that, if the Collateral Agent fails to comply with this sentence in any respect, its liability for such failure shall be limited to the liability (if any) imposed on it as a matter of law under the UCC.

. Beyond the exercise of reasonable care in the custody and preservation thereof, the Collateral Agent will have no duty as to any Collateral in its possession or control or in the possession or control of any sub-agent or bailee or any income therefrom or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agent will be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equal to that which it accords its own property, and will not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by reason of any act or omission of any sub-agent or bailee selected by the Collateral Agent in good faith or by reason of any act or omission by the Collateral Agent pursuant to instructions from the Administrative Agent, except to the extent that such liability arises from the Collateral Agent's gross negligence or willful misconduct.

. (a) Authority. The Collateral Agent is authorized to take such actions and to exercise such powers as are delegated to the Collateral Agent by the terms of the Security Documents, together with such actions and powers as are reasonably incidental thereto.

(b) Coordination with Secured Parties. To the extent requested to do so by any Secured Party, the Collateral Agent will promptly notify such Secured Party of each notice or other communication received by the Collateral Agent hereunder and/or deliver a copy thereof to such Secured Party. As to any matters not expressly

provided for herein (including (i) the timing and methods of realization upon the Collateral and (ii) the exercise of any power that the Collateral Agent may, but is not expressly required to, exercise under any Security Document), the Collateral Agent shall act or refrain from acting in accordance with written instructions from the Required Lenders or, in the absence of such instructions, in accordance with its discretion (subject to the following provisions of this Section).

(c) Rights and Powers as a Secured Party. The Person serving as the Collateral Agent shall, in its capacity as a Secured Party, have the same rights and powers as any other Secured Party and may exercise the same as though it were not the Collateral Agent. Such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower, any of its Subsidiaries or their respective Affiliates as if it were not the Collateral Agent hereunder.

(d) Limited Duties and Responsibilities. The Collateral Agent shall not have any duties or obligations under the Security Documents except those expressly set forth therein. Without limiting the generality of the foregoing, (a) the Collateral Agent shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is

continuing, (b) the Collateral Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Security Documents that the Collateral Agent is required in writing to exercise by the Required Lenders, and (c) except as expressly set forth in the Security Documents, the Collateral Agent shall not have any duty to disclose, and shall not be liable for any failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Collateral Agent or any of its Affiliates in any capacity. The Collateral Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02 of the Credit Agreement) or in the absence of its own gross negligence or willful misconduct. The Collateral Agent shall not be responsible for the existence, genuineness or value of any Collateral or for the validity, perfection, priority or enforceability of any Transaction Lien, whether impaired by operation of law or by reason of any action or omission to act on its part under the Security Documents. The Collateral Agent shall be deemed not to have knowledge of any Event of Default unless and until written notice thereof is given to the Collateral Agent by the Borrower or a Secured Party, and the Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Security Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Security Document, (iv) the validity, enforceability, effectiveness or genuineness of any Security Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in any Security Document.

(e) Authority to Rely on Certain Writings, Statements and Advice. The Collateral Agent shall be entitled to rely on, and shall not incur any liability for relying on, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Collateral Agent also may rely on any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Borrower or any of its Subsidiaries), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountant or expert. The Collateral Agent may rely conclusively on advice from the Administrative Agent as to whether at any time (i) an Event of Default under the Credit Agreement has occurred and is continuing, (ii) the maturity of the Loans has been accelerated or (iii) any proposed action is permitted or required by the Credit Agreement.

(f) Sub-Agents and Related Parties. The Collateral Agent may perform any of its duties and exercise any of its rights and powers through one or more sub-agents appointed by it. The Collateral Agent and any such sub-agent may perform any of its duties and exercise any of its rights and powers through its Related Parties. The exculpatory provisions of Section 10 and this Section shall apply to any such sub-agent and to the Related Parties of the Collateral Agent and any such sub-agent.

(g) Information as to Secured Obligations and Actions by Secured Parties. For all purposes of the Security Documents, including determining the amounts of the Secured Obligations and whether a Secured Obligation is an Unliquidated Secured Obligation or not, or whether any action has been taken under any Secured Agreement, the Collateral Agent will be entitled to rely on information from (i) the Administrative Agent for information as to the

Lenders, the Administrative Agent or the Collateral Agent, their Secured Obligations and actions taken by them, (ii) any Secured Party for information as to its Secured Obligations and actions taken by it, to the extent that the Collateral Agent has not obtained such information from the foregoing sources, and (iii) the Borrower, to the extent that the Collateral Agent has not obtained information from the foregoing sources.

(h) Within two Business Days after it receives or sends any notice referred to in this subsection, the Collateral Agent shall send to the Administrative Agent and each Secured Party requesting notice thereof, copies of any notice given by the Collateral Agent to the Lien Grantor, or received by it from the Lien Grantor, pursuant to Section 6, 7, 9, 11(j) or 12; provided that such Secured Party has, at least five Domestic Business Days prior thereto, delivered to the Collateral Agent a written notice (i) stating that it holds one or more Secured Obligations and wishes to receive copies of such notices and (ii) setting forth its address, facsimile number and e-mail address to which copies of such notices should be sent.

(i) The Collateral Agent may refuse to act on any notice, consent, direction or instruction from the Administrative Agent or any Secured Parties or any agent, trustee or similar representative thereof that, in the Collateral Agent's opinion, (i) is contrary to law or the provisions of any Security Document, (ii) may expose the Collateral Agent to liability (unless the Collateral Agent shall have been indemnified, to its reasonable satisfaction,

for such liability by the Secured Parties that gave, or instructed the Agent to give, such notice, consent, direction or instruction) or (iii) is unduly prejudicial to Secured Parties not joining in such notice, consent, direction or instruction.

(j) Resignation; Successor Collateral Agent. Subject to the appointment and acceptance of a successor Collateral Agent as provided in this subsection, the Collateral Agent may resign at any time by notifying the Secured Parties and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Lien Grantor, to appoint a successor Collateral Agent. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the Secured Parties, appoint a successor Collateral Agent which shall be a bank with an office in the United States, or an Affiliate of any such bank. Upon acceptance of its appointment as Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent hereunder, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Lien Grantor to a successor Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Lien Grantor and such successor. After the Collateral Agent's resignation hereunder, the provisions of this Section and Section shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent.

(a) The Transaction Liens shall terminate when all the Release Conditions are satisfied.

(b) The Transaction Liens (x) with respect to any Pledged Receivables shall terminate when such Receivables have become Transferred Receivables and (y) with respect to any other Collateral shall terminate upon the sale of such Collateral to a Person other than the Lien Grantor in a transaction not prohibited by the Credit Agreement. In each case, such termination shall not require the consent of any Secured Party, and the Collateral Agent and any third party shall be fully protected in relying on a certificate of the Lien Grantor as to whether any Pledged Receivables qualify as Transferred Receivables (including without limitation whether the transfer thereof is permitted under the Credit Agreement and this Agreement).

(c) In the case of any Pledged Receivables, the Transaction Liens with respect to the Related Transferred Rights shall terminate when such Pledged Receivables become Transferred Receivables. Such termination shall not require the consent of any Secured Party. If the Borrower delivers a certificate pursuant to Section 12(b) stating that any Pledged Receivables qualify as Transferred Receivables, the Collateral Agent and any third party shall be fully protected in relying on such certificate as conclusive proof that the Related Transferred Rights are not Collateral.

(d) At any time before the Transaction Liens terminate, the Collateral Agent may, at the written request of the Lien Grantor, (i) release any Collateral (but not all or any substantial portion of the Collateral) with the prior written consent of the Required Lenders or (ii) release any substantial portion of the Collateral with the prior written consent of all the Lenders. For purposes hereof, a release of Collateral comprising 10% or more of the Borrowing Base in effect on the date of such release shall constitute release of a substantial portion of the Collateral.

(e) Upon any termination of a Transaction Lien or release of Collateral, the Collateral Agent will, at the expense of the Lien Grantor, execute and deliver to the Lien Grantor such documents as the Lien Grantor shall reasonably request to evidence the termination of such Transaction Lien or the release of such Collateral, as the case may be.

. Except in the case of notices and other communications expressly permitted to be given by telephone, each notice, request or other communication given to any party hereunder shall be in writing delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy (or, in the case of any notice to a Secured Party pursuant to Section 11(b) or Section 11(h), transmitted by e-mail), as follows:

(a) in the case of the Lien Grantor:
United States Steel LLC
600 Grant Street
Room 1325
Pittsburgh, PA 15219
Attention: Treasurer
Facsimile: (412) 433-4567
E-mail: ltbrockway@uss.com

(b) in the case of the Collateral Agent:
J.P. Morgan Chase Bank
Mining and Metals Group

270 Park Avenue
New York, NY 10017
Attention: Carlos Morales
Facsimile: (212) 270-4724
E-mail: carlos.morales@chase.com

and with a copy to:

J.P. Morgan Chase Bank
270 Park Avenue
29th Floor
New York, NY 10017
Attention: Laura Orsini-Tramontana
Facsimile: (212) 270-7449
E-mail: laura.orsini-tramontana@chase.com

with a copy to the Co-Collateral Agent:

General Electric Capital Corporation
800 Connecticut Avenue
Two North
Norwalk, CT 06854
Attention: Account Manager - United States Steel
Facsimile: (203) 852-3660
E-mail: brad.strickland@gecapital.com and
donald.cavanagh@gecapital.com

(c) in the case of any Lender, to the Collateral Agent to be forwarded to such Lender at its address or facsimile number specified in or pursuant to Section 9.01 of the Credit Agreement; or

(d) in the case of any Secured Party requesting notice under Section 11(h) , such address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the Collateral Agent.

All notices and other communications given to any party hereto in accordance with the terms of this Agreement shall be deemed to have been given on the date of receipt. Any party may change its address, facsimile number and/or

e-mail address for purposes of this Section by giving notice of such change to the Collateral Agent and the Lien Grantor in the manner specified above.

. No failure by the Collateral Agent or any Secured Party to exercise, and no delay in exercising and no course of dealing with respect to, any right or remedy under any Related Document shall operate as a waiver thereof; nor shall any single or partial exercise by the Collateral Agent or any Secured Party of any right or remedy under any Related Document preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies specified in the Related Documents are cumulative and are not exclusive of any other rights or remedies provided by law.

. This Agreement is for the benefit of the Collateral Agent and the Secured Parties. If all or any part of any Secured Party's interest in any Secured Obligation is assigned or otherwise transferred, the transferor's rights hereunder, to the extent applicable to the obligation so transferred, shall be automatically transferred with such obligation. This Agreement shall be binding on the Lien Grantor and its successors and assigns.

. Neither this Agreement nor any provision hereof may be waived, amended, modified or terminated except pursuant to an agreement or agreements in writing entered into by the parties hereto, with the consent of such Lenders as are required to consent thereto under Section 9.02(b) of the Credit Agreement.

. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the State of New York are governed by the laws of such jurisdiction.

. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY SECURITY DOCUMENT OR ANY TRANSACTION CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

. If any provision of any Security Document is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions of the Security Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral

Agent and the Secured Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (ii) the invalidity or unenforceability of such provision in such jurisdiction shall not affect the validity or enforceability thereof in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

UNITED STATES STEEL LLC

By: /s/ G. R. Haggerty

Name: G. R. Haggerty
Title: Vice President - Accounting & Finance

JPMORGAN CHASE BANK, as Collateral Agent

By: /s/ James H. Ramage

Name: James H. Ramage
Title: Managing Director

EXHIBIT A
to Security Agreement

PERFECTION CERTIFICATE

The undersigned is a duly authorized officer of United States Steel LLC (the "Lien Grantor"). With reference to the Security Agreement dated as of November 30, 2001 between the Lien Grantor and JPMorgan Chase Bank, as Collateral Agent (terms defined therein being used herein as therein defined), the undersigned certifies to the Collateral Agent and each other Secured Party as follows: A. Information Required for Filings and Searches for Prior Filings.

1. Jurisdiction of Organization. The Lien Grantor is a limited liability company organized under the laws of Delaware.

2. Name. The exact name of the Lien Grantor as it appears in its certificate of formation is as follows: United States Steel LCC

3. Prior Names. (a) Set forth below is each other corporate (or other organizational) name that the Lien Grantor has had since its organization, together with the date of the relevant change:

(b) Except as set forth below, the Lien Grantor has not changed its organizational structure./1/

4. Filing Office. In order to perfect the Transaction Liens granted by the Lien Grantor, a duly signed financing statement on Form UCC-1, with the collateral described as set forth on Schedule I hereto, should be on file in the office of ---------- in ---------./2/ Additional Information Required for Searches for Prior Filings under old Article 9.

1. Current Locations. (a) The chief executive office of the Lien Grantor is located at the following address:

Mailing Address	County	State

The Lien Grantor [does] [does not] have a place of business in another county of the State listed above.

(b) The following are all locations not identified above where the Lien Grantor maintains any Inventory:

Mailing Address	County	State

(c) The following are the names and addresses of all Persons (other than the Lien Grantor) that have possession of any of the Lien Grantor's Inventory:

Mailing Address	County	State

IN WITNESS WHEREOF, I have hereunto set my hand this -- day of ----------,

.
- ----

Name:
Title:

Schedule I

DESCRIPTION OF COLLATERAL

- --------

/1 Changes in corporate structure would include mergers and consolidations, as well as any change in the Lien Grantor's form of organization. If any such change has occurred, include in Schedule II the information required by Part A of this certificate as to each constituent party to a merger or consolidation and any other predecessor organization./

/2 Insert Lien Grantor's "location" determined as provided in UCC Section 9-307./

All Inventory, Receivables and Contracts, and all books and records (including customer lists, credit files, computer programs, printouts and other computer material and records) pertaining to the foregoing, in each case whether now owned or hereafter acquired and wherever located, and all proceeds thereof, but excluding all Transferred Receivables and Related Transferred Rights (as each such term is defined on Exhibit A attached hereto).*

*Form of Exhibit A to UCC-1 Financing Statements is attached hereto.

Exhibit A to UCC-1 Financing Statement

Debtor:	Secured Party:
United States Steel LLC	JPMorgan Chase Bank, as
600 Grant Street	Collateral Agent
Pittsburgh, PA 15219	[address]

Capitalized terms used in the description of collateral set forth on the face of the UCC-1 Financing Statement to which this Exhibit A pertains shall have the following meanings:

"Accounts" has the meaning specified in Section 9-102 of the UCC.

"Chattel Paper" has the meaning specified in Section 9-102 of the UCC.

"Contracts" means all contracts for the sale, lease, exchange or other disposition of Inventory, whether or not performed and whether or not subject to termination upon a contingency or at the option of any party thereto.

"Credit Agreement" means the Credit Agreement dated as of November 30, 2001 among United States Steel LLC, the Lenders party thereto, PNC Bank, National Association and Foothill Capital Corporation as Co-Syndication Agents, General Electric Capital Corporation, as Documentation Agent and Co-Collateral Agent and JPMorgan Chase Bank, as Administrative Agent, Collateral Agent and Swingline Lender (as the same may be amended from time to time, the "Credit Agreement").

"Eligible Transferee" means (a) a special-purpose company created and used solely for purposes of effecting a Receivables Financing, whether or not a subsidiary of United States Steel, or (b) any other person which is not a subsidiary of United States Steel.

"General Intangibles" has the meaning specified in Section 9-102 of the UCC. "Instrument" has the meaning specified in Section 9-102 of the UCC. "Inventory" has the meaning specified in Section 9-102 of the UCC.

"Receivables" means, with respect to the Debtor, all Accounts owned by it and all other rights, titles or interests which, in accordance with generally accepted accounting principles in the United States of America, would be included in receivables on its balance sheet (including any such Accounts and/or rights, titles or interests that might be characterized as Chattel Paper, Instruments or General Intangibles under the UCC), in each case arising from the sale, lease, exchange or other disposition of Inventory, and all of the Debtor's rights to any goods, services or other property related to any of the foregoing (including returned or repossessed goods and unpaid seller's rights of rescission, replevin, reclamation and rights to stoppage in transit), and all collateral security and supporting obligations of any kind given by any person with respect to any of the foregoing.

"Receivables Financing" means any receivables securitization program or other type of accounts receivable financing transaction by United States Steel or any of its subsidiaries (including, without limitation, the receivables financing transaction effected pursuant to (x) the Purchase and Sale Agreement dated as of November 28, 2001 among U.S. Steel Receivables LLC, the originators named therein and United States Steel, as initial servicer, and (y) the Amended and Restated Receivables Purchase Agreement dated as of November 28, 2001 among U.S. Steel Receivables LLC, as seller, United States Steel, as initial servicer, The Bank of Nova Scotia, as collateral agent, JPMorgan Chase Bank, as a committed purchaser and a funding agent, and the various other persons from time to time party thereto (the "Initial Receivables Financing")).

"Related Transferred Rights" means (a) rights to payment and collections in respect of Transferred Receivables, (b) security interests or liens and property

subject thereto purporting to secure or guarantee payment of Transferred Receivables, (c) guarantees, letters of credit, acceptances, insurance and other arrangements from time to time supporting or securing payment of Transferred Receivables, (d) all invoices, documents, books, records and other information with respect to Transferred Receivables or the obligors thereon, (e) with respect to any Transferred Receivables, the transferee's interest in the product (including returned product), the sale of which by such transferee

gave rise to such Transferred Receivables and (f) all proceeds of the items described in foregoing clauses (a) through (e).

"Transferred Receivables" means any Receivables that have been sold, contributed or otherwise transferred by the Debtor to an Eligible Transferee in connection with a Receivables Financing that is not prohibited under the Credit Agreement (including, without limitation, the Initial Receivables Financing described above).

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"United States Steel" means United States Steel LLC, a Delaware limited liability company, and its successors.

CROSS-REFERENCE TARGET LIST

NOTE: Due to the number of targets some target names may not appear in the target pull-down list.

(This list is for the use of the wordprocessor only, is not a part of this document and may be discarded.)

ARTICLE/SECTION	TARGET NAME	ARTICLE/SECTION	TARGET NAME
ARTICLE/SECTION	TARGET NAME	ARTICLE/SECTION	TARGET NAME

Exhibit 4(c)

INTERCREDITOR AGREEMENT

Dated as of November 30, 2001

by and among

JPMORGAN CHASE BANK,

as a Funding Agent

THE BANK OF NOVA SCOTIA,

as a Funding Agent and as Receivables Collateral Agent

JPMORGAN CHASE BANK,

as Lender Agent

U.S. STEEL RECEIVABLES LLC,

as Transferor,

and

UNITED STATES STEEL LLC,

as Originator, as Initial Servicer and as Borrower

This INTERCREDITOR AGREEMENT dated as of November 30, 2001 (as modified, amended, restated or supplemented from time to time, this "Agreement"), by and among JPMORGAN CHASE BANK, in its capacity as a funding agent under the Receivables Purchase Agreement (as hereinafter defined) (a "Funding Agent"), THE BANK OF NOVA SCOTIA, in its capacity as a funding agent under the Receivables Purchase Agreement (as hereinafter defined) (a "Funding Agent" and, together with the other Funding Agents, the "Funding Agents") and in its capacity as Collateral Agent under the Receivables Purchase Agreement (as hereinafter defined) (the "Receivables Collateral Agent"), JPMORGAN CHASE BANK, in its capacity as Collateral Agent on behalf of the Lenders (as defined below) (the "Lender Agent"), U.S. STEEL RECEIVABLES LLC (the "Transferor"), and UNITED STATES STEEL LLC ("USS").

RECITALS:

A. USS has agreed to sell, transfer and assign to the Transferor, and the Transferor has agreed to purchase or otherwise acquire from USS and the various entities that are from time to time Originators under (and as defined in) the Purchase and Sale Agreement (collectively, together with USS in its capacity as an Originator under (and as defined in) the Purchase and Sale Agreement, the "Originators") all of the right, title and interest of the Originators in the Receivables (as hereinafter defined) pursuant to a Purchase and Sale Agreement dated as of November 28, 2001 (as amended, supplemented, modified or restated from time to time, the "Purchase and Sale Agreement").

B. The Transferor, as seller, USS, in its capacity as initial servicer, the Receivables Collateral Agent, the Funding Agents and the Receivables Purchasers (as defined below) are parties to an Amended and Restated Receivables Purchase Agreement dated as of November 28, 2001 (as amended, supplemented, modified or restated from time to time, the "Receivables Purchase Agreement") pursuant to which, among other things, (i) the Receivables Purchasers have agreed, among other things, to purchase from the Transferor from time to time Receivables (or interests therein) purchased by or contributed to the Transferor pursuant to the Purchase and Sale Agreement and (ii) the Transferor has granted a lien on the Receivables to the Receivables Collateral Agent.

C. The Purchase and Sale Agreement and the Receivables Purchase Agreement provide for the filing of UCC financing statements to perfect the ownership and security interest of the parties thereto with respect to the property covered thereby.

D. USS, the Lender Agent and the financial institutions from time to time party thereto (collectively, the "Lenders") are parties to a Credit Agreement dated as of November 30, 2001 (as amended, supplemented, modified or restated from time to time, the "Credit Agreement"). Capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

E. To secure USS's obligations to the Lenders and Lender Agent under the Credit Agreement and other Loan Documents (as hereinafter defined), USS has granted to the Lender Agent for the benefit of the Lender Agent and the Lenders a lien over, among other

things, certain accounts receivable and certain general intangibles, including the Unsold Receivables (as hereinafter defined), certain inventory and all proceeds of the foregoing.

F. The parties hereto wish to set forth certain agreements with respect to the Receivables Assets (as hereinafter defined) and with respect to the Collateral (as hereinafter defined).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS.

1.1. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Claim" means the Lender Claim or the Receivables Claim, as applicable.

"Collateral" means all property and interests in property, now owned or hereafter acquired or created, of USS in or upon which a Lender Interest is granted or purported to be granted by USS to the Lenders or the Lender Agent under any of the Loan Documents.

"Collections" means, for any Receivable as of any date, (i) all amounts, whether in the form of wire transfer, cash, checks, drafts, or other instruments, that are received by the Transferor, USS (in its capacity as Servicer under (and as defined in) the Receivables Purchase Agreement) or any Originator in payment of amounts owed in respect of such Receivable (including purchase price, finance charges, interest and other charges), or applied to any amount owed by an Obligor on account of such Receivable, including, without limitation, all amounts received on account of such Receivable (including insurance payments and net proceeds of the sale or disposition of repossessed goods or other collateral or property of an Obligor on account of such Receivable) and all other fees and charges related thereto, (ii) cash proceeds of Returned Goods with respect to such Receivable and (iii) all amounts paid by USS in respect of such Receivable pursuant to the Purchase and Sale Agreement and/or the Receivables Purchase Agreement.

"Contract" has the meaning ascribed to such term in the Receivables Purchase Agreement.

"Disposition" means, with respect to any assets of USS, any liquidation of USS or its assets, the establishment of any receivership for USS or its assets, a bankruptcy proceeding of USS (either voluntary or involuntary), the payment of any insurance, condemnation, confiscation, seizure or other claim upon the condemnation, confiscation, seizure, loss or destruction thereof, or damage to, or any other sale, transfer, assignment or other disposition of such assets.

"Eligible Transferee" has the meaning ascribed to such term in the Security Agreement.

"Enforcement" means collectively or individually, for (a) any of the Receivables Collateral Agent, the Funding Agents or the Receivables Purchasers to (i) declare the Facility Termination Date under the Receivables Documents or (ii) commence the judicial or nonjudicial enforcement of any of the default rights and remedies under the Receivables Documents and (b) any of the Lender Agent or the Lenders during the continuance of a Lender Event of Default (i) to demand payment in full of or accelerate the indebtedness of the Borrower to the Lenders and Lender Agent or (ii) to commence the judicial or nonjudicial enforcement of any of the default rights and remedies under the Loan Documents.

"Enforcement Notice" means a written notice delivered in accordance with Section 2.5 which notice shall (i) if delivered by the Receivables Collateral Agent, state that the Facility Termination Date has occurred, specify the nature of the Termination Event that has caused the declaration of such Facility Termination Date, and state that an Enforcement Period has commenced and (ii) if delivered by the Lender Agent, state that a Lender Event of Default has occurred and that the payment in full of the Lender Claim has been demanded or the indebtedness of the Borrower to the Lenders has been accelerated, specify the nature of the Lender Event of Default that caused such demand and acceleration, and state that an Enforcement Period has commenced.

"Enforcement Period" means the period of time following the receipt by either the Lender Agent, on the one hand, or the Receivables Collateral Agent, on the other, of an Enforcement Notice delivered by any of the others until the earliest of the following: (1) the Receivables Claim has been satisfied in full, none of the Receivables Purchasers have any further obligations under the Receivables Documents and the Receivables Documents have been terminated; (2) the Lender Claim has been satisfied in full, the Lenders have no further obligations under the Loan Documents and the Loan Documents have been terminated; and (3) the parties hereto agree in writing to terminate the Enforcement Period.

"Facility Termination Date" has the meaning ascribed to such term in the Receivables Purchase Agreement.

"Lenders" shall mean the Lenders under the Credit Agreement, the Administrative Agent, the Collateral Agent, the Documentation Agent, the Co-Collateral Agent and each other Secured Party (as defined in the Security Agreement).

"Lender Claim" means all of the indebtedness, obligations and other liabilities of USS now or hereafter arising under, or in connection with, the Loan Documents including, but not limited to, all sums now or hereafter loaned or advanced to or for the benefit of USS, all reimbursement obligations of USS with respect to letters of credit, any interest thereon (including, without limitation, interest accruing after the commencement of a bankruptcy, insolvency or similar proceeding relating to USS, whether or not such interest is an allowed claim in any such proceeding), any reimbursement obligations, fees or expenses due thereunder, and any costs of collection or enforcement.

"Lender Collateral" means all Collateral which does not constitute Receivables Assets.

"Lender Event of Default" has the meaning ascribed to the term "Event of Default" in the Credit Agreement.

"Lender Interest" means, with respect to any property or interest in property, now owned or hereafter acquired or created, of USS, any lien, claim, encumbrance, security interest or other interest of the Lender Agent or the Lenders in such property or interests in property.

"Loan Documents" has the meaning ascribed to such term in the Credit Agreement.

"Obligor" has the meaning ascribed to such term in the Purchase and Sale Agreement.

"Outstanding Balance" has the meaning ascribed to such term in the Receivables Purchase Agreement.

"Person" means any individual, partnership, corporation (including a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture or other entity.

"Proceeds" has the meaning ascribed to such term in the UCC.

"Purchased Receivables" means now owned or hereafter existing Receivables sold, purported to be sold, transferred or contributed or purported to be transferred or contributed by any Originator to the Transferor or another Eligible Transferee under the Purchase and Sale Agreement in connection with the Effective Date Receivables Financing.

"Receivable" means:

(a) indebtedness and other obligations of, or the right of the Transferor or any Originator to payment from or on behalf of, an Obligor (whether constituting an account, chattel, paper, document, instrument or general intangible) arising from the provision of merchandise, goods or services to such Obligor, including all monies due or to become due with respect thereto, including the right to payment of any interest or finance charges and other obligations of such Obligor with respect thereto;

(b) all security interests or liens and property subject thereto from time to time securing or purporting to secure any such indebtedness by such Obligor;

(c) all guarantees, indemnities and warranties, insurance policies, financing statements and other agreements or arrangements of whatever character from time to time supporting or securing payment of any such indebtedness;

(d) all Collections with respect to any of the foregoing;

(e) all Records with respect to any of the foregoing; and

(f) all Proceeds with respect to any of the foregoing.

"Receivables Assets" means (i) the Purchased Receivables, (ii) the Collections related to such Purchased Receivables, (iii) Returned Goods relating to such Purchased Receivables, (iv) with respect to such Purchased Receivables, all rights, interest and claims of the Transferor under the Purchase and Sale Agreement in respect of such Purchased Receivables, (v) each deposit or other bank account to which any Collections of such Purchased Receivables are deposited (but in no event shall Receivables Assets include any Collections or other monies deposited in such accounts which are not Collections related to Purchased Receivables) and (vi) all Proceeds with respect to any of the foregoing.

"Receivables Claim" means all indebtedness, obligations and other liabilities of the Originators to the Transferor and of the Originators and the Transferor to the Receivables Purchasers, the Receivables Collateral Agent and/or the Funding Agents now or hereafter arising under, or in connection with, the Receivables Documents, including, but not limited to, all sums or increases now or hereafter advanced or made to or for the benefit of the Transferor thereunder as the purchase price paid for Purchased Receivables (or interests therein) or otherwise under the Receivables Purchase Agreement, any yield thereon (including, without limitation, yield accruing after the commencement of a bankruptcy, insolvency or similar proceeding relating to USS or the Transferor, whether or not such yield is an allowed claim in any such proceeding), any repayment obligations, fees or expenses due thereunder, and any costs of collection or enforcement.

"Receivables Documents" means the Purchase and Sale Agreement, the Receivables Purchase Agreement and any other agreements, instruments or documents (i) executed by the Originators and delivered to the Transferor, the Funding Agents, the Receivables Collateral Agent or the Receivables Purchasers or (ii) executed by the Transferor and delivered to the Funding Agents, the Receivables Collateral Agent or the Receivables Purchasers.

"Receivables Interest" means, with respect to any property or interests in property, now owned or hereafter acquired or created, of any Originator (regardless of whether sold or contributed by such Originator to the Transferor), any lien, claim, encumbrance, security interest or other interest of the Transferor and/or the Receivables Collateral Agent, the Funding Agents or any Receivables Purchaser in such property or interests in property.

"Receivables Purchaser" means each Person from time to time party to the Receivables Purchase Agreement in the capacity of a "CP Conduit Purchaser" or a "Committed Purchaser" (in each case, as defined in the Receivables Purchase Agreement).

"Receivables Termination Notice" has the meaning set forth in Section 2.19.

"Records" means all Contracts and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights) maintained with respect to Receivables, the Obligors thereunder and the Receivables Assets.

"Returned Goods" means all right, title and interest of any Originator, the Transferor, the Receivables Collateral Agent or any Receivables Purchaser, as applicable, in and to returned, repossessed or foreclosed goods and/or merchandise the sale of which gave rise to a Receivable.

"Termination Event" has the meaning ascribed to such term in the Receivables Purchase Agreement.

"UCC" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"Unsold Receivables" means any Receivables other than Purchased Receivables.

1.2. References to Terms Defined in the Receivables Documents and the Loan Documents. Whenever in Section 1.1 a term is defined by reference to the meaning ascribed to such term in any of the Receivables Documents or in any of the Loan Documents, then, unless otherwise specified herein, such term shall have the meaning ascribed to such term in the Receivables Documents or Loan Documents, respectively, as in existence on the date hereof, without giving effect to any amendments of such term (or any amendment of terms used in such term) as may hereafter be agreed to by the parties to such documents, unless such amendments have been consented to in writing by all of the parties hereto.

ARTICLE 2. INTERCREDITOR PROVISIONS.

2.1. Priorities with Respect to Receivables Assets. Notwithstanding any provision of the UCC, any applicable law or decision or any of the Loan Documents or the Receivables Documents, the Lender Agent (for itself and on behalf of each Lender) hereby agrees that, upon the sale or other transfer (including, without limitation, by way of capital contribution) of any Receivable (or interest therein) by an Originator to the Transferor pursuant to the Purchase and Sale Agreement, any Lender Interest of the Lenders or the Lender Agent in such Receivables and all Receivables Assets with respect thereto shall automatically and without further action cease and be forever released and discharged and the Lender Agent and the Lenders shall have no Lender Interest therein; provided, however, that nothing in this Section 2.1 shall be deemed to constitute a release by the Lender Agent and the Lenders of: (i) any Lender Interest in the proceeds received by USS from the Transferor for the sale of Receivables pursuant to the Purchase and Sale Agreement (including, without limitation, cash payments made by the Transferor); (ii) any Lender Interest or right of the Lender Agent and the Lenders in any interests which USS may acquire from the Transferor and/or the Receivables Collateral Agent or the Funding Agents have in Returned Goods; and (iii) any Lender Interest or right the Lenders or the Lender Agent have in any Unsold Receivables and the proceeds thereof; provided further, however, that any Lender Interest in such Returned Goods shall be junior and subject and subordinate to the Receivables Interest therein unless and until each of USS and the Transferor shall have made all payments or adjustments required to be made by it under the Receivables Documents on account of the reduction of the outstanding balance of any Purchased Receivable related to such Returned Goods. If any goods or merchandise, the sale of which has given rise to a Purchased Receivable, are returned to or repossessed by USS, on behalf of the Transferor, then, upon payment by USS or the Transferor of all adjustments required on account thereof under the

Receivables Purchase Agreement, the Receivables Interest in such Returned Goods shall automatically and without further action cease to exist and be released and extinguished and such Returned Goods shall thereafter not constitute Receivables Assets for purposes of this Agreement unless and until such Returned Goods have been resold so as to give rise to a Receivable and such Receivable has been sold, contributed or otherwise transferred to the Transferor.

2.2. Respective Interests in Receivables Assets and Lender Collateral.

(a) Except for all rights to access to and use of Records granted to the Receivables Collateral Agent and the Receivables Purchasers pursuant to the Receivables Documents and except for the Receivables Interest of the Receivables Collateral Agent (for the benefit of the Funding Agents and Receivables Purchasers) in Returned Goods, which interest is senior in all respects to any Lender Interest therein subject to Section 2.1, each of the Transferor and the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser) agrees that it does not have and shall not have any Receivables Interest in the Lender Collateral. Each of the Transferor and the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser) agrees that it shall not request or accept, directly or indirectly (by assignment or otherwise) from USS any collateral security for payment of any Receivables Claims (other than any such collateral security included in the Receivables Assets and the right of access to and use of Records granted to the Receivables Collateral Agent and the Receivables Purchasers pursuant to the Receivables Documents) and hereby releases any Receivables Interest in any such collateral security.

(b) Except for rights in Returned Goods granted to the Lender Agent and the Lenders pursuant to the Loan Documents, which Lender Interest is junior and subordinate to any Receivables Interest therein, the Lender Agent (for itself and on behalf of each Lender) agrees that neither the Lender Agent nor the Lenders have, nor shall they have, any Lender Interest in the Receivables Assets.

2.3. Distribution of Proceeds. At all times, all proceeds of Lender Collateral and Receivables Assets shall be distributed in accordance with the following procedure:

(a) (i) All proceeds of the Lender Collateral shall be paid to the Lender Agent for application on the Lender Claim and other obligations and liabilities owing under the Credit Agreement and other Loan Documents until the Lender Claim and such other obligations and liabilities have been paid and satisfied in full in cash and the Credit Agreement is terminated; and (ii) any remaining proceeds shall be paid to USS or as otherwise required by applicable law, and the Transferor and the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser) agrees that none of the Transferor, the Receivables Collateral Agent or the Receivables Purchasers have, nor shall they

have, any Receivables Interest in such remaining proceeds. The foregoing shall not, however, impair any claim or any right or remedy which the Transferor, the Receivables Collateral Agent, the Funding Agents or the Receivables Purchasers may have against USS under the Receivables Documents or otherwise.

(b) (i) All proceeds of the Receivables Assets shall be paid to the Receivables Collateral Agent for application against the Receivables Claim and for application in accordance

with the Receivables Documents until the Receivables Claim has been paid and satisfied in full in cash and the Receivables Documents have terminated; and (ii) subject to Section 2.1 hereof, any remaining proceeds shall be paid to the Transferor or as otherwise required by applicable law. The Lender Agent (for itself and on behalf of each Lender) agrees that, except as set forth in Section 2.1 hereof, neither the Lender Agent nor the Lenders have, nor shall they have, any Lender Interest in such remaining proceeds. The foregoing shall not, however, impair any claim or any right or remedy which the Lender Agent or the Lenders may have against USS under the Loan Documents or otherwise.

(c) In the event that any of the Transferor, the Receivables Collateral Agent or the Receivables Purchasers now or hereafter obtains possession of any Lender Collateral, it shall immediately deliver to the Lender Agent such Lender Collateral (and until delivered to the Lender Agent such Lender Collateral shall be held in trust for the Lender Agent). Each of the Transferor, the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser) further agrees to immediately turn over the proceeds of any Disposition of Lender Collateral which it (or any Receivables Purchaser) might receive while any Lender Claim, any other obligations or liabilities under the Credit Agreement, any Loan Document or any commitment to make financial accommodations thereunder remain outstanding, regardless of whether the Lender Agent has a perfected and enforceable lien in the assets of USS from which the proceeds of any such Disposition have been received.

(d) In the event that the Borrower, the Lenders or the Lender Agent now or hereafter obtains possession of any Receivables Assets, it shall immediately deliver to the Receivables Collateral Agent such Receivables Assets (and until delivered to the Receivables Collateral Agent such Receivables Assets shall be held in trust for the Receivables Collateral Agent). The Borrower and the Lender Agent (for itself and on behalf of each Lender) further agrees to immediately turn over the proceeds of any Disposition of Receivables Assets to the Receivables Collateral Agent which it (or any Lender) might receive while any Receivables Claim, any other obligations or liabilities under the Receivables Documents or any commitment to make financial accommodations thereunder remain outstanding, regardless of whether the Receivables Collateral Agent has a perfected and enforceable lien in the assets from which the proceeds of such Disposition have been received.

(e) USS agrees to keep all Returned Goods segregated from Inventory. If any Inventory of USS has been commingled with Returned Goods in which the Receivables Interest continues as provided in Section 2.1 above, and the Lender
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Agent or any Lender receives any proceeds on account of such inventory (whether by reason of sale or by reason of insurance payments on account thereof) prior to release of such Receivables Interest, then: (i) all proceeds of such inventory shall be paid to the Lender Agent and the Lender Agent shall, immediately upon receipt of such proceeds, pay to the Receivables Collateral Agent for application against the Receivables Claim a share of such proceeds equal to the dollar amount thereof multiplied by a fraction, the numerator of
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which equals the book value of the Returned Goods and the denominator of which equals the book value of all of the inventory on account of which the Lender Agent has received such cash proceeds; and (ii) any remaining proceeds shall be paid to the Lender Agent for application against the Lender Claim.

2.4. Unsold Receivables.

(a) The Transferor and the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser) hereby acknowledge that the Lender Agent on behalf of the Lenders and itself shall be entitled to Collections of Unsold Receivables.

(b) Each of the parties hereto hereby agrees that all Collections received on account of Receivables Assets shall be paid or delivered to the Receivables Collateral Agent for application in accordance with Section 2.3(b)
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and all Collections received on account of Unsold Receivables shall be paid or delivered to the Lender Agent for application in accordance with Section 2.3(a).

(c) The Lender Agent agrees that it shall not exercise any rights it

may have under the Loan Documents to send any notices to Obligors informing them of the Lenders' interest (if any) in the Receivables or directing such Obligors to make payments in any particular manner of any amounts due under the Receivables prior to the latest of payment in full of the Receivables Claim and the termination of the Receivables Documents, except that, from and after any date on which (x) a Receivables Termination Notice has been delivered pursuant to Section 2.19, (y) the termination and cessation of transfers of Receivables is required to be effective under the terms of Section 2.19 and (z) the Receivables Claim has been paid in full or the Purchased Receivables giving rise to any unpaid Receivables Claim have been written off in accordance with their terms, the Lender Agent may inform any Obligors of Unsold Receivables that such Unsold Receivables have been assigned to the Lender Agent so long as such notices do not under any circumstances direct that payments on account of such Unsold Receivables be made to any location or account to which payments on account of Purchased Receivables are required to be made pursuant to the terms of the Receivables Documents.

2.5. Enforcement Actions. Each of the Lender Agent and the Receivables Collateral Agent agrees to use reasonable efforts to give an Enforcement Notice to the others prior to commencement of Enforcement (but failure to do so shall not prevent such Person from commencing Enforcement or affect its rights hereunder nor create any cause of action or liability against such Person). Subject to the foregoing, each of the parties hereto agrees that during an Enforcement Period:

(a) Subject to any applicable restrictions in the Receivables Documents, the Receivables Collateral Agent may at its option and without the prior consent of the other parties hereto, take any action to (i) accelerate payment of the Receivables Claim or any other obligations and liabilities under any of the Receivables Documents and (ii) liquidate the Receivables Assets or to foreclose or realize upon or enforce any of its rights with respect to the Receivables Assets; provided, however, that the Receivables Collateral Agent shall not take any action to foreclose or realize upon or to enforce any rights it may have with respect to any Receivables Assets constituting Returned Goods which have been commingled with the Lender Collateral without the prior written consent of the Lender Agent.

(b) Subject to any applicable restrictions in the Loan Documents, the Lender Agent or the Lenders may, at their option and without the prior consent of the other

parties hereto, take any action to accelerate payment of the Lender Claim or any other obligation or liability arising under any of the Loan Documents, foreclose or realize upon or enforce any of their rights with respect to the Lender Collateral or other collateral security, including, except as otherwise provided in Section 2.3(e), with respect to any Receivables Assets constituting Returned Goods that have been commingled with the Lender Collateral, or take any other actions as they deem appropriate; provided, however, that the Lender Agent shall not otherwise take any action to foreclose or realize upon or to enforce any rights it may have with respect to uncommingled Returned Goods without the Receivables Collateral Agent's prior written consent unless the Receivables Claim or any other obligation or liability arising under any of the Receivables Documents shall have been first paid and satisfied in full and the Receivables Documents have terminated.

(c) If Returned Goods are commingled with Inventory, the parties agree to cooperate in the disposition of such Returned Goods and Inventory and the application of the proceeds thereof as provided in Section 2.3(e).

2.6. Access to Records. Subject to any applicable restrictions in the Receivables Documents (but without limiting any rights under the Receivables Documents), each of the Receivables Purchasers, the Funding Agents and the Receivables Collateral Agent may enter one or more premises of USS, the Transferor or their respective affiliates, whether leased or owned, at any time during reasonable business hours, without force or process of law and without obligation to pay rent or compensation to USS, the Transferor, such affiliates, the Lenders or the Lender Agent, whether before, during or after an Enforcement Period, and may have access to and use of all Records located thereon and may have access to and use of any other property to which such access and use are granted under the Receivables Documents, in each case provided that such use is for the purpose of enforcing the Receivables Collateral Agent's, Funding Agent's and/or the Receivables Purchasers' rights with respect to the Receivables Assets.

2.7. Accountings. The Lender Agent agrees to render statements to the

Receivables Collateral Agent upon reasonable request, which statements shall identify in reasonable detail the Unsold Receivables and shall render an account of the Lender Claim, giving effect to the application of proceeds of Lender Collateral as hereinbefore provided. USS agrees to render statements to the Lender Agent upon reasonable request, which statements shall identify in reasonable detail the Purchased Receivables and shall render an account of the Receivables Claim, giving effect to the application of proceeds of Receivables Assets and Collateral as hereinbefore provided ; provided that the Receivables Collateral Agent agrees to render such statements to the Lender Agent upon reasonable request from and after the date (if any) on which USS has ceased to be the Servicer under (and as defined in) the Receivables Purchase Agreement. USS and the Transferor hereby authorize the Lender Agent and the Receivables Collateral Agent to provide the statements described in this section. None of the Lender Agent, USS or the Receivables Collateral Agent shall bear any liability if their respective accounts are incorrect.

2.8. Agency for Perfection. The Receivables Collateral Agent and the Lender Agent hereby appoint each other as agent for purposes of perfecting by possession their respective security interests and ownership interests and liens on the Collateral and Receivables

Assets described hereunder. In the event that the Receivables Collateral Agent obtains possession of any of the Lender Collateral, the Receivables Collateral Agent shall notify the Lender Agent of such fact, shall hold such Lender Collateral in trust and shall deliver such Lender Collateral to the Lender Agent upon request. In the event that the Lender Agent obtains possession of any of the Receivables Assets, the Lender Agent shall notify the Receivables Collateral Agent of such fact, shall hold such Receivables Assets in trust and shall deliver such Receivables Assets to the Receivables Collateral Agent upon request.

2.9. UCC Notices. In the event that any party hereto shall be required by the UCC or any other applicable law to give notice to the other of intended disposition of Receivables Assets or Lender Collateral, respectively, such notice shall be given in accordance with Section 3.1 hereof and ten (10) days' notice shall be deemed to be commercially reasonable.

2.10. Independent Credit Investigations. Neither the Receivables Purchasers, the Receivables Collateral Agent, the Lender Agent nor the Lenders nor any of their respective directors, officers, agents or employees shall be responsible to the other or to any other person, firm or corporation for the solvency, financial condition or ability of USS, any other Originator or the Transferor to repay the Receivables Claim or the Lender Claim, or for the worth of the Receivables Assets or the Lender Collateral, or for statements of USS, any other Originator, the Transferor or the Borrower, oral or written, or for the validity, sufficiency or enforceability of the Receivables Claim, the Lender Claim, the Receivables Documents, the Loan Documents, the Receivables Collateral Agent's interest in the Receivables Assets or the Lenders' or Lender Agent's interest in the Lender Collateral. The Lenders and the Receivables Purchasers have entered into their respective agreements with USS, the Transferor or the Borrower, as applicable, based upon their own independent investigations. None of the Lenders, the Receivables Collateral Agent or the Receivables Purchasers makes any warranty or representation to the other nor does it rely upon any representation of the other with respect to matters identified or referred to in this Section 2.10.

2.11. Limitation on Liability of Parties to Each Other. Except with respect to liability for breach of express obligations under this Agreement, no party shall have any liability to any other party except for liability arising from the gross negligence or willful misconduct of such party or its representatives.

2.12. Amendments to Loan Arrangements or to this Agreement. Each party hereto shall, upon reasonable request of any other party hereto, provide copies of all modifications or amendments and copies of all other documentation relevant to the Receivables Assets or the Lender Collateral. All modifications or amendments of this Agreement must be in writing and duly executed by an authorized officer of each party hereto to be binding and enforceable.

2.13. Marshalling of Assets. Nothing in this Agreement will be deemed to require either the Receivables Collateral Agent or the Lender Agent (i) to proceed against certain property securing the Lender Claim (or any other obligation or liability under the Credit Agreement or any other Loan Documents) or the Receivables Claim (or any other obligation or liability under the

Receivables Documents), as applicable, prior to proceeding against other property securing such Claim or obligations or liabilities or against certain persons guaranteeing

any such obligations or (ii) to marshal the Lender Collateral (or any other collateral) or the Receivables Assets (as applicable) upon the enforcement of the Lender Agent's or the Receivables Collateral Agent's remedies under the Loan Documents or Receivables Documents, as applicable.

2.14. Relative Rights.

(a) The relative rights of the Lenders, each as against the other, shall be determined by agreement among such parties in accordance with the terms of the Loan Documents. The Receivables Collateral Agent and the Receivables Purchasers shall be entitled to rely on the power and authority of the Lender Agent to act on behalf of all of the Lenders Parties (as defined in the Credit Agreement) to the extent the provisions hereof have the Lender Agent so act.

(b) The Lender Agent and the Lenders shall be entitled to rely on the power and authority of the Receivables Collateral Agent to act on behalf of the Funding Agents and Receivables Purchasers to the extent the provisions hereof have the Receivables Collateral Agent so act.

2.15. Effect Upon Loan Documents and Receivables Documents. By executing this Agreement, USS and the Transferor agree to be bound by the provisions hereof (i) as they relate to the relative rights of the Lenders and the Lender Agent with respect to the property of USS; and (ii) as they relate to the relative rights of USS, the other Originators, the Transferor, the Receivables Purchasers, the Funding Agents and/or the Receivables Collateral Agent as creditors of (or purchasers from) USS, the other Originators or the Transferor, as the case may be. USS acknowledges that the provisions of this Agreement shall not give it any substantive rights as against the Lender Agent or the Lenders and that nothing in this Agreement shall (except as expressly provided herein) amend, modify, change or supersede the terms of the Loan Documents as between USS, the Lender Agent and the Lenders. The Transferor and USS acknowledge that the provisions of this Agreement shall not give the Transferor, USS or any other Originator any substantive rights as against the Receivables Collateral Agent, the Funding Agents or the Receivables Purchasers and that nothing in this Agreement shall (except as expressly provided herein) amend, modify, change or supersede the terms of the Receivables Documents as among the Transferor, USS, the other Originators, the Receivables Collateral Agent, the Funding Agents or the Receivables Purchasers. USS and the Transferor further acknowledge that the provisions of this Agreement shall not give any such party any substantive rights as against the other and that nothing in this Agreement shall amend, modify, change or supersede the terms of the Receivables Documents as between USS, the other Originators and the Transferor. Notwithstanding the foregoing, each of the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser), and the Lender Agent (for itself and on behalf of each Lender) agrees, that, as between themselves, to the extent the terms and provisions of the other Loan Documents or the Receivables Documents are inconsistent with the terms and provisions of this Agreement, the terms and provisions of this Agreement shall control.

2.16. Nature of the Lender Claim and Modification of Loan Documents. Each of the Transferor and the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser) acknowledge that the Lender Claim and other obligations and liabilities

owing under the Loan Documents are, in part, revolving in nature and that the amount of such revolving indebtedness which may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed. The terms of the Loan Documents may be modified, extended or amended from time to time, and the amount thereof may be increased or reduced, all without notice or consent by any of the Transferor, the Receivables Collateral Agent or the Receivables Purchasers and without affecting the provisions of this Agreement. Without in any way limiting the foregoing, each of the Transferor or the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser) hereby agrees that the maximum amount of the Lender Claim and other obligations and liabilities owing under the Loan Documents may be increased at any time and from time to time to any amount.

2.17. Nature of the Receivables Claim and Modification of Receivables Documents. USS and the Lender Agent (for itself and on behalf of each Lender) acknowledges that the Receivables Claim and other obligations and liabilities owing under the Receivables Documents are, in part, revolving in nature and that the amount of such revolving obligations which may be outstanding at any time or

from time to time may be increased or reduced and subsequently reincurred. The terms of the Receivables Documents may be modified, extended or amended from time to time, and the amount thereof may be increased or reduced, all without notice to or consent by any of USS, the Lenders or the Lender Agent and without affecting the provisions of this Agreement; provided that nothing in this Section 2.17 (including, without limitation, the next succeeding sentence) shall be construed to relieve USS of its obligation to comply with the covenants under the Credit Agreement. Without in any way limiting the foregoing, each of USS and the Lender Agent (for itself and on behalf of each Lender) hereby agrees that the maximum amount of Receivables Claim and other obligations and liabilities owing under the Receivables Documents and the amount of Receivables which may be purchased or otherwise financed pursuant to the Receivables Documents may, in each case, be increased at any time and from time to time to any amount.

2.18. Further Assurances. Each of the parties agrees to take such actions as may be reasonably requested by any other party, whether before, during or after an Enforcement Period, in order to effect the rules of distribution and allocation set forth above in this Article 2 and to otherwise effectuate the agreements made in this Article.

2.19. Termination and Cessation of Transfer of Receivables. After the occurrence and during the continuance of a Lender Event of Default and upon written notice thereof by the Lender Agent or the Required Lenders to the Receivables Collateral Agent (a "Receivables Termination Notice"), the Funding Agents and USS, (i) USS shall terminate and cease all transfers of Receivables from the Originators to the Transferor and (ii) the Transferor and the Receivables Collateral Agent, Receivables Purchasers and Funding Agents shall terminate and cease, or shall cause the termination and cessation of, all transfers of Receivables from the Transferor to the Receivables Purchasers or the Funding Agents (all such termination and cessation under clauses (i) and (ii) to be effective at the close of business on the Business Day after such Receivables Termination Notice is effective in accordance with Section 3.1 unless on the date of such notice USS certifies in writing to the Lender Agent (which certification USS covenants and agrees to provide, if true) that the Purchased Interest (as defined in the Receivables Purchase Agreement) exceeds 100%, in which case all such termination and cessation shall be effective at the close of business two Business Days after the Receivables

Termination Notice is effective in accordance with Section 3.1); provided that in the case of a Lender Event of Default resulting from the commencement of a bankruptcy, insolvency or similar proceeding relating to USS, all transfers of Receivables immediately and automatically shall terminate and cease without notice of any kind (except to the extent otherwise required pursuant to an order entered by the bankruptcy court having jurisdiction over such proceeding). Except as set forth in the immediately preceding proviso, nothing contained in this Section shall affect the rights of the Transferor, Receivables Collateral Agent, Receivables Purchasers or Funding Agents with respect to Receivables transferred prior to the time when termination and cessation of such transfers is required to be effective pursuant to the foregoing provisions of this Section 2.19. The parties hereto acknowledge and agree that, notwithstanding anything to the contrary in the Receivables Purchase Agreement or the Purchase and Sale Agreement, delivery of a Receivables Termination Notice hereunder shall constitute a Termination Event under (and as defined in) the Receivables Purchase Agreement, and the Receivables Collateral Agent, the Transferor, the Receivables Purchasers and the Funding Agents shall be authorized to terminate and cease (or cause the termination and cessation of) transfers of Receivables as described in clause (ii) of the first sentence of this Section 2.19. Neither the Lender Agent nor the Required Lenders shall deliver a Receivables Termination Notice on any date during the continuance of any Event of Default if on such date the Total Outstanding Amount under (and as defined in) the Credit Agreement is zero.

2.20. Blocked Accounts. The Receivables Collateral Agent (for itself and on behalf of the Receivables Purchasers and Funding Agents) hereby consents to the execution of blocked account agreements (the "Blocked Account Agreements") with respect to bank accounts currently held in the name of the Transferor, in accordance with Section 5(b)(ii) of the Security Agreement (it being understood that the Lender Interest in such bank accounts and amounts held therein shall extend only to Unsold Receivables and Collections and other proceeds in respect thereof). The Receivables Collateral Agent agrees, upon the written request of the Lender Agent (an "Initial Notification Request"), to provide a written response stating whether or not the Receivables Documents have been terminated and all monetary obligations under the Receivables Documents have been satisfied in full and, if such termination and satisfaction have occurred, to notify the applicable banks as contemplated in Section 5(b)(ii)(x) of the Security Agreement (it being understood that the Lender Agent shall deliver an Initial Notification Request only if it believes in good faith belief

that the Receivables Documents may have terminated and all monetary obligations thereunder may have been paid, or if it has been instructed in good faith by the Required Lenders to make such Initial Notification Request). If the Receivables Collateral Agent (i) does not respond in writing to such Initial Notification Request or (ii) confirms in writing that the Receivables Documents have been terminated and all monetary obligations under the Receivables Documents have been satisfied in full, but does not so notify the applicable banks, in either case within five Business Days of the effectiveness of such Initial Notification Request, the Lender Agent may deliver a Final Notification Request (as defined below). During the continuance of the Receivables Collateral Agent's failure to respond or give requisite notice to the applicable banks, each of the Funding Agents party hereto agrees, upon the written request of the Lender Agent (a "Final Notification Request"), to state whether or not the Receivables Documents have been terminated and all monetary obligations under the Receivables Documents have been satisfied and, if such termination and satisfaction have occurred, to use all commercially reasonable efforts to cause the Receivables Collateral Agent to notify the applicable banks as contemplated in Section 5(b)(ii)(x) of the Security Agreement. In

the event that the Funding Agents have not complied with, or caused the Receivables Collateral Agent to comply with, such Final Notification Request within three Business Days of the effectiveness of such Final Notification Request, the Lender Agent shall be entitled to deliver the notice contemplated in Section 5(b)(ii)(x) of the Security Agreement. Notwithstanding anything to the contrary in this Section 2.20, if the Receivables Collateral Agent or any Funding Agent responds in writing to an Initial Notification Request or a Final Notification Request within the respective time periods allowed herein for such response, and such written response states that the Receivables Documents have not terminated or that all monetary obligations in respect thereof have not been satisfied, the Lender Agent (regardless of whether it disputes the statements set forth in such response) shall not be entitled to deliver the notice contemplated in Section 5(b)(ii)(x) of the Security Agreement unless and until the Receivables Collateral Agent or a Funding Agent shall have indicated in writing (or a court of competent jurisdiction shall have determined) that the Receivables Documents have terminated and all monetary obligations in respect thereof have been satisfied.

2.21. No Petition. The Lender Agent (for itself and on behalf of each Lender) hereby agrees that, prior to the date which is one year and one day after date upon which the Receivables Claim is paid in full, it will not institute against, or join any other Person in instituting against, the Transferor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other similar proceeding under any bankruptcy or similar law of the United States or any state of the United States.

ARTICLE 3. MISCELLANEOUS

3.1. Notices. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telecommunications and communication by facsimile copy) and delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or facsimile as to each party hereto, at its address set forth under its name on the signature pages hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective upon receipt or, in the case of notice by telex, when telexed against receipt of the answerback, or in the case of notice by facsimile copy, when verbal confirmation of receipt is obtained, in each case addressed as aforesaid.

3.2. Agreement Absolute. Each of the Receivables Collateral Agent and the Receivables Purchasers shall be deemed to have entered into the Receivables Documents in express reliance upon this Agreement and the Lenders and the Lender Agent shall be deemed to have entered into the Loan Documents in express reliance upon this Agreement. This Agreement may not be modified or amended, except in accordance with Section 2.12. This Agreement shall be applicable both before and after the filing of any petition by or against USS, any other Originator or the Transferor under the U.S. Bankruptcy Code and all references herein to USS, any other Originator or the Transferor shall be deemed to apply to a debtor-in-possession for such party and all allocations of payments between the Lenders and the Receivables Purchasers shall, subject to any court order to the contrary, continue to be made after the filing of such petition on the same basis that the payments were to be applied prior to the date of the petition.

3.3. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns. The successors and assigns for USS, the other Originators and the Transferor shall include a debtor-in-possession or trustee

of or for such party. The successors and assigns for the Lenders, the Receivables Purchasers, the Funding Agents, the Lenders Agent and the Receivables Collateral Agent, as the case may be, shall include any successor Lenders, Receivables Purchasers, the Funding Agents, Lender Agent and Receivables Collateral Agent, as the case may be, appointed under the terms of the Loan Documents or the Receivables Documents, as applicable. Each of the Lender Agent (for itself and on behalf of each Lender) and the Receivables Collateral Agent (for itself and on behalf of each Receivables Purchaser), as the case may be, agrees not to transfer any interest it may have in the Loan Documents or the Receivables Documents unless such transferee has been notified of the existence of this Agreement and has agreed to be bound hereby. In the event that the financing provided under the Credit Agreement shall be refinanced, replaced or refunded, USS, the Transferor and the Receivables Collateral Agent hereby agree, at the request of the agent or lenders under the credit facility that so refinances, replaces or refunds the financing under the Credit Agreement, to execute and deliver a new intercreditor agreement with such agent and/or lenders on substantially the same terms as herein provided. In the event that the financing provided under the Receivables Documents shall be refinanced, replaced or refunded, the Lender Agent (for itself and on behalf of each Lender) hereby agrees that, at the request of the agent or purchasers under the facility that so refinances, replaces or refunds the financing under the Receivables Documents, to execute and deliver a new intercreditor agreement with such agent and/or purchasers on substantially the same terms as herein provided.

3.4. Beneficiaries. The terms and provisions of this Agreement shall be for the sole benefit of the parties hereto, the Lenders, the Funding Agents and the Receivables Purchasers and their respective successors and assigns, and no other Person shall have any right, benefit or priority by reason of this Agreement.

3.5. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 OF THE GENERAL OBLIGATIONS LAWS OF THE STATE OF NEW YORK, BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS).

3.6. Section Titles. The article and section headings contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

3.7. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

3.8. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

JPMORGAN CHASE BANK,
as a Funding Agent

By: /s/ Bradley Schwartz

Name: Bradley Schwartz
Title: Managing Director

Address:

Attention:

Telecopy: ( ) -
--- --- ---

THE BANK OF NOVA SCOTIA,
as a Funding Agent and as
Receivables Collateral Agent

By: /s/ J. Alan Edwards

Name: J. Alan Edwards
Title: Managing Director

Address:

Attention:

Telecopy: ( ) -
--- --- ---

JPMORGAN CHASE BANK,
as Lender Agent

By: /s/ James H. Ramage

Name: James H. Ramage
Title: Managing Director

Address:

Attention:

Telecopy: ( ) -
--- --- ---

U.S. STEEL RECEIVABLES LLC,
as Transferor

By: /s/ D. C. Greiner

Name: D. C. Greiner
Title: Treasurer

Address:

Attention:

Telecopy: ( ) -
--- --- ---

UNITED STATES STEEL LLC,
as Originator, as Servicer and as
Borrower

By: /s/ G. R. Haggerty

Name: G. R. Haggerty
Title: Vice President

Address:

Attention:

Telecopy: ( ) -
--- --- ---

Accepted and Agreed:

JPMORGAN CHASE BANK,
as Administrative Agent and Collateral
Agent under the Credit Agreement

By: /s/ James H. Ramage

Name: James H. Ramage
Title: Managing Director

GENERAL ELECTRIC CAPITAL CORPORATION,
as Co-Collateral Agent under the Credit Agreement

By: /s/ Christopher Cox

Name: Christopher Cox
Title: Duly Authorized Signatory

Exhibit 4(f)

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UNITED STATES STEEL LLC

and

UNITED STATES STEEL FINANCING CORP.,

Issuers

and

USX CORPORATION,

Guarantor

10 3/4% Senior Notes due August 1, 2008

==========

INDENTURE

Dated as of July 27, 2001

==========

The Bank of New York,

Trustee

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CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	7.9, 7.10
(a)(2)	N.A.
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	N.A.
(b)	7.10
(b)(1)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	N.A.
(b)	11.3
(c)	11.3
313(a)	7.6
(b)	7.6
(b)(1)	N.A.
(b)(2)	N.A.
(c)	N.A.
(d)	N.A.
314(a)(1)	N.A.
(a)(2)	N.A.
(a)(3)	N.A.
(a)(4)	4.5.
(b)	N.A.
(c)(1)	N.A.
(c)(2)	N.A.
(c)(3)	N.A.
(e)	N.A.
(f)	N.A.
315(a)	N.A.
(b)	N.A.
(c)	N.A.
(d)	N.A.
(e)	N.A.
316(a)	N.A.
(a)(1)	N.A.
(a)(2)	N.A.
(b)	N.A.
(c)	N.A.
317(a)(1)	N.A.
(a)(2)	N.A.
(b)	N.A.
318(a)	N.A.
(b)	N.A.
(c)	N.A.

N.A. means not applicable.
*This Cross-Reference Table is not part of the Indenture.

INDENTURE, dated as of July 27, 2001, among United States Steel LLC, a Delaware limited liability company (the "Company"), United States Steel Financing Corp., a Delaware corporation ("USS Financing", and together with the Company, the "Issuers"), USX Corporation, a Delaware corporation (the "Guarantor"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Issuers' $385,000,000 aggregate principal amount at maturity 10 3/4% Senior Notes due August 1, 2008 (the "Initial Notes") and, if and when issued in exchange for Initial Notes as provided in the Registration Rights Agreement (as defined herein), the Issuers'

10 3/4% Senior Notes due August 1, 2008 (the "Exchange Notes") and, if and when issued pursuant to a private exchange for Initial Notes, the Issuers' 10 3/4% Senior Notes due August 1, 2008 (the "Private Exchange Notes", and together with the Initial Notes, any Additional Notes (as defined herein) actually issued, and the Exchange Notes, the "Notes"):

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1. Definitions

"Additional Assets" means:

(i) any property, plant or equipment used in a Related Business;

(ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or

(iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided, however, that any such Restricted Subsidiary described in clause (ii) or (iii) above is primarily engaged in a Related Business.

"Additional Notes" means Notes (other than the Initial Notes and the Exchange Notes) issued under this Indenture in accordance with Section 2.1 hereof.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of Sections 4.13, 4.15 and 4.16 only, "Affiliate" shall also mean any beneficial owner of Capital Stock representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Company or of rights or warrants to purchase such Capital Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a Like-Kind Exchange, an Excluded Real Property Sale or a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of:

(i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary);

(ii) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary; or

(iii) any other assets of the Company or any Restricted Subsidiary outside of the ordinary course of business of the Company or such Restricted Subsidiary.

For purposes of this definition, any transfer of assets of the U. S. Steel Group to the Marathon Group in accordance with the Management and Allocation Policies prior to the Separation shall be deemed to be a transfer of assets of the Company.

Notwithstanding the foregoing, an "Asset Disposition" shall not include:

(A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Wholly Owned Subsidiary;

(B) for purposes of Section 4.15 only, (x) a disposition that constitutes a Restricted Payment under Section 4.13 or a

Permitted Investment and (y) a disposition of all or substantially all the assets of the Company in accordance with Article V;

(C) a disposition of assets if Additional Assets were acquired within one year prior to such disposition for the purpose of replacing the assets disposed of; and

(D) a disposition of assets with a fair market value of less than $10,000,000.

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); provided, however, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby shall be determined in accordance with the definition of "Capital Lease Obligation".

"Attributed to the U. S. Steel Group" means attributed to the U. S. Steel Group in accordance with the Management and Accounting Policies.

"Average Life" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by

(ii) the sum of all such payments.

"Board of Directors" means, until the Separation Date, the Board of Directors of the Guarantor or any committee thereof duly authorized to act on behalf of such Board, and after the Separation Date, the Board of Directors of the Company or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means a day other than a Saturday, Sunday or other day on which banking institutions in New York State are authorized or required by law to close.

"Broker-Dealer" has the meaning set forth in the Registration Rights Agreement.

"Capital Lease Obligation" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of Section 4.18, a Capital Lease Obligation will be deemed to be secured by a Lien on the property being leased.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including, without limitation, membership interests in limited liability companies and any Preferred Stock, but excluding any debt securities convertible into such equity.

"Change of Control", so long as the Guarantee in Article X is in effect, means the occurrence of any of the following:

(i) any "person" or "group" of persons shall have acquired "beneficial ownership" (within the meaning of Section 13(d) or 14(d) of the Securities and Exchange Act) of 1934 as amended, and the applicable rules and regulations thereunder), of shares of Voting Stock representing 35% or more of the Voting Power of the Guarantor;

(ii) during any period of 25 consecutive months, commencing before or after the Issue Date, individuals who at the beginning of such 25-month period were directors of the Guarantor (together with any replacement or additional directors whose election was recommended by incumbent

management of the Guarantor or who were elected by a majority of directors then in office) cease to constitute a majority of the

Board of Directors of the Guarantor;

(iii) the merger or consolidation of the Guarantor with or into another Person or the merger of another Person with or into the Guarantor, or the sale of all or substantially all the assets of the Guarantor (determined on a consolidated basis) to another Person, other than a merger or consolidation transaction in which holders of securities that represented 100% of the Voting Stock of the Guarantor immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and in substantially the same proportion as before the transaction; or

(iv) the disposition, transfer or sale of the interests held in United States Steel LLC by the Guarantor, except in accordance with the Separation consummated in compliance with Section 4.10;

provided, however, that in no event shall the Separation, as described in the Offering Circular, or any transfer or reorganization in connection therewith, be deemed to be a Change of Control for the purposes of this covenant.

The following definition of Change of Control shall be effective following the Separation Date:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company;

(ii) individuals who on the Separation Date constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the company as approved by a vote of 66 BETA% of the directors of the Company then still in office who were either directors on the Separation Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office;

(iii) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(iv) the merger or consolidation of the Company with or into another Person or the merger of another Person with or into the Company, or the sale of all

or substantially all the assets of the Company (determined on a consolidated basis) to another Person, other than a merger or consolidation transaction in which holders of securities that represented 100% of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and in substantially the same proportion as before the transaction.

"Clearstream" means Clearstream Banking, S.A.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means United States Steel LLC, a Delaware limited liability company, until a successor replaces it in accordance with the applicable provisions of this Indenture, and thereafter, means such successor.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (x) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which financial results are publicly available to (y) Consolidated Interest Expense for such four fiscal quarters; provided, however, that:

(i) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of

Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period;

(ii) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(iii) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the subject of such Asset

Disposition for such period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(iv) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period; and

(v) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (iii) or (iv) above if made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Company. For purposes of this definition, any assets, properties, Indebtedness or other liabilities or obligations that are Attributed to the U. S. Steel Group prior to the Separation are deemed to be assets, properties, Indebtedness, liabilities or obligations of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months).

"Consolidated Interest Expense" means, for any period, the total

interest expense of the Company and its consolidated Restricted Subsidiaries (prior to the Separation, as

Attributed to the U. S. Steel Group) plus, to the extent not included in such total interest expense, and to the extent incurred by the Company or its Restricted Subsidiaries, without duplication:

(i) interest expense attributable to capital leases and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction;

(ii) amortization of debt discount and debt issuance cost;

(iii) capitalized interest;

(iv) non-cash interest expenses;

(v) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(vi) net payments pursuant to Hedging Obligations in respect of Indebtedness;

(vii) Preferred Stock dividends in respect of all Preferred Stock held by Persons other than the Company or a Wholly Owned Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the issuer of such Preferred Stock);

(viii) interest incurred in connection with Investments in discontinued operations;

(ix) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by (or secured by the assets of) the Company or any Restricted Subsidiary; and

(x) the cash contributions to any employee stock ownership plan or similar trust to the extent the proceeds of such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust

in each case for such period and, prior to Separation, as such amounts are Attributed to the U. S. Steel Group.

"Consolidated Net Income" means, for any period, the net income of the Company and its consolidated Restricted Subsidiaries determined in accordance of GAAP (prior to the Separation, as Attributed to U. S. Steel Group); provided, however, that there shall not be included in such Consolidated Net Income:

(i) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that:

(A) subject to the exclusion contained in clause (iv) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or

other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (iii) below); and

(B) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income;

(ii) any net income (or loss) of any Person acquired by the Company or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition;

(iii) any net income of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company, except that:

(A) subject to the exclusion contained in clause (iv) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash

actually distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(B) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(iv) any gain (but not loss) realized upon the sale or other disposition of any assets of the Company, its consolidated Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which is not sold or otherwise disposed of in the ordinary course of business and any gain (but not loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(v) extraordinary gains or losses; and

(vi) the cumulative effect of a change in accounting principles

in each case for such period and, prior to Separation, as such amounts are Attributed to the U.S. Steel Group. Notwithstanding the foregoing, for the purposes of Section 4.13 only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Company or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of the Company and its consolidated Subsidiaries (or, prior to the Separation, of the U. S. Steel Group), determined on a consolidated basis in accordance with GAAP, as of the end of the most recent fiscal quarter of the Company ending at least 45 days prior to the taking of any action for the purpose of which the determination is being made, as the sum of:

(i) the par or stated value of all outstanding Capital Stock of the Company plus

(ii) paid-in capital or capital surplus relating to such Capital Stock plus

(iii) any retained earnings or earned surplus (or, prior to the Separation, the amount shown as "USX's net investment" instead of the sum of clauses (i), (ii) and (iii))

less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"Corporate Trust Office of the Trustee" means the address of the Trustee specified in Section 11.2 hereof or such other address as to which the Trustee may give notice to the Issuers.

"Credit Facility" means any senior credit facility to be entered into by and among one or more of the Company and certain of its Foreign Restricted Subsidiaries and the lenders referred to therein, together with the related documents thereto (including the revolving loans thereunder, any guarantees and security documents), as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement (and related document) governing Indebtedness incurred to Refinance, in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such Credit Facility or a successor Credit Facility, whether by the same or any other lender or group of lenders.

"Currency Agreement" means in respect of a Person any foreign exchange contract, currency swap agreement or other similar agreement designed to protect such Person against fluctuations in currency values.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.6 hereof in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.3 hereof as the Depositary with respect to the Notes, and any and all successors thereto

appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Directors" means, until the Separation Date, the persons who are members of the Board of Directors of USX Corporation, and after the Separation Date, the persons who are members of the Board of Directors of the Company.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(ii) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(iii) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the first anniversary of the Stated Maturity of any series of Notes then outstanding; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of any series of Notes then outstanding shall not constitute Disqualified Stock if:

(i) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the Notes and described under Sections 4.11 and 4.15; and

(ii) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; provided, however, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"Distribution Compliance Period" means the 40-day period commencing on the date Notes are first issued under this Indenture.

"EBITDA" for any period means the sum of Consolidated Net Income (but without giving effect to any gains or losses from Asset Dispositions), minus noncash net pension credits to the extent included in calculating such Consolidated Net Income and plus the following to the extent deducted in calculating such Consolidated Net Income:

(i) all income tax expense of the Company and its consolidated Restricted Subsidiaries;

(ii) Consolidated Interest Expense;

(iii) depreciation, depletion and amortization expense of the Company and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid operating activity item that was paid in cash in a prior period);

(iv) all other non-cash charges of the Company and its consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period); and

(v) net periodic benefit cost recorded for postretirement benefits other than pensions, to the extent such cost exceeds (x) payments made by the Company for such benefits that are not reimbursed by plan assets and (y) any funding by the Company to the VEBA trust

in each case for such period and, prior to the Separation, as such amounts are Attributed to the U. S. Steel Group. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary shall be added to

Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the debt securities of the Company issued pursuant to the Indenture in exchange for, and in an aggregate principal amount at maturity equal to, the Initial Notes, in compliance with the terms of the Registration Rights Agreement.

"Exchange Offer" has the meaning set forth in the Registration Rights Agreement.

"Exchange Offer Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Excluded Real Property Sales" means sales of real property by installment either: (a) in the ordinary course of the business of the Company or a Restricted Subsidiary or (b) of real property that has not been used by the Company or a Restricted Subsidiary in the production of steel or steel products at any time within 90 days prior to the date of sale.

"Financial Matters Agreement" means the financial matters agreement to be entered into by USX Corporation and the Company in connection with the Separation, as described in the Offering Circular.

"Financing Entity" means any Wholly Owned Subsidiary formed solely for the purpose of effecting a receivables or inventory financing program so long as such entity has no obligations that are either Guaranteed by, or recourse to, any other Restricted Subsidiary.

"Foreign Restricted Subsidiary" means any Restricted Subsidiary of the Company that is organized in a jurisdiction outside the United States of America.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the Issue Date, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants; (ii) statements and pronouncements of the Financial Accounting Standards Board; (iii) such other statements by such other entity as approved by a significant segment of the accounting profession; and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes.

"Global Note Legend" means the legend set forth in Section 2.6(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise) but shall not include take-or-pay arrangements or other agreements to purchase goods or services that are not entered into for the purpose of purchasing or paying such Indebtedness of such Person; or

(ii) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee"

used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Guarantor" means USX Corporation or any successor thereto, so long as the Guarantee of the Notes is in effect.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Holder" or "Noteholder" means the Person in whose name a Note is registered on the Registrar's books.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with Section 4.12, amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security and (2) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same clause and with the same terms will not be deemed to be the Incurrence of Indebtedness. For purposes of this definition, the Company (i) shall be deemed to Incur any Indebtedness of other Persons of the type referred to in clause (vi) of the definition of "Indebtedness" at such time it becomes responsible or liable, directly or indirectly, for its payment pursuant to the terms of the Financial Matters Agreement and (ii) shall not be deemed to Incur any Indebtedness for which it is indemnified by Marathon Oil Corporation pursuant to the terms of the Financial Matters Agreement at the time that such Indebtedness is deemed to become Indebtedness of the Company as a result of Marathon Oil Corporation no longer having an Investment Grade Rating from both Rating Agencies.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(i) the principal in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(ii) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;

(iii) all Purchase Money Indebtedness of such Person;

(iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (i) through (iii) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following payment on the letter of credit);

(v) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of

such Person or, with respect to any Preferred Stock of any Subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with the Indenture (but excluding, in each case, any accrued dividends);

(vi) all obligations of the type referred to in clauses (i) through (v) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee or pursuant to the terms of the Financial Matters Agreement;

(vii) all obligations of the type referred to in clauses (i) through (vi) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed

by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured;

(viii) to the extent not otherwise included in this definition, any financing of accounts receivable or inventory of such Person; and

(ix) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any business, the term "Indebtedness" will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter (or, in the case of the acquisition of USSK, when due).

Notwithstanding the foregoing, the term "Indebtedness" will exclude (x) any indebtedness for which Marathon Oil Corporation indemnifies the Company pursuant to the terms of the Financial Matters Agreement, so long as such indebtedness (i) has not been Refinanced and (ii) Marathon Oil Corporation has an Investment Grade Rating from both of the Rating Agencies and (y) Industrial Revenue Bond Obligations to the extent the Company (i) has delivered to the holders of such obligations an irrevocable notice of redemption or directed delivery of such a notice and (ii) has set aside cash or U.S. Government Obligations, pursuant to a defeasance mechanism or otherwise, sufficient to redeem such obligations.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date; provided, however, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Independent Qualified Party" means an investment banking firm, accounting firm or appraisal firm of national standing; provided, however, that such firm is not an Affiliate of the Company.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Industrial Revenue Bond Obligations" means an obligation to a state or local government unit that secures the payment of bonds issued by a state or local government unit or any obligation under the Financial Matters Agreement relating to Industrial Revenue Bond Obligations or any Indebtedness incurred to Refinance, in whole or in part, such obligations.

"Interest Rate Agreement" means in respect of a Person any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement designed to protect such Person against fluctuations in interest rates.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. Except as otherwise provided for herein, the amount of an Investment shall be its fair value at the time the Investment is made and without giving effect to subsequent changes in value. Prior to the Separation, any Investment made by another Person that is Attributed to the U.S. Steel Group shall be deemed to be made by the Company.

For purposes of the definition of "Unrestricted Subsidiary", the definition of "Restricted Payment" and Section 4.13:

(i) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to

(A) the Company's "Investment" in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's Investor Service, Inc. and BBB- (or the equivalent) by Standard & Poor's Rating Group, Inc.

"Issue Date" means the date on which the Notes are originally issued.

"Legal Holiday" has the meaning ascribed in Section 11.8.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Like-Kind Exchange" means the disposition of property in exchange for similar property or for cash proceeds where the proceeds are deposited in a trust and employed to acquire similar property in a transaction qualifying as a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986 (or any successor provision).

"Management and Allocation Policies" means the policies and procedures adopted by the board of directors of USX Corporation or otherwise used by USX Corporation for the purpose of preparing financial statements of the U. S. Steel Group.

"Marathon Group" means the Marathon Group of USX Corporation, as defined in the Certificate of Incorporation of USX Corporation.

"Net Available Cash" from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other noncash form), in each case net of:

(i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Disposition;

(ii) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(iii) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Disposition; and

(iv) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the

property or other assets disposed in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Obligations" means with respect to any Indebtedness all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements, and other amounts payable pursuant to the documentation governing such Indebtedness.

"Offering Circular" means the final offering circular of the Issuers relating to the offering of the Notes.

"Officer" means the Chairman of the Board, the President, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Treasurer or the Secretary of the Company and USS Financing, as applicable.

"Officers' Certificate" means a certificate that meets the requirements of Section 11.5 signed by any Officer of each of the Company and USS Financing, as applicable.

"Opinion of Counsel" means a written opinion that meets the requirements of Section 11.5 from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuers.

"Parent" means until the Separation Date, USX Corporation.

"Participant" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream).

"Permitted Investment" means an Investment by the Company or any Restricted Subsidiary in:

(i) the Company, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; provided, however, that the primary business of such Restricted Subsidiary is a Related Business;

(ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary; provided, however, that such Person's primary business is a Related Business;

(iii) cash and Temporary Cash Investments;

(iv) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or

dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(vi) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary;

(vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments;

(viii) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition as permitted in Section 4.15;

(ix) any Person where such Investment was acquired by the Company or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Company or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(x) loans or advances to USS/POSCO Industries for repairs of damages

and business interruption caused by the fire that occurred on May 31, 2001 in an amount not to exceed $25 million; provided that to the extent such amounts are not repaid with the proceeds of insurance on or before June 30, 2003, such amounts will be included as a Restricted Payment in the calculation of Restricted Payments; and

(xi) so long as no Default has occurred and is continuing, an Unrestricted Subsidiary the assets of which shall primarily be located outside the United States of America, which Investment is made on or prior to December 31, 2003 and does not exceed $50 million; provided that such Unrestricted Subsidiary shall be treated as a Restricted Subsidiary as of the first date the Board of Directors would be permitted to designate it as such under the definition of "Unrestricted Subsidiary".

"Permitted Liens" means, with respect to any Person:

(i) pledges or deposits by such Person under worker's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review and Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided, however, that (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Company in excess of those set forth by regulations promulgated by the Federal Reserve Board and (B) such deposit account is not intended by the Company or any Restricted Subsidiary to provide collateral to DTC;

(iii) Liens for property taxes not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;

(iv) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; provided, however, that such letters of credit do not constitute Indebtedness;

(v) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(vi) Liens securing Indebtedness Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant or equipment of such Person; provided, however, that the Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property

affixed or appurtenant thereto), and the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(vii) Liens existing on the Issue Date;

(viii) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(ix) Liens on the inventory or accounts receivable of the Company or any Restricted Subsidiary securing Indebtedness permitted under the provisions described in clause (b)(i) under Section 4.12;

(x) Liens securing industrial revenue or pollution control bonds issued by the Company, or prior to the Separation, by the USX Corporation; provided, however, that such Liens relate solely to the project being financed and are removed within 90 days following completion of the project being financed;

(xi) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(xii) Liens securing Indebtedness or other obligations of a Subsidiary of such Person owing to such Person or a wholly owned Subsidiary of such Person;

(xiii) Liens securing Hedging Obligations so long as such Hedging Obligations relate to Indebtedness that is, and is permitted to be under the Indenture, secured by a Lien on the same property securing such Hedging Obligations;

(xiv) Liens to secure any Refinancing (or successive Refinancings) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clause (vi), (viii), (ix) or (x); provided, however, that:

(A) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clause (vi), (viii), (ix) or (x) at the time the original Lien became a Permitted Lien and (y) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement; and

(xv) Liens on assets subject to a Sale/Leaseback Transaction securing Attributable Debt permitted to be Incurred under Section 4.12.

Notwithstanding the foregoing, "Permitted Liens" will not include any Lien described in clauses (vi), (ix) or (x) above to the extent such Lien applies to any Additional Assets acquired directly or indirectly from Net Available Cash under Section 4.15.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Plan of Reorganization" means the Agreement and Plan of Reorganization to be entered into among USX Corporation, the Company and certain subsidiaries in connection with the Separation, as described in the Offering Circular.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Principal" of a Note means the principal of the Note plus the premium, if any, payable on the Note which is due or overdue or is to become due at the relevant time.

"Private Exchange" means the offer by the Issuers, pursuant to the Registration Rights Agreement, to the Initial Purchasers to issue and deliver to each Initial Purchaser, in exchange for the Initial Notes held by the Initial Purchaser as part of its initial distribution, a like aggregate principal amount at maturity of Private Exchange Notes.

"Private Exchange Notes" means the 10 3/4% Senior Notes due August 1, 2008, if any, to be issued pursuant to this Indenture to the Initial Purchasers in a Private Exchange.

"Private Placement Legend" means the legend set forth in Section 2.6(g)(i)(A) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"Public Equity Offering" means an underwritten primary public offering of common stock of the Company pursuant to an effective registration statement under the Securities Act.

"Purchase Money Indebtedness" means Indebtedness Incurred or assumed as the deferred purchase price of property acquired by such Person (excluding accounts payable arising

in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property).

"Rating Agency" means Standard & Poor's Ratings Group, Inc. and Moody's Investors Service, Inc. or if Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company (as certified by a resolution of the Board of Directors) which shall be substituted for Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. or both, as the case may be.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, purchase, defease or retire, or to issue other Indebtedness in exchange or replacement for, such indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that Refinances any Indebtedness of the Company or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Indenture, including Indebtedness that Refinances Refinancing Indebtedness; provided, however, that:

(i) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;

(ii) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced; and

(iii) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced;

provided further, however, that Refinancing Indebtedness shall not include (A) Indebtedness of a Subsidiary that Refinances Indebtedness of the Company or (B) Indebtedness of the Company or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Registration Rights Agreement" means the Registration Rights Agreement among the Issuers, Credit Suisse First Boston Corporation, J.P. Morgan Securities Inc., Lehman Brothers Inc., Salomon Smith Barney Inc., BNY Capital Markets, Inc., Mellon Financial Markets, LLC, NatCity Investments, Inc., PNC Capital Markets, Inc. and Scotia Capital Inc. related to the Notes.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Related Business" means any business in which the Company was engaged on the Issue Date and any business related, ancillary or complementary to any business of the Company in which the Company was engaged on the Issue Date.

"Representative" means with respect to a Person any trustee, agent or

representative (if any) for an issue of Senior Indebtedness of such Person.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a global Note in the form of Exhibit A attached hereto that bears the Global Note Legend and the Private Placement Legend and that is deposited with or on behalf of and registered in the name of the Depositary.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

"Restricted Payment" with respect to any Person means:

(i) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and dividends or distributions payable solely to the Company or a Restricted Subsidiary, and other than pro rata dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));

(ii) the purchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company held by any Person or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Company (other than a Restricted Subsidiary), including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Company that is not Disqualified Stock);

(iii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of such Person (other than the purchase, repurchase or other acquisition of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition); or

(iv) the making of any Investment (other than a Permitted Investment) in any Person;

provided, however, that prior to the Separation (x) any reduction of Indebtedness that is Attributed to the U. S. Steel Group shall be deemed not to be a Restricted Payment, (y) Capital Stock or Subordinated Obligations of the Company shall be deemed to include Capital Stock or Subordinated Obligations of any Person that is Attributed to the U. S. Steel Group (including Steel Stock, but excluding any Preferred Stock or Subordinated Obligations of other Persons outstanding as of the Issue Date) and the Company shall be deemed to make any Restricted Payment made in respect of such Capital Stock or Subordinated Obligations; provided further, however, that any purchase or other acquisition for value of common stock of the Company with (x) funds provided by the participants of the Company's dividend reinvestment plan or (y) cash dividends permitted to be paid under Section 4.13 pursuant to the Company's dividend reinvestment plan shall not, in either case, be a "Restricted Payment".

"Restricted Subsidiary" means (i) any Subsidiary of the Company that is not an Unrestricted Subsidiary and (ii) USS Financing.

"Sale/Leaseback Transaction" means an arrangement relating to property owned by the Company or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a Person and the Company or a Restricted Subsidiary leases it from such Person.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of the Issuer secured by a Lien.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Indebtedness" means with respect to any Person:

(i) Indebtedness of such Person (including, prior to the Separation, any Indebtedness to the extent it is Attributed to the U. S. Steel Group), whether outstanding on the Issue Date or thereafter Incurred; and

(ii) accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person whether or not post-filing interest is allowed in such proceeding) in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable (in each case including, prior to Separation, any such Indebtedness to the extent it is Attributed to the U. S. Steel Group)

unless, in the case of clauses (i) and (ii), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are subordinate in right of payment to the Notes or the Guarantee of such Person, as the case may be; provided, however, that Senior Indebtedness shall not include:

(i) any obligation of such Person to any Subsidiary;

(ii) any liability for Federal, state, local or other taxes owed or owing by such Person;

(iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities);

(iv) any Indebtedness of such Person (and any accrued and unpaid interest in respect thereof) which is subordinate or junior in any respect to any other Indebtedness or other obligation of such Person; or

(v) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of the Indenture.

"Separation" means the separation of the Company from USX Corporation pursuant to the Plan of Reorganization.

"Separation Date" means the date the Separation occurs; provided such date is on or prior to December 31, 2002.

"Separation Documents" means the Plan of Reorganization, the Financial Matters Agreement and the Tax Sharing Agreement.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Issuer within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Steel Stock" means USX--U. S. Steel Group Common Stock of USX Corporation.

"Subordinated Obligation" means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Notes or a Guaranty of such Person, as the case may be, pursuant to a written agreement to that effect.

"Subsidiary" means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Voting Stock is at the time owned or controlled, directly or indirectly, by:

(i) such Person;

(ii) such Person and one or more Subsidiaries of such Person; or

(iii) one or more Subsidiaries of such Person;

provided that, prior to the Separation, any Subsidiary of another Person that is Attributed to the U. S. Steel Group shall be deemed a Subsidiary of the Company, and any Voting Stock of that Subsidiary owned by such Person shall be deemed to be owned by the Company.

"Tax Sharing Agreement" means the tax sharing agreement to be entered into by USX Corporation and the Company its connection with the Separation, as described in the Offering Circular.

"Temporary Cash Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof; (ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $50.0 million (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor; (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a bank meeting the qualifications described in clause (ii) above; (iv) investments in commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard & Poor's Ratings Group; (v) investments in securities with maturities of six months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by Standard & Poor's Ratings Group or "A" by Moody's Investors Service, Inc.; (vi) overnight investments with banks rated "B" or better by Fitch, Inc.; (vii) in the case of a Foreign Restricted Subsidiary, investments of the type and maturity described in clauses (i) through (vi) above of foreign obligors, which investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies; and (viii) deposits in Slovak financial institutions that do not at any time exceed $5 million in the aggregate.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of this Indenture.

"Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means such successor.

"Trust Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Tubular Business" means the business of Lorain Tubular Company LLC and any other assets and liabilities of the Company or any of its Subsidiaries primarily related to its tubular products business.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent global Note in the form of Exhibit A attached hereto that bears the Global Note Legend but not the Private Placement Legend and that is deposited with or on behalf of and registered in the name of the Depositary.

"Unrestricted Subsidiary" means (i) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of

an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the Subsidiary to be so designated has total assets of $1,000 or less or (B) if such Subsidiary has consolidated assets greater than $1,000, such designation would be permitted under Section 4.13. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (x) the Company could incur $1.00 of additional Indebtedness pursuant to paragraph Section 4.12(a) and (y) no Default shall have occurred and be continuing. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Dollar Equivalent" means with respect to any monetary amount in a currency other than U.S. dollars, at any time for determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" on the date two Business Days prior to such determination.

Except as described under Section 4.12, whenever it is necessary to determine whether the Company has complied with any covenant in the Indenture or a Default has occurred and an amount is expressed in a currency other than U.S. dollars, such amount will be treated as the U.S. Dollar Equivalent determined as of the date such amount is initially determined in such currency.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"U.S. Person" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"U. S. Steel Group" means the United States Steel Group of USX Corporation, as defined in the Restated Certificate of Incorporation of USX Corporation.

"USS Financing" means United States Steel Financing Corp., a Delaware corporation, until a successor replaces it in accordance with the applicable provisions of this Indenture, and thereafter, means such successor.

"USSK" means U.S. Steel Kosice, s.r.o., a company organized under the laws of the Slovak Republic.

"USS-POSCO Industries" means USS-POSCO Industries, a California general partnership whose general partners are POSCO-CALIFORNIA CORPORATION, a Delaware corporation, and PITCAL, INC., a Delaware corporation.

"Voting Power" as applied to the stock of any Person means the total voting power represented by all outstanding Voting Stock of such corporation.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustee thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary of the Company all the Capital Stock of which (other than directors' qualifying shares) is owned by the Company or one or more Wholly Owned Subsidiaries.

SECTION 1.2. Other Definitions

Term	Defined in Section
"Affiliate Transaction"	4.16
"Authenticating Agent"	2.2
"Authentication Order"	2.2
"Bankruptcy Law"	6.1
"Change of Control Offer"	4.11
"covenant defeasance option"	8.1(b)
"Custodian"	6.1
"Event of Default"	6.1

"Initial Lien"	4.18
"legal defeasance option"	8.1(b)
"Notice of Default"	6.1
"Paying Agent"	2.3
"Registrar"	2.3
"Successor Company"	5.1
"Successor Guarantor"	5.2
"Suspended Covenants"	4.9

Term	Defined in Section

SECTION 1.3. Incorporation by Reference of Trust Indenture Act

The mandatory provisions of the TIA are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Notes.

"indenture security holder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Issuers and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.4. Rules of Construction

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(7) except as otherwise expressly provided, the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;

(8) the principal amount of any Preferred Stock shall be (i) the maximum liquidation preference of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater; and

(9) except as otherwise expressly provided, all references to the date the Notes were originally issued shall refer to the date the Initial Notes were originally issued.

SECTION 1.5. One Class of Notes. The Initial Notes, the Additional Notes, the Private Exchange Notes and the Exchange Notes shall vote and consent together on all matters as one class and none of the Initial Notes, the Additional Notes, the Private Exchange Notes or the Exchange Notes shall have the right to vote or consent as a separate class on any matter.

ARTICLE II

SECTION 2.1. Form and Dating

(a) General.

The Notes will initially be issued in an aggregate principal amount of $385,000,000, except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 2.6, 2.7, 2.10, 3.6 or 9.5. The Issuers may create and issue Additional Notes in such an aggregate principal amount as would be permitted on the date of issuance to be incurred under Section 4.12(b)(iv). The Additional Notes will rank equally with the Initial Notes and otherwise similar in all respects so that the Additional Notes shall be consolidated and form a single series with the Initial Notes. The Trustee shall authenticate Additional Notes upon receipt of an Authentication Order and an Officers' Certificate and Opinion of Counsel, both meeting the requirements of Section 11.5, subject to Section 2.2, specifying the amount of Additional Notes to be authenticated.

The Issuers may issue Exchange Notes or Private Exchange Notes pursuant to an Exchange Offer or a Private Exchange and a Board Resolution, subject to Section 2.2, included in an Officers' Certificate and an Opinion of Counsel both meeting the requirements of Section 11.5 delivered to the Trustee, in authorized denominations in exchange for a like principal amount of Initial Notes. Upon any such exchange, any Initial Notes and Additional Notes exchanged for Exchange Notes or Private Exchange Notes shall be canceled in accordance with Section 2.11 and shall no longer be deemed outstanding for any purpose.

The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be issuable only in fully registered form, without coupons, in denominations of $1,000 and integral multiples thereof. Interest on the Notes shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuers and the Trustee, by their execution and

delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes and Definitive Notes.

Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.6 hereof.

(c) Euroclear, Clearstream Procedures Applicable.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Clearstream.

SECTION 2.2. Execution and Authentication

An Officer of each Issuer shall sign the Notes for the Issuers by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office

at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee, upon a written order of the Issuers signed by an Officer of each of the Issuers (an "Authentication Order"), manually authenticates the Note. The signature of the Trustee on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture.

The Trustee may appoint an agent (the "Authenticating Agent") reasonably acceptable to the Issuers to authenticate the Notes. Unless limited by the terms of such appointment, any such Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent.

SECTION 2.3. Registrar and Paying Agent

The Company shall (i) appoint an agent (the "Registrar") who shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange and (ii) an agent (the "Paying Agent") who shall maintain an office or agency where Notes may be presented for payment. The Registrar shall keep a register of the Notes and of their transfer and exchange. The Registrar and the Paying Agent shall initially be the Company. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any such additional paying agent.

In the event the Company shall retain any Person not a party to this Indenture as an agent hereunder, the Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall promptly notify the Trustee of the name and address of each such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent.

The Issuers initially appoint The Depository Trust Company to act as depositary with respect to the Global Notes.

SECTION 2.4. Paying Agent to Hold Money in Trust

By at least 11:00 a.m. prevailing Eastern (U.S.) time on the date on which any principal or interest on any Note is due and payable, the Issuers shall deposit with the Paying Agent a sum sufficient to pay such principal or interest when due. The Issuers shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Noteholders or the Trustee all money held by such Paying Agent for the payment of principal or interest on the Notes and shall notify the Trustee of any default by the Issuers in making any such payment. If the Company or any of its Subsidiaries acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuers at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.4, the Paying Agent (if other than either Issuer or any of its Subsidiaries) shall have no further liability for the money delivered to the Trustee. Upon any bankruptcy, reorganization or similar proceeding with respect to the Issuers, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.5. Noteholder Lists

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Noteholders. If the Trustee or any Paying Agent is not the Registrar, the Issuers shall cause the Registrar to furnish to the Trustee or any such Paying Agent, in writing at least five Business Days before each interest payment date and at such other times as the Trustee or any such Paying Agent may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Noteholders.

SECTION 2.6. Transfer and Exchange

(a) Transfer and Exchange of Global Notes.

A Global Note may not be transferred except as a whole by the

Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Issuers for Definitive Notes if (i) the Depositary notifies the Issuers that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, the Issuers are unable to locate a qualified successor Depositary within 90 days after the date of such notice from the Depositary or (ii) the Issuers, in their discretion at any time, determine not to have all the Notes represented by Global Notes or (iii) a Default entitling the Holders to accelerate the maturity of the Notes has occurred and is continuing. Upon the occurrence of either of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee in writing. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.7 and 2.11 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.6 or Section 2.7 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, except as otherwise provided herein. A Global Note may not be exchanged for another Note other than as provided in this Section 2.6(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.6(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes.

The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.6(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.6(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1)

a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (B)(1) above. Upon consummation of an Exchange Offer by the Issuers in accordance with Section 2.6(f) hereof, the requirements of this Section 2.6(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.6(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.6(b)(ii) above and the Registrar receives a certificate in the form of Exhibit B hereto, including the certifications in item (1) or (2) thereof, as applicable.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.6(b)(ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an Affiliate of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate

from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.2 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

(v) Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a Qualified Institutional Buyer in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under

the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the Issuers or any of their respective Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.6(h) hereof, and the Issuers shall execute and the Trustee shall upon receipt of an Authentication Order authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.6(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall (at the expense of the Issuers) deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.6(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an Affiliate of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof,

and, in each such case set forth in this subparagraph (D), if the Registrar

so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.6(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.6(h) hereof, and the Issuers shall execute and the Trustee shall upon receipt of an Authentication Order authenticate and (at the expense of the Company) deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.6(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall (at the expense of the Issuers) deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.6(c)(iii) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests in Global Notes.

(i) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a Qualified Institutional Buyer in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to the Issuers or any of their respective Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof;

the Trustee shall cancel the Restricted Definitive Note and increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Note.

(ii) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note

or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an Affiliate of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.6(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a written request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

(iv) If any such exchange or transfer from a Definitive Note to a beneficial interest in an Unrestricted Global Note is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.2 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes.

Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.6(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall

present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.6(e).

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications required by item (3) thereof.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an Affiliate of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) Exchange Offer.

Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.2, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the Letters of Transmittal that (x) they are not Broker-Dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not

Affiliates of the Issuers, and accepted for exchange in the Exchange Offer and (ii) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Issuers shall execute and the Trustee shall authenticate and (at the expense of the Issuers) deliver to the Persons designated by the Holders of Definitive Notes so accepted Definitive Notes in the appropriate principal amount.

(g) Legends.

The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE

UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUERS THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE".

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.6 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.6 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.6(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN".

(h) Cancellation and/or Adjustment of Global Notes.

At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) Upon the consummation of a Private Exchange with respect to the Initial Notes pursuant to which Holders of such Initial Notes are offered Private Exchange Notes in exchange for their Initial Notes, all requirements pertaining to such Initial Notes that Initial Notes issued to certain Holders be issued in global form will still apply, and Private Exchange Notes in global form will be available to Holders that exchange such Initial Notes in such Private Exchange.

(j) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuers shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.2 hereof or upon receipt of a written request of the Registrar.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuers may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.6 and 9.5 hereof).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuers, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Issuers shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.2 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (c) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(vii) Each Holder of a Security agrees to indemnify the Company and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Security in violation of any provision of this Indenture and/or applicable United States Federal or state securities law.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any

transfers between or among Depositary Participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(viii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.2 hereof.

(ix) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.6 to effect a registration of transfer or exchange may be submitted by facsimile.

SECTION 2.7. Replacement Notes

If a mutilated Note is surrendered to the Registrar or if the Holder of a Note shall provide the Issuers and the Trustee with evidence to their satisfaction that the Note has been lost, destroyed or wrongfully taken, the Issuers shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met and the Holder satisfies any other reasonable requirements of the Trustee. If required by the Trustee or either of the Issuers, such Holder shall furnish an indemnity bond sufficient in the judgment of the Issuers and the Trustee to protect the Issuers, the Trustee, the Paying Agent, the Registrar and any co-registrar from any loss which any of them may suffer if a Note is replaced. The Issuers and the Trustee may charge the Holder for their expenses in replacing a Note, including reasonable fees and expenses of counsel. Every replacement Note is an additional Obligation of the Issuers.

SECTION 2.8. Outstanding Notes

Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled, those delivered for cancellation and those described in this Section 2.8 as not outstanding. A Note does not cease to be outstanding because an Issuer or an Affiliate of an Issuer holds the Note.

If a Note is replaced pursuant to Section 2.7, it ceases to be outstanding unless the Trustee and the Issuers receive proof satisfactory to them that the replaced Note is held by a bona fide purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Noteholders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.9. Treasury Notes

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by any Issuer, the Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with any Issuer or the Guarantor shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Trust Officer actually knows are so owned shall be so disregarded.

SECTION 2.10. Temporary Notes

Until Definitive Notes are ready for delivery, the Issuers may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Issuers and the Trustee consider appropriate for temporary Notes. Without unreasonable delay, the Issuers shall prepare and the Trustee shall authenticate Definitive Notes. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the temporary Notes at any office or agency maintained by the Issuers for that purpose and such exchange shall be without charge to the Holder. Upon surrender for

cancellation of any one or more temporary Notes, the Issuers shall execute, and

the Trustee shall authenticate and deliver in exchange therefor, one or more Definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of Definitive Notes.

SECTION 2.11. Cancellation

The Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee for cancellation any Notes surrendered to them for registration of transfer or exchange or payment. The Trustee shall cancel and dispose of (subject to the record retention requirements of the Exchange Act) all Notes surrendered for registration of transfer or exchange, payment or cancellation according to its normal operating procedures and deliver a certificate of such destruction to the Issuers unless the Issuers direct the Trustee to deliver canceled Notes to the Issuers. The Issuers may not issue new Notes to replace Notes they have redeemed, paid or delivered to the Trustee for cancellation.

SECTION 2.12. Defaulted Interest

If the Issuers default in a payment of interest on the Notes, the Issuers shall pay defaulted interest (plus interest on such defaulted interest to the extent lawful) at the rate specified therefor in the Notes in any lawful manner. The Issuers may pay the defaulted interest to the Persons who are Noteholders on a subsequent special record date. The Issuers shall fix or cause to be fixed (or upon the Issuers' failure to do so the Trustee shall fix) any such special record date and payment date which specified record date shall not be less than 10 days prior to the payment date for such defaulted interest and shall promptly mail or cause to be mailed to each Noteholder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid. The Issuers shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Issuers shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when so deposited to be held in trust for the benefit of the Person entitled to such defaulted interest as provided in this Section 2.12.

SECTION 2.13. CUSIP Numbers

The Issuers in issuing the Notes may use "CUSIP" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE III

Redemption

SECTION 3.1. Notices to Trustee

If the Issuers elect to redeem Notes pursuant to the provisions of Section 3.7, they shall notify the Trustee and the Paying Agent in writing of the redemption date and the principal amount at maturity of Notes to be redeemed and the redemption price.

The Issuers shall give each notice to the Trustee and the Paying Agent provided for in this Section 3.1 at least 15 days prior to the date notice of redemption is to be delivered to Holders of Notes unless the Trustee and the Paying Agent consent to a shorter period. Such notice shall be accompanied by an Officers' Certificate from the Issuers to the effect that such redemption will comply with the conditions herein. The record date relating to such redemption shall be selected by the Issuers and set forth in the related notice given to the Trustee and the Paying Agent, which record date shall be not less than 15 days prior to the date selected for redemption by the Issuers.

SECTION 3.2. Selection of Notes to Be Redeemed

In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not so listed, on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair

and appropriate, although no Note of $1,000 in original principal amount or less will be redeemed in part. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. Upon request of the Issuers, the Trustee shall notify the Issuers of the Notes or portions of Notes to be redeemed.

SECTION 3.3. Notice of Redemption

At least 30 days but not more than 60 days before a date for redemption of Notes, the Trustee at the expense of the Issuers shall mail a notice of redemption by first-class mail to each Holder of Notes to be redeemed.

The notice shall identify the Notes to be redeemed and shall state:

(i) the redemption date;

(ii) the redemption price;

(iii) the name and address of the Paying Agent;

(iv) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price plus accrued and unpaid interest, if any;

(v) if fewer than all the outstanding Notes are to be redeemed, the identification and principal amounts of the particular Notes to be redeemed;

(vi) that, unless the Issuers default in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(vii) the CUSIP number, if any, printed on the Notes being redeemed; and

(viii) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

The Trustee shall give the notice of redemption in the Issuers' name and at the Issuers' expense. In such event, the Issuers shall provide the Trustee with the information required by this Section 3.3.

SECTION 3.4. Effect of Notice of Redemption

Once notice of redemption is mailed, Notes called for redemption shall become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price stated in the notice, plus accrued and unpaid interest, if any, to the redemption date; provided that the Issuers shall have deposited the redemption price with the Paying Agent or the Trustee on or before 11:00 a.m. prevailing Eastern (U.S.) time on the date of redemption; provided, further, that if the redemption date is after a regular record date and on or prior to the related interest payment date, the accrued and unpaid interest shall be payable to the Noteholder of the redeemed Notes registered on that record date. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.5. Deposit of Redemption Price

By at least 11:00 a.m. Prevailing Eastern (U.S. time) on the date on which any principal of or interest on any Note is due and payable, the Issuers shall deposit with the Paying Agent (or, if an Issuer or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued and unpaid interest, if any, on all Notes to be redeemed on that date other than Notes or portions of Notes called for redemption which are owned by the Issuers or any of their Subsidiaries and have been delivered by the Issuers or any such Subsidiary to the Trustee for cancellation.

If the Issuers comply with the preceding paragraph, then, unless the Issuers default in the payment of such redemption price, interest on the Notes to be redeemed will cease to accrue on and after the applicable redemption date, whether or not such Notes are presented for payment.

SECTION 3.6. Notes Redeemed in Part

Upon surrender of a Note that is redeemed in part, the Issuers shall

execute and the Trustee shall authenticate for the Holder (at the Issuers' expense) a new Note equal in a principal amount at maturity to the unredeemed portion of the Note surrendered.

SECTION 3.7. Optional Redemption

Except as set forth in the following paragraphs, the Notes will not be redeemable at the option of the Issuers prior to the Stated Maturity.

Before August 1, 2004, the Issuers may at their option on one or more occasions, upon not less than 30 nor more than 60 days' notice, redeem the Notes in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the relevant series of Notes originally issued at a redemption price (expressed as a percentage of principal amount) of

110.75%, plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more Public Equity Offerings; provided that

(i) at least 65% of such aggregate principal amount originally issued of the Notes remains outstanding immediately after the occurrence of each such redemption (other than Notes held, directly or indirectly, by the Company or its Affiliates); and

(ii) each such redemption occurs within 60 days after the date of the related Public Equity Offering.

Further, at any time on or prior to December 31, 2002, the Issuers may, at their option, give written notice to redeem the Notes, which notice shall be no less than 30 nor more than 60 days prior to the redemption date, in whole or in part at a redemption price (expressed as a percentage of principal amount) of 101%, plus accrued and unpaid interest to the redemption date; provided that

(i) the Board of Directors shall have determined not to proceed with the Separation (and the Guarantee of the Guarantor will stay in effect until the Notes are fully paid);

(ii) if the Issuers elect to redeem the Notes in part, they may redeem up to an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes originally issued; and

(iii) at least 65% of such aggregate principal amount originally issued of the Notes remains outstanding immediately after the occurrence of each such redemption (other than Notes held, directly or indirectly, by the Company or its Affiliates).

SECTION 3.8. Mandatory Redemption

Except as set forth in Sections 4.11 and 4.15, the Issuers shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

ARTICLE IV

Covenants

SECTION 4.1. Payment of Notes

The Issuers shall promptly pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. Principal and interest shall be considered paid on the date due if on or before 11:00 a.m. prevailing Eastern (U.S.) time on such date the Trustee or the Paying Agent holds (or, if an Issuer or a Subsidiary of an Issuer is the Paying Agent, the segregated account or separate trust fund maintained by such Issuer or such Subsidiary pursuant to Section 2.4) in accordance with this Indenture money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent (or, if an Issuer or a Subsidiary of an Issuer is the Paying Agent, such Issuer or such Subsidiary), as the case may be, is not prohibited from paying such money to the Noteholders on that date pursuant to the terms of this Indenture.

The Issuers shall pay interest on overdue principal at the rate specified therefor in the Notes, and they shall pay interest on overdue installments of interest at the same rate to the extent lawful as provided in Section 2.11.

Notwithstanding anything to the contrary contained in this Indenture, the Issuers or the Paying Agent may, to the extent it is required to do so by

law, deduct or withhold income or other similar taxes imposed by the United States of America or other domestic or foreign taxing authorities from principal or interest payments hereunder.

SECTION 4.2. Maintenance of Office or Agency

The Issuers shall maintain an office or agency (which may be an office of the Trustee or an affiliate of the Trustee or Registrar) where Notes may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Issuers in respect of the Notes and this Indenture may be served. The Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Issuers of their obligations to maintain an office or agency for such purposes. The Issuers shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuers hereby designate the Corporate Trust Office of the Trustee as one such office or agency of the Issuers in accordance with Section 2.3.

SECTION 4.3. Corporate Existence

Except as otherwise permitted by Article V and Section 4.11, each of the Issuers shall do or cause to be done, at its own cost and expense, all things necessary to preserve and keep in full force and effect its corporate existence and the corporate, partnership or limited liability company existence of each of its Significant Subsidiaries in accordance with the respective organizational documents of each such Subsidiary and the material rights (charter and statutory) and franchises of such Issuer and each such Subsidiary; provided, however, that an Issuer shall not be required to preserve, with respect to itself, any material right or franchise and, with respect to any of its Significant Subsidiaries, any such existence, material right or franchise, if the Board of Directors of such Issuer shall determine in good faith (such determination to be evidenced by a board resolution), that the preservation thereof is no longer desirable in the conduct of the business of such Issuer and the Subsidiaries, taken as a whole.

SECTION 4.4. SEC Reports

(a) So long as the Guarantee in Article X is in effect, the Issuers shall cause the Guarantor to file with the SEC such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filings of such information, documents and reports under such Sections and to include financial statements and other information with respect to the U. S. Steel Group in form and substance consistent with the information provided in its previous Exchange Act filings, subject to the requirements of the SEC.

(b) Following the Separation, the Issuers will file with the SEC such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filings of such information, documents and reports under such Sections.

(c) In addition, the Issuers shall furnish to the Holders of the Notes and to prospective investors, upon the requests of such Holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

SECTION 4.5. Compliance Certificate

(a) Each of the Issuers shall deliver to the Trustee, within 120 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Issuers and their respective Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether each of the Issuers and their respective Subsidiaries has kept, observed, performed and fulfilled its

obligations under this Indenture, and further stating, as to such Officers signing such certificate, that to the best of his or her knowledge each Issuer and their respective Subsidiaries has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions hereof (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action each Issuer and their respective Subsidiaries is taking or propose to take with respect thereto) and that to the best of his or her

knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest on the Notes are prohibited (or if such event has occurred, a description of the event and what action each is taking or proposes to take with respect thereto).

(b) Each of the Issuers shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default an Officers' Certificate specifying such Default or Event of Default and what action the Issuers are taking or propose to take with respect thereto.

(c) The Issuers shall comply with TIA Section 314(a)(4).

SECTION 4.6. Stay, Extension and Usury Laws

Each of the Issuers and the Guarantor covenant that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture. Each of the Issuers and the Guarantor (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.7. Payment of Taxes and Other Claims

Each of the Issuers shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon it or any of its Restricted Subsidiaries or properties of it or any of its Restricted Subsidiaries and (ii) all lawful claims for labor, materials and supplies that, if unpaid, might by law become a Lien upon the property of it or any of its Restricted Subsidiaries; provided, however, that the Issuers shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings properly instituted and diligently conducted for which adequate reserves, to the extent required under GAAP, have been taken.

SECTION 4.8. Maintenance of Properties and Insurance

(a) Each of the Issuers shall, and shall cause each of its Significant Subsidiaries to, maintain its material properties in good working order and condition (subject to ordinary wear and tear) and make or cause to be made all necessary repairs, renewals, replacements, additions, betterments and improvements thereto and actively conduct and carry on its business, all as in the reasonable judgment of such Issuer is necessary so that the business carried on by such Issuer and its Significant Subsidiaries may be actively conducted; provided, however, that nothing in this Section 4.19 shall prevent such Issuer or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties, if such discontinuance is, in the good faith judgment of each Issuer or the Subsidiary, as the case may be, desirable in the conduct of their respective businesses and is not disadvantageous in any material respect to the Holders.

(b) Each of the Issuers shall provide or cause to be provided, for itself and each of its Significant Subsidiaries, insurance (including appropriate self-insurance) against loss or damage of the kinds that, in the good faith judgment of such Issuer, are adequate and appropriate for the conduct of the business of such Issuer and such Subsidiaries in a prudent manner, with reputable insurers or with the government of the United States of America, any state thereof or any agency or instrumentality of such governments, in such amounts, with such deductibles, and by such methods as shall be customary, in the good faith judgment of such Issuer, for companies similarly situated in the industry.

SECTION 4.9. Investment Grade Rating

Following the first day:

(i) that is after the earliest to occur of (A) the day the Separation shall have occurred, (B) December 31, 2002 or (C) the day the Board of Directors of USX Corporation shall have determined not to proceed with the Separation,

(ii) the Notes have an Investment Grade Rating from both of the Rating Agencies, and

(iii) no Default has occurred and is continuing under the Indenture, the Company and its Restricted Subsidiaries will not be subject to Sections 4.12, 4.13, 4.14, 4.15, 4.16, 4.17 and clause (iii) of Section 5.1 (collectively, the "Suspended Covenants").

The Issuers will notify the Trustee by delivery of an Officer's Certificate of the suspension of the Suspended Covenants. In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the preceding sentence, and subsequently one or both of the Rating Agencies withdraws its rating or downgrades the rating assigned to the Notes below an Investment Grade Rating, then the Company and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants, and compliance with the Suspended Covenants with respect to Restricted Payments made after the time of such withdrawal or downgrade will be calculated in accordance with Section 4.13 as though such section had been in effect since the date the Notes were originally issued.

SECTION 4.10. Conditions to Separation

The Company shall not permit the Separation to occur, unless:

(i) USX Corporation shall have received a private letter ruling from the IRS that the Separation will qualify as a tax-free transaction within the meaning of Section 355 of the Code,

(ii) the transactions that give effect to the Value Transfer as described in the Offering Circular shall have occurred,

(iii) USX Corporation shall not have amended (x) the definition of U.S. Steel Group in its certificate of incorporation or by-laws or (y) its Management

and Allocation Policies, in either case, in any manner adverse to the holders of the Notes,

(iv) immediately following the Separation and after giving pro forma effect to any subsequent payments to be made as part of the Separation, (x) the Company and its Subsidiaries shall have an aggregate of at least $400 million available in undrawn financings and cash, of which at least $300 million shall be available under facilities with terms extending at least three years after the date such facilities are put in place, and (y) no Default shall have occurred and be continuing, and

(v) any differences between the Separation Documents (x) as executed and delivered and (y) as described in the Offering Circular do not have a material adverse effect on the Holders of the Notes.

SECTION 4.11. Change of Control

Upon the occurrence of a Change of Control, each Holder shall have the right to require that the Company repurchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Within 30 days following any Change of Control, the Company shall mail a notice to each Holder at its registered address with a copy to the Trustee (the "Change of Control Offer") stating:

(i) that a Change of Control has occurred and that such Holder has the right to require us to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive

interest on the relevant interest payment date);

(ii) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalization, in each case after giving effect to such Change of Control);

(iii) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(iv) the instructions, as determined by the Company, consistent with this Section 4.11, that a Holder must follow in order to have its Notes purchased.

The Company shall not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to

a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.11, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached our obligations under this Section 4.11 by virtue of its compliance with such securities laws or regulations.

SECTION 4.12. Limitation on Indebtedness

(a) The Company shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company shall be entitled to Incur Indebtedness if, on the date of such Incurrence and after giving effect thereto on a pro forma basis no Default has occurred and is continuing and, the Consolidated Coverage Ratio exceeds 2.0 to 1.

(b) Notwithstanding the foregoing paragraph (a), the Company and the Restricted Subsidiaries shall be entitled to Incur any or all of the following Indebtedness:

(i) Indebtedness Incurred by the Company, any Financing Entity and any Foreign Restricted Subsidiary pursuant to any Credit Facilities, provided, however, that, immediately after giving effect to any such Incurrence, the aggregate principal amount of all Indebtedness Incurred under this clause (i) and then outstanding does not exceed the greater of (A) $750 million less the sum of all principal payments with respect to such Indebtedness pursuant to Section 4.15(b)(iii)(1) and (B) the sum of (x) 60% of the book value of the inventory of the Company and its Restricted Subsidiaries and (y) 85% of the book value of the accounts receivable of the Company and its Restricted Subsidiaries, provided further, however, that in no event shall the aggregate principal amount of all Indebtedness Incurred under this clause (i) at any time outstanding exceed $1.2 billion;

(ii) Indebtedness owed to and held by the Company or a Wholly Owned Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Wholly Owned Subsidiary ceasing to be a Wholly Owned Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or a Wholly Owned Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon and (B) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes;

(iii) the Notes and the Exchange Notes (other than any Additional Notes) and any other Indebtedness of the Company or any Restricted Subsidiary outstanding on the Issue Date;

(iv) Indebtedness Incurred or outstanding on or before the Separation Date (other than Indebtedness described in clause (i) or any other clause (other than clause (xvii)) of this Section 4.12(b)), to the extent it does not exceed (w) the amount of indebtedness that is Attributed to the U. S. Steel Group on its balance sheet

as of March 31, 2001 less (x) the amount of any Indebtedness described in clause (iii) of this Section 4.12(b) or any Indebtedness described in clause (vi) or (vii) of this Section 4.12(b) that is Incurred by the Company pursuant to the Financial Matters Agreement less (y) $629 million plus (z) $40 million;

(v) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by the Company (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Subsidiary became a Subsidiary or was acquired by the Company); provided, however, that on the date of such acquisition and after giving pro forma effect thereto, the Company would have been able to Incur at least $1.00 of additional Indebtedness pursuant to Section 4.12(a);

(vi) Industrial Revenue Bond Obligations, so long as the aggregate principal amount of all Industrial Revenue Bond Obligations (inclusive of any in respect of which the Company becomes directly or indirectly liable pursuant to the Financial Matters Agreement) does not exceed $600 million;

(vii) Indebtedness to Marathon Oil Corporation Incurred pursuant to the Financial Matters Agreement in respect of Capital Lease Obligations, in an aggregate principal amount not to exceed $92 million;

(viii) Indebtedness to Marathon Oil Corporation Incurred pursuant to the Financial Matters Agreement in respect of Guarantees of USX Corporation, in an aggregate principal amount not to exceed $145 million;

(ix) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to Section 4.12(a) or pursuant to clause (iii), (iv), (v) or (vii) of this Section 4.12(b) or this clause (ix); provided, however, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to clause (v) of this Section 4.12(b), such Refinancing Indebtedness shall be Incurred only by such Subsidiary or by the Company;

(x) Hedging Obligations directly related to Indebtedness permitted to be Incurred by the Company pursuant to the Indenture or to mitigate currency or business risk;

(xi) obligations in respect of performance, bid and surety bonds and completion guarantees provided by the Company or any Restricted Subsidiary in the ordinary course of business;

(xii) Indebtedness arising from overdraft conditions honored by a bank or other financial institution in the ordinary course of business; provided, however, that such Indebtedness is extinguished within two Business Days of its Incurrence;

(xiii) Guarantees by the Company of obligations of any of its joint ventures in an aggregate amount not to exceed $100 million;

(xiv) Subordinated Obligations not to exceed $200 million which (x) are convertible into equity securities of the Company, (y) have a Stated Maturity after the first anniversary of the Stated Maturity of any series of Notes then outstanding and (z) have an Average Life that is greater than the Average Life of any series of Notes then outstanding;

(xv) Attributable Debt related to Sale/Leaseback Transactions in an amount not to exceed $150 million;

(xvi) Purchase Money Indebtedness and Capital Lease Obligations Incurred to acquire property in the ordinary course of business in an aggregate amount not to exceed $75 million in each of the first three years following the Issue Date and $50 million in each of the years thereafter; and

(xvii) Indebtedness of the Company and its Restricted Subsidiaries in an aggregate principal amount which, when taken together with all other Indebtedness of the Company and its Restricted Subsidiaries outstanding on the date of such Incurrence (other than Indebtedness permitted by clauses (i) through (xvi) of this Section 4.12(b) above or Section 4.12(a)) does not exceed $150 million.

(c) Notwithstanding the foregoing, the Company shall not incur any Indebtedness under Section 4.12(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Company unless such Indebtedness shall be subordinated to the Notes or the Guarantee to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with this Section 4.12, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, the Company, in its sole discretion, (1) shall classify such item of Indebtedness at the time of Incurrence and will be entitled to either include the amount and type of such Indebtedness in only one of the above clauses or divide and classify such item of Indebtedness in more than one of the types of Indebtedness described above and (2) will be entitled from time to time to reclassify all or a portion of such item of Indebtedness classified in one of the clauses in Section 4.12(b) into another clause in Section 4.12(b) that it meets the criteria of.

(e) For purposes of determining compliance with any U.S. dollar restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness shall be the U.S. Dollar Equivalent determined on the date of the Incurrence of such Indebtedness, provided, however, that if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to U.S.

dollars covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. dollars shall be as provided in such Currency Agreement. The principal amount of any Refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced shall be the U.S. Dollar Equivalent, as appropriate, of the Indebtedness Refinanced, except to the extent that (i) such U.S. Dollar Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness shall be determined in accordance with the preceding sentence, and (ii) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the U.S. Dollar Equivalent of such excess shall be determined on the date such Refinancing Indebtedness is Incurred.

SECTION 4.13. Limitation on Restricted Payments

(a) The Company shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Company or such Restricted Subsidiary makes such Restricted Payment: (1) a Default shall have occurred and be continuing (or would result therefrom); (2) the Company is not entitled to Incur an additional $1.00 of Indebtedness pursuant to Section 4.12(a); or (3) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would exceed the sum of (without duplication):

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter immediately following the fiscal quarter during which the Issue Date occurs to the end of the most recent fiscal quarter for which financial results are publicly available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus

(B) 100% of the aggregate Net Cash Proceeds received by the Company from the issuance or sale of its Capital Stock (other than Disqualified Stock) subsequent to the Issue Date (other than an issuance or sale to a Subsidiary of the Company and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) and 100% of any cash capital contribution received by the Company from its shareholders subsequent to the Issue Date; plus

(C) the amount by which Indebtedness of the Company (other than Subordinated Obligations) is reduced on the Company's balance sheet (or, prior to the Separation, on the balance sheet of the U.S. Steel Group) upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Issue Date of any Indebtedness of the Company convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the fair value of any other property, distributed by the Company upon such conversion or exchange); plus

(D) an amount equal to the sum of (i) the net reduction in the Investments (other than Permitted Investments) made by the Company or

any Restricted Subsidiary in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by the Company or any Restricted Subsidiary, and (ii) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; provided, however, that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

(b) The preceding provisions shall not prohibit:

(i) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent sale of, or made by exchange for, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) or a substantially concurrent cash capital contribution received by the Company from its shareholders; provided, however, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale or such cash capital contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above;

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness which is permitted to be Incurred under Section 4.12; provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(iii) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this

Section 4.13(b); provided, however, that at the time of payment of such dividend, no other Default shall have occurred and be continuing (or result therefrom); provided further, however, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(iv) so long as no Default has occurred and is continuing, the repurchase or other acquisition of shares of Capital Stock of the Company or any of its Subsidiaries from employees, former employees, directors or former directors of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; provided,

however, that the aggregate amount of such repurchases and other acquisitions (other than any acquisition of shares of common stock of the Company that are used as payment for the exercise price of outstanding options) shall not exceed $5.0 million in any calendar year; provided further, however, that such repurchases and other acquisitions shall be excluded in the calculation of the amount of Restricted Payments;

(v) prior to the Separation Date, dividends, distributions or other payments to USX Corporation to the extent such amounts, after such dividend, distribution or other payment, are still attributed to, or used to reduce Indebtedness attributed to, the U. S. Steel Group in accordance with the Management and Allocation Policies of USX Corporation; provided, however, that such dividends, distributions or other payments shall be excluded in the calculation of the amount of Restricted Payments;

(vi) so long as no Default has occurred and is continuing, the declaration and payment of one or more dividends on Steel Stock or common stock of United States Steel Corporation with respect to the period ending on December 31, 2003 in an aggregate amount not to exceed $50.0 million; provided that such dividends shall be excluded in

the calculation of the amount of Restricted Payments; or

(vii) so long as no Default has occurred and is continuing, any Restricted Payment which, together with all other Restricted Payments made pursuant to this clause (vii) on or after the Issue Date, does not exceed $30 million; provided, however, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments.

(c) For purposes of this Section 4.13, Capital Stock or Indebtedness (including Subordinated Obligations) of the Company shall be deemed to include Capital Stock or Indebtedness (including Subordinated Obligations) of any Person that is Attributed to the U. S. Steel Group (including Steel Stock, but excluding any Preferred Stock or Subordinated Obligations of other Persons outstanding as of the Issue Date) and proceeds of the issuance of any such Capital Stock shall be deemed received by the Company to the extent they are Attributed to the U. S. Steel Group.

SECTION 4.14. Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock to the Company or a Restricted Subsidiary or pay any Indebtedness owed to the Company, (ii) make any loans or advances to the Company or (iii) transfer any of its property or assets to the Company, except:

(A) with respect to clause (i), (ii) and (iii): (1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date; (2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Company) and outstanding on such date; (3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of

clause (A) of this Section 4.14 or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of clause (A) of this Section 4.14 or this clause (3); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such refinancing agreement or amendment are no less favorable to the Noteholders than encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreements; and

(B) with respect to clause (iii) only: (1) any such encumbrance or restriction consisting of customary nonassignment provisions in leases governing leasehold interests to the extent such provisions restrict the transfer of the lease or the property leased thereunder; (2) restrictions contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such restrictions restrict the transfer of the property subject to such security agreements or mortgages; and (3) any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition.

SECTION 4.15. Limitation on Sales of Assets and Subsidiary Stock

(a) The Company shall not, and shall not permit any restricted Subsidiary to, directly or indirectly, sell, transfer or otherwise dispose of (collectively, a "disposition") any Capital Stock of any Person that owns, directly or indirectly, all or a significant portion of the Tubular Business, unless:

(i) the Company or such Restricted Subsidiary receives consideration at the time of such disposition at least equal to the fair market value (including as to the value of all non-cash consideration), as determined in good faith by the Board of Directors, of the Capital Stock subject to such disposition;

(ii) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents; and

(iii) an amount equal to 75% of the Net Available Cash from such disposition is applied by the Company (or such Restricted Subsidiary, as the case may be) to make an offer to the holders of the Notes to purchase Notes pursuant to and subject to the conditions contained in the Indenture within 30 days from the later of the date of such disposition or the receipt of such Net Available Cash; provided, however, that the Company or such Restricted Subsidiary shall permanently retire such Notes.

Pending application of Net Available Cash pursuant to this paragraph (a), such Net Available Cash shall be invested in Temporary Cash Investments or applied to temporarily reduce indebtedness under Credit Facilities.

(b) The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, consummate any other Asset Disposition unless:

(i) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Disposition

at least equal to the fair market value (including as to the value of all non cash consideration), as determined in good faith by the Board of Directors of the Issuer of the shares and assets subject to such Asset Disposition and

(ii) with respect to Asset Dispositions other than Like-Kind Exchanges or Excluded Real Property Sales, at least 75% of the consideration

thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents; and

(iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be): (1) first, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Senior Indebtedness of the Company or Indebtedness (other than any Disqualified Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to the Company or an Affiliate of the Company) within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (2) second, to the extent of the balance of such Net Available Cash after application in accordance with clause (1), to the extent the Company elects, to acquire Additional Assets within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; and (3) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (1) and (2), to make an offer to the holders of the Notes (and to holders of other Senior Indebtedness of the Company designated by the Company to purchase Notes (and such other Senior Indebtedness of the Company) pursuant to and subject to the conditions contained in the Indenture;

provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (1) or (3) above, the Company or such Restricted Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased.

Notwithstanding the foregoing provisions of Section 4.15(b), the Company and the Restricted Subsidiaries shall not be required to apply any Net Available Cash in accordance with Section 4.15(b) except to the extent that the aggregate Net Available Cash from all Asset Dispositions which are not applied in accordance with Section 4.15(b) exceeds $25 million.

Pending application of Net Available Cash pursuant to Section 4.15(b), such Net Available Cash shall be invested in Temporary Cash Investments or applied to temporarily reduce indebtedness under Credit Facilities.

(c) For the purposes of Sections 4.15(a) and (b), the following are deemed to be cash or cash equivalents: (A) the assumption of Senior Indebtedness of the Company, or Indebtedness of any Restricted Subsidiary, and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition; (B) securities received by the Company or any Restricted Subsidiary from the transferee that are promptly converted by the Company or such Restricted Subsidiary into cash; and (C) any reduction of Indebtedness Attributed to the U. S. Steel Group in connection with such Asset Disposition.

(d) In the event of an Asset Disposition that requires the purchase of Notes (and other Senior Indebtedness) pursuant to Section (a)(iii) or (b)(iii)(3) above, the Company shall purchase Notes tendered pursuant to an offer by the Company for the Notes (and such other Senior Indebtedness) at a purchase price of 100% of their principal amount (or, in the event such other Senior Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), without premium, plus accrued but unpaid interest (or, in respect of such other Senior Indebtedness, such lesser price, if any, as may be provided for by the terms of such Senior Indebtedness) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. If the aggregate purchase price of the securities tendered exceeds the Net Available Cash allotted to their purchase, the Company shall select the securities to be purchased on a pro rata basis but in round denominations, which in the case of the Notes will be denominations of $1,000 principal amount or multiples thereof. The Company shall not be required to make such an offer to purchase Notes (and other Senior Indebtedness) pursuant to Section 4.15(b) if the Net Available Cash available therefor is less than $25 million (which lesser amount shall be carried forward for purposes of determining whether such an offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(e) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section 4.15. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.15, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this clause by virtue of its compliance with such securities laws or regulations.

SECTION 4.16. Limitation on Affiliate Transactions

(a) The Company shall not, and shall not permit any Restricted Subsidiary to, enter into, permit to exist, renew or extend any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Company (an "Affiliate Transaction") unless:

(i) the terms of the Affiliate Transaction are no less favorable to the Company or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm's-length dealings with a Person who is not an Affiliate;

(ii) if such Affiliate Transaction involves an amount in excess of $10 million, the terms of the Affiliate Transaction are set forth in writing and a majority of the non-employee Directors of the Company disinterested with respect to such Affiliate Transactions have determined in good faith that the criteria set forth in clause (i) are satisfied and have approved the relevant Affiliate Transaction as evidenced by a Board resolution; and

(iii) if such Affiliate Transaction involves an amount in excess of $25 million, the Board of Directors shall also have received a written opinion from an Independent Qualified Party to the effect that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or not less favorable to the Company and its Restricted Subsidiaries than could reasonably be expected to be obtained at the time in an arm's-length transaction with a Person who was not an Affiliate.

(b) The provisions of the preceding paragraph (a) shall not prohibit:

(i) any Investment (other than a Permitted Investment) or other Restricted Payment, in each case permitted to be made under Section 4.13;

(ii) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors;

(iii) loans or advances to employees in the ordinary course of business in accordance with the past practices of the Company or its Restricted Subsidiaries, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time;

(iv) the payment of reasonable fees to Directors of the Company and its Restricted Subsidiaries who are not employees of the Company or its Restricted Subsidiaries;

(v) any transaction with a Restricted Subsidiary or joint venture or similar entity which would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns an equity interest in

or otherwise controls such Restricted Subsidiary, joint venture or similar entity;

(vi) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Company;

(vii) any transaction in connection with Separation, as described in the Offering Circular; and

(viii) any transaction pursuant to any contract or agreement in effect on the Issue Date, in each case as amended, modified or replaced from time to time so long as the amended, modified or new agreement, taken as a whole, is no less favorable to the Company and its Restricted Subsidiaries than that in effect on the Issue Date.

SECTION 4.17. Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries

The Company (i) shall not, and shall not permit any Restricted Subsidiary to, sell, transfer or otherwise dispose of any Capital Stock of any other Restricted Subsidiary to any Person (other than the Company or a Wholly Owned Subsidiary); and (ii) shall not permit any Restricted Subsidiary to issue any of its Capital Stock (other than, if necessary, shares of its Capital Stock constituting directors' or other legally required qualifying shares) to any Person (other than to the Company or a Wholly Owned Subsidiary); unless (a) Company complies with Section 4.15 with respect to any such sale, transfer or other disposition; and (b) immediately after giving effect to such issuance, sale, transfer or other disposition, (x) such Restricted Subsidiary remains a Restricted Subsidiary or (y) such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto is treated as a new Investment by the Company and such Investment would be permitted to be made under Section 4.13 if made on the date of such issuance, sale, transfer or other disposition.

SECTION 4.18. Limitation on Liens

The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien (the "Initial Lien") of any nature whatsoever on any of its properties (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, securing any Indebtedness, other than Permitted Liens, without effectively providing that the Notes shall be secured equally and ratably with (or prior to) the obligations so secured for so long as such obligations are so secured.

Any Lien created for the benefit of the Holders of the Notes pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

SECTION 4.19. Limitation on Sale/Leaseback Transactions

The Company shall not, and shall not permit any Restricted Subsidiary to, enter into, Guarantee or otherwise become liable with respect to any Sale/Leaseback Transaction with respect to any property unless: (i) the Company or such Restricted Subsidiary would be entitled to (A) Incur Indebtedness in an amount equal to the Attributable Debt with respect to such Sale/Leaseback Transaction under Section 4.12 and (B) create a Lien on such property securing such Attributable Debt without equally and ratably securing the Notes under Section 4.18; (ii) the net proceeds received by the Company or any Restricted Subsidiary in connection with such Sale/Leaseback Transaction are at least equal to the fair value (as determined by the Board of Directors) of such property; and (iii) the Company applies the proceeds of such transaction to the extent required by Section 4.15.

SECTION 4.20. Certain Covenants of USS Financing

USS Financing shall not (a) own any assets other than nominal equity capital, (b) incur any Indebtedness other than the Notes, (c) engage in any business other than the co-issuance of the Notes or (d) consolidate with or merge into any Person other than United States Steel Corporation.

SECTION 4.21. Further Instruments and Acts

Upon reasonable request of the Trustee, the Issuers shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

ARTICLE V

SUCCESSOR COMPANY AND SUCCESSOR GUARANTOR

SECTION 5.1. When Company May Merge or Transfer Assets

The Company shall not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Company") shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company under the Notes or the Guarantee thereof, as the case may be, and this Indenture;

(ii) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving pro forma effect to such transaction, the Successor Company would be able to Incur an additional $1.00 of Indebtedness under Section 4.12(a);

(iv) immediately after giving pro forma effect to such transaction, the Successor Company shall have Consolidated Net Worth in an amount that is not less than the Consolidated Net Worth of the Company immediately prior to such transaction;

(v) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture; and

(vi) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such transaction and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred;

provided, however, that clauses (iii) and (iv) will not be applicable to (A) a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Company or (B) the Company merging with an Affiliate of the Company solely for the purpose and with the sole effect of reincorporating the Company in another jurisdiction.

The Successor Company shall be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture, and the Company, except in the case of a lease, shall be released from the obligation to pay the principal of and interest on the Notes.

SECTION 5.2. When Guarantor May Merge or Transfer Assets

So long as the Guarantee in Article X is in effect, the Guarantor shall not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Guarantor") shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Guarantor (if not the Guarantor) shall expressly assume, by an indenture supplemental thereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor

under the Notes and the Indenture;

(ii) immediately after such transaction, no Default shall have occurred and be continuing;

(iii) immediately after giving pro forma effect to such transaction, the Successor Guarantor shall have Consolidated Net Worth in an amount that

is not less than the Consolidated Net Worth of the Guarantor immediately prior to such transaction;

(iv) the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indentures; and

(v) the Guarantor shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such transaction and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred;

provided, however, that clause (iii) will not be applicable to (A) a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Guarantor or (B) the Guarantor merging with an Affiliate of the Guarantor solely for the purpose and with the sole effect of reincorporating the Guarantor in another jurisdiction.

The Successor Guarantor will be the successor to the Guarantor and shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under the Indenture, and the predecessor Guarantor, except in the case of a lease, shall be released from its obligations under the Guarantee of the Notes.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.1. Events of Default

An "Event of Default" occurs if:

(i) the Company defaults in any payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(ii) the Company defaults in the payment of the principal of any Note when the same becomes due and payable at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(iii) the Company fails to comply with its obligations under Article V;

(iv) the Company fails to comply with Section 4.4, any of Sections 4.9 through 4.19 (other than a failure to repurchase Notes when required pursuant to Section 4.11 or 4.15, which failure shall constitute an Event of Default under Section 6.1(ii)) and such failure continues for 30 days after the notice specified below;

(v) the Company or the Guarantor fails to comply with any of its agreements in the Notes, the Guarantee or this Indenture (other than those referred to

in (i), (ii), (iii) or (iv) above) and such failure continues for 60 days after the notice specified below;

(vi) the Company or any Significant Subsidiary of the Company fails to pay any Indebtedness within any applicable grace period provided in such Indebtedness after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default if the total amount of such Indebtedness unpaid or accelerated exceeds $50 million or its foreign currency equivalent at the time;

(vii) the Company, the Guarantor or a Significant Subsidiary of the Company pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case;

(B) consents to the entry of an order for relief against it in an involuntary case in which it is the debtor;

(C) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(D) makes a general assignment for the benefit of its creditors;

or takes any comparable action under any foreign laws relating to insolvency;

(viii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company, the Guarantor or any Significant Subsidiary of the Company in an involuntary case;

(B) appoints a Custodian of the Company, the Guarantor or any Significant Subsidiary or for any substantial part of its property of the Company, the Guarantor or any Significant Subsidiary; or

(C) orders the winding up or liquidation of the Company, the Guarantor or any Significant Subsidiary of the Company;

(or any similar relief is granted under any foreign laws) and the order, decree or relief remains unstayed and in effect for 90 days;

(ix) any judgment or decree for the payment of money in excess of $50 million is rendered against the Company or any Significant Subsidiary of the Company, remains outstanding for a period of 60 days following such judgment and is not discharged, waived or stayed within 10 days after notice; or

(x) prior to the Separation, the Guarantee with respect to the Notes shall cease for any reason to be in full force and effect (other than in accordance with its terms) or the Guarantor (or its successors or assigns) or any Person acting on behalf of the Guarantor (or its successors or assigns) shall deny or disaffirm its obligations under the Guarantee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (iv) and (v) of this Section 6.1 is not an Event of Default until the Trustee by notice to the Issuers or the Holders of at least 25% in aggregate principal amount of the outstanding Notes by notice to the Company give notice of the Default and the Company does not cure such Default within the time specified in said clause (iv) and (v) after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Issuers shall deliver to the Trustee, within 30 days after its knowledge of the occurrence thereof, written notice in the form of an Officers' Certificate of any Event of Default under clause (vi) or (x) of this Section 6.1 and any event which with the giving of notice or the lapse of time would become an Event of Default under clause (iv), (v) or (ix) of this Section 6.1 and what action the Issuers is taking or proposes to take with respect thereto.

SECTION 6.2. Acceleration

If an Event of Default (other than an Event of Default specified in Section 6.1(vii) or (viii) with respect to the Issuers) occurs and is continuing, the Trustee by notice to the Issuers, or the Holders of at least 25% in aggregate principal amount at maturity of the outstanding Notes by notice to the Issuers, may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default specified in Section 6.1(vii) or (viii) with respect to the Issuers occurs and is continuing, the principal of and accrued interest on all the Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. The Holders of a majority in aggregate principal amount at maturity of the outstanding Notes by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has

become due solely because of acceleration and the Trustee has been paid all amounts then due to it pursuant to Section 7.7. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.3. Other Remedies

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No

remedy is exclusive of any other remedy. All available remedies are, to the extent permitted by law, cumulative.

SECTION 6.4. Waiver of Past Defaults

The Holders of a majority in aggregate principal amount at maturity of the Notes then outstanding by notice to the Trustee may waive any past or existing Default and its consequences except (i) a Default in the payment of the principal of or interest on a Note or (ii) a Default in respect of a provision that under Section 9.2 cannot be amended without the consent of each Noteholder affected. When a Default is waived, it is deemed cured, and any Event of Default arising therefrom shall be deemed to have been cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.5. Control by Majority

Upon provision of reasonable indemnity to the Trustee satisfactory to the Trustee, the Holders of a majority in aggregate principal amount of the Notes then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee, which may conclusively rely on opinions of counsel, may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.1, that the Trustee determines is unduly prejudicial to the rights of other Noteholders or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

SECTION 6.6. Limitation on Suits

A Holder may not pursue any remedy with respect to this Indenture or the Notes unless:

(i) the Holder gives to the Trustee previous written notice stating that an Event of Default is continuing;

(ii) the Holders of at least 25% in aggregate principal amount at maturity of the Notes then outstanding make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer to the Trustee reasonable security or indemnity satisfactory to it against any loss, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(v) the Holders of a majority in aggregate principal amount of the Notes then outstanding do not give the Trustee a direction inconsistent with such request within such 60-day period.

A Noteholder may not use this Indenture to prejudice the rights of another Noteholder or to obtain a preference or priority over another Noteholder.

SECTION 6.7. Rights of Holders to Receive Payment

Notwithstanding any other provision of this Indenture, the right of

any Holder to receive payment of the principal of and interest on the Notes held by such Holder, on or after the respective due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.8. Collection Suit by Trustee

If an Event of Default specified in Section 6.1(i) or (ii) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against any Issuer or the Guarantor for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.7.

SECTION 6.9. Trustee May File Proofs of Claim

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Noteholders allowed in any judicial proceedings relative to any Issuer, the Guarantor, its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other securities or property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts then due the Trustee under Section 7.7.

SECTION 6.10. Priorities

If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts then due under Section 7.7;

SECOND:to Noteholders for amounts due and unpaid on the Notes for the principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for the principal and interest, respectively; and

THIRD: to the Issuers or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section 6.10. At least 15 days before such record date, the Issuers shall mail to each Noteholder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the

costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee or a suit by a Holder pursuant to Section 6.7.

SECTION 6.12. Waiver of Stay or Extension Laws

The Issuers (to the extent it may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuers (to the extent that it may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

Trustee

SECTION 7.1. Duties of Trustee

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the TIA and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 7.1;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.5.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.1.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.1 and to the provisions of the TIA.

SECTION 7.2. Rights of Trustee

(a) The Trustee may conclusively rely upon, and shall be fully protected from acting or refraining from acting, on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may request an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it

hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be charged with knowledge of any Default or Event of Default with respect to the Notes unless either (1) a Trust Officer shall have actual knowledge of such Default or Event of Default or (2) written notice of such Default or Event of Default making reference to this Indenture and to the Notes shall have been given to the Trustee by the Issuer or by any Holder of the Notes.

(h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(i) The Trustee may require any Paying Agent(s) to pay to it all sums held by such Agent upon the occurrences of an Event of Default.

SECTION 7.3. Individual Rights of Trustee

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuers or their respective Affiliates with the same rights it would have if it were not Trustee.

Any Paying Agent, Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.4. Money Held in Trust

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 7.5. Trustee's Disclaimer

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes. It shall not be accountable for the Issuers' use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuers in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

SECTION 7.6. Notice of Defaults

If a Default or an Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee must mail to each Noteholder notice of the Default within 90 days after it occurs. Except in the case of a Default in payment of principal of, premium (if any) or interest on any Note, the Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is not opposed to the interests of Noteholders.

SECTION 7.7. Reports by Trustee to Holders

As promptly as practicable after each May 15 beginning with May 15 following the date of this Indenture, the Trustee shall mail to each Noteholder a brief report dated as of such May 15 that complies with TIA Section 313(a). The Trustee also shall comply with TIA Section 313(b). The Trustee shall promptly deliver to the Issuer a copy of any report it delivers to Holders pursuant to this Section 7.6.

A copy of each report at the time of its mailing to Noteholders shall be filed by the Trustee with the SEC and each stock exchange (if any) on which the Notes are listed. The Issuers agree to notify promptly the Trustee whenever the Notes become listed on any stock exchange and of any delisting thereof.

SECTION 7.8. Compensation and Indemnity

The Issuers shall pay to the Trustee from time to time such compensation for its services as the Issuers and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuers shall reimburse the Trustee upon request for all reasonable and documented fees and expenses, including out-of-pocket expenses, incurred or made by it in connection with the performance of its duties hereunder, including costs of collection, in addition to such compensation for its services, except any such expense, disbursement or advance as may arise from its negligence, willful misconduct or bad faith, unless the Trustee shall have complied with the applicable standard of care required by the TIA. Such expenses shall include the reasonable compensation and documented out-of-pocket expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Trustee shall provide the Issuers reasonable notice of any expenditure not in the ordinary course of business; provided that prior approval by the Issuers of any such expenditure shall not be a requirement for the making of such expenditure nor for reimbursement by the Issuers thereof. The Issuers shall jointly and severally indemnify each of the Trustee and any predecessor Trustees against any and all loss, damage, claim, liability or expense and tax (including reasonable and documented attorneys' fees and out-of-pocket expenses) (other than taxes applicable to the Trustee's compensation hereunder) incurred by it in connection with the acceptance or administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Issuers promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuers shall not relieve the Issuers of their obligations hereunder. The Issuers shall defend the claim and the Trustee may have separate counsel, and the Issuers will pay the reasonable fees and expenses of such counsel. The Issuers need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith, unless the Trustee shall have complied with the applicable standard of care required by the TIA.

To secure the Issuers' payment obligations in this Section 7.7, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes.

When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.1(vii) or (viii) with respect to the Issuers, the expenses are intended to constitute expenses of administration under the Bankruptcy Law, provided, however, that this shall not affect the Trustee's rights as set forth in the preceding paragraph or Section 6.10. The terms of

this Section 7.8 shall survive the termination of this Indenture and the removal or resignation of the Trustee.

SECTION 7.9. Replacement of Trustee

The Trustee may resign at any time with 30 days notice to the Issuers. The Holders of a majority in principal amount of the Notes then outstanding, may remove the Trustee with 30 days notice to the Trustee and the Issuers and may appoint a successor Trustee. So long as no Default or Event of Default shall have occurred and been outstanding within the previous 12 month period, the Issuers may remove the Trustee at any time by appointing a successor Trustee that complies with Section 7.10.

If the Trustee resigns, is removed by the Issuers or by the Holders of a majority in principal amount of the Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuers shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Noteholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7.

If a successor Trustee does not take office and deliver the written notice contemplated by this Section 7.9 within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in

principal amount of the Notes may, at the expense of the Issuers petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Noteholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

SECTION 7.10. Successor Trustee by Merger

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, provided that such corporation shall be eligible under this Article VII and TIA Section 3.10(a).

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full

force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.11. Eligibility; Disqualification

The Trustee shall at all times satisfy the requirements of TIA Section 310(a). The Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA Section 310(b); provided, however, that there shall be excluded from the operation of TIA Section 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuers are outstanding if the requirements for such exclusion set forth in TIA Section 310(b)(1) are met.

SECTION 7.12. Preferential Collection of Claims Against Issuers

The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated.

ARTICLE VIII

Discharge of Indenture; Defeasance

SECTION 8.1. Discharge of Liability on Notes; Defeasance

(a) When (i) the Issuers deliver to the Trustee all outstanding Notes (other than Notes replaced pursuant to Section 2.7) for cancellation or (ii) all outstanding Notes have become due and payable, whether at maturity or as a result of the mailing of a notice of redemption pursuant to Article III hereof or the Notes will become due and payable at their Stated Maturity within 91 days, or the Notes are to be called for redemption within 91 days under arrangements satisfying the terms of this Indenture, and, in each case of this clause (ii), the Issuers irrevocably deposit or cause to be deposited with the Trustee funds sufficient to pay at maturity or upon redemption all outstanding Notes, including interest thereon to maturity or such redemption date (other than Notes replaced pursuant to Section 2.7), and if in either case the Issuers pay all other sums payable hereunder by the Issuers, then this Indenture shall, subject to Section 8.1(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Issuers accompanied by an Officers' Certificate and an Opinion of Counsel from the Issuers that all conditions precedent provided herein for relating to satisfaction and discharge of this Indenture have been complied with and at the cost and expense of the Issuers.

(b) Subject to Sections 8.1(c) and 8.2, the Issuers at any time may terminate (i) all of their obligations (and the obligations of the Guarantor in respect of the Guarantee with respect to the Notes) under the Notes and this Indenture ("legal defeasance option") or (ii) their obligations under Sections 4.2 through 4.19 and the operation of Sections 5.1(iii), 6.1(vi), 6.1(vii) (but only with respect to a Significant Subsidiary), 6.1(viii) (but only with respect to a Significant Subsidiary) and 6.1(ix) ("covenant defeasance option"). The Issuers may exercise their legal defeasance option notwithstanding its prior

exercise of its covenant defeasance option.

If the Issuers exercise their legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default. If the Issuers exercise its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in Section 6.1(iv), 6.1(vi), 6.1(vii) (but only with respect to a Significant Subsidiary), 6.1(viii) (but only with respect to a Significant Subsidiary), 6.1(ix) or because of the failure of the Issuers to comply with Section 5.1(iii).

Upon satisfaction of the conditions set forth herein and upon request of the Issuers, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuers terminate.

(c) Notwithstanding clauses (a) and (b) above, the Issuers' obligations in Sections 2.3, 2.4, 2.5, 2.7, 4.1, Sections 4.2 through 4.19, 7.7, 7.8, 8.4, 8.5 and 8.6 (and the obligations of the Guarantor in respect of the Guarantee with respect to the Notes) shall survive until the Notes have been paid in full. Thereafter, the Issuers' obligations in Sections 7.7, 8.4 and 8.5 shall survive.

SECTION 8.2. Conditions to Defeasance

The Issuers may exercise the legal defeasance option or the covenant defeasance option only if:

(i) the Issuers irrevocably deposit or cause to be deposited in trust with the Trustee money or U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all outstanding Notes (except Notes replaced pursuant to Section 2.7) to maturity or redemption, as the case may be;

(ii) the Issuers deliver to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all outstanding Notes (except Notes replaced pursuant to Section 2.7) to maturity or redemption, as the case may be;

(iii) 123 days pass after the deposit is made and during the 123-day period no Default specified in Section 6.1(7) or (8) with respect to the Issuers occurs which is continuing at the end of the period;

(iv) the deposit does not constitute a default under any other material agreement binding on the Issuers;

(v) the Issuers deliver to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(vi) in the case of the legal defeasance option, the Issuers shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Issuers have received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Noteholders will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(vii) in the case of the covenant defeasance option, the Issuers shall have delivered to the Trustee an Opinion of Counsel to the effect that the Noteholders will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and covenant defeasance had not occurred; and

(viii) the Issuers deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes as contemplated by this Article VIII have been complied with.

Before or after a deposit, the Issuers may make arrangements satisfactory to the Trustee for the redemption of Notes at a future date in accordance with Article III.

SECTION 8.3. Application of Trust Money

The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited money and the money from U.S. Government Obligations either directly or through the Paying Agent as the Trustee may determine and in accordance with this Indenture to the payment of principal of and interest on the Notes.

SECTION 8.4. Repayment to Issuers

The Trustee and the Paying Agent shall promptly turn over to the Issuers upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuers upon written request any money held by them for the payment of principal or interest that remains unclaimed for one year after such principal and interest have become due and payable, and, thereafter, Noteholders entitled to the money must look to the Issuers for payment as general creditors.

SECTION 8.5. Indemnity for Government Obligations

The Issuers and the Guarantor shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations other than any such tax, fee or other charge which by law is for the account of the Holders of the defeased Notes; provided that the Trustee shall be entitled to charge any such tax, fee or other charge to such Holder's account.

SECTION 8.6. Reinstatement

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuers' and the Guarantor's obligations under this Indenture, the Notes and the Guarantee with respect to the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article VIII; provided, however, that, (a) if the Issuers or the Guarantor have made any payment of interest on or principal of any Notes following the reinstatement of their obligations, the Issuers or the Guarantor shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent and (b) unless otherwise required by any legal proceeding or any order or judgment of any court or governmental authority, the Trustee or Paying Agent shall return all such money and U.S. Government Obligations to the Issuers or the Guarantor promptly after receiving a written request therefor at any time, if such reinstatement of the Issuers' and the Guarantor's obligations has occurred and continues to be in effect.

ARTICLE IX

AMENDMENTS

SECTION 9.1. Without Consent of Holders

The Issuers, the Guarantor and the Trustee may amend this Indenture, the Notes or the Guarantee with respect to the Notes without notice to or consent of any Noteholder:

(i) to cure any ambiguity, omission, defect or inconsistency;

(ii) to comply with Article V;

(iii) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided, however, that the uncertificated

Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Notes are as described in Section 163(f)(2)(B) of the Code);

(iv) to add Guarantees with respect to the Notes;

(v) to secure the Notes;

(vi) to add to the covenants of the Issuers for the benefit of the Noteholders or to surrender any right or power herein conferred upon the Issuers;

(vii) to make any change that does not materially and adversely affect the rights of any Noteholder; and

(viii) to comply with any requirements of the SEC in connection with qualifying this Indenture under the TIA.

After an amendment under this Section 9.1 becomes effective, the Issuers shall mail to Noteholders a notice briefly describing such amendment. The failure to give such notice to all Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.

SECTION 9.2. With Consent of Holders

The Issuers, the Guarantor and the Trustee may amend this Indenture, the Notes or the Guarantee with respect to the Notes without notice to any Noteholder but with the written consent of the Holders of at least a majority in principal amount at maturity of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange for Notes). However, without the consent of each Noteholder of an outstanding Note affected, an amendment may not:

(i) reduce the amount of Notes whose Holders must consent to an amendment;

(ii) reduce the rate of or extend the time for payment of interest on any Note;

(iii) reduce the principal of or extend the Stated Maturity of any Note;

(iv) reduce the amount payable upon the redemption of any Note or change the time at which any Note may be redeemed in accordance with Article III;

(v) make any Note payable in currency other than that stated in the Note;

(vi) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(vii) make any change in this second sentence of Section 9.2;

(viii) make any change in the ranking or priority of the Notes that would adversely affect the Noteholders; and

(ix) make any change in the Guarantee that would adversely affect the Holders.

It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section 9.2 becomes effective, the Issuers shall mail to Noteholders a notice briefly describing such amendment. The failure to give such notice

to all Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.2.

SECTION 9.3. Compliance with Trust Indenture Act

Every amendment to this Indenture or the Notes shall comply with the TIA as then in effect.

SECTION 9.4. Revocation and Effect of Consents and Waivers

A consent to an amendment or a waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. After an amendment or waiver becomes effective, it shall bind every Noteholder.

The Issuers may, but shall not be obligated to, fix a record date for the purpose of determining the Noteholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Noteholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.5. Notation on or Exchange of Notes

If an amendment changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuers or the Trustee so determine, the Issuers in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment.

SECTION 9.6. Trustee to Sign Amendments

The Trustee shall sign any amendment authorized pursuant to this Article IX if the amendment does not materially and adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.1) shall be fully protected in relying upon, in addition to the documents required by Section 11.4, an Officers' Certificate and an Opinion of Counsel stating that such amendment complies with the provisions of this Article IX; provided, however, that Holders who do not consent, waive or agree to amend this Indenture in the time frame set forth in such solicitation documents shall not be entitled to any consideration offered for timely consent, waiver or amendment, even if the consent, waiver or amendment is agreed to by sufficient Holders to approve such consent, waiver or amendment to this Indenture.

SECTION 9.7. Payment for Consent

Neither the Issuers, the Guarantor nor any affiliate of any Issuer shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or

otherwise, to any Holder for, or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

ARTICLE X

Guarantee

SECTION 10.1. Guarantee

Subject to the next paragraph, until the Separation Date, the Guarantor shall fully and unconditionally guarantee, on a senior unsecured basis, to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the Obligations of the Issuers under this Indenture or the Notes, that: (i) the principal of, premium, if any, and interest, if any, on the Notes will be paid in full when due, whether at the maturity or interest payment or redemption date, by acceleration, call for redemption, offer to purchase or otherwise, and interest on the overdue principal of, premium, and interest, if any, on the Notes and all other Obligations of the Issuers to the Holders or the Trustee under this Indenture or the Notes will be promptly paid in full or performed, all in accordance with the terms of this Indenture and the Notes; (ii) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, they will be paid in full when due or performed in accordance with the terms of the extension or renewal, whether at maturity, by acceleration or otherwise; and (iii) any and

all costs and expenses (including reasonable and documented attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under the Guarantee with respect to the Notes will be paid. Failing payment when due of any amount so guaranteed for whatever reason, the Guarantor will be obligated (subject to any grace periods allowed pursuant to Section 6.1 hereof) to pay the same whether or not such failure to pay has become an Event of Default which could cause acceleration pursuant to Section 6.2 hereof. An Event of Default under this Indenture or the Notes shall constitute an event of default under the Guarantee of the Notes, and shall entitle the Holders of Notes to accelerate the Obligations of the Guarantor hereunder in the same manner and to the same extent as the Obligations of the Issuers. The Guarantor agrees that its Obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuers, any action to enforce the same or any other circumstance (other than payment) that might otherwise constitute a legal or equitable discharge or defense of the Guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of either or both of the Issuers, protest, notice and all demands whatsoever and covenants that its Guarantee with respect to the Notes will not be discharged except by complete performance of its Obligations under the Notes and this Indenture. Notwithstanding the provisions of Section 10.2, if any Holder or the Trustee is required by any court or otherwise to return to any Issuer, the Guarantor or any custodian, trustee, liquidator or other similar official acting in relation to either any Issuer or the Guarantor any amount paid by any such entity to the Trustee or such Holder, this Guarantee of the Notes, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holder in respect of any Obligations guaranteed hereby until payment in full of all

Obligations guaranteed hereby. The Guarantor agrees that, as between it, on the one hand, and the Holders of Notes and the Trustee, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby, and (y) in the event of any acceleration of such Obligations as provided in Article 6 hereof, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of such Guarantee of the Notes.

If the Separation Date does not occur on or before December 31, 2002 or if the Board of Directors determines not to proceed with the Separation, the Guarantee of the Notes by the Guarantor shall stay in effect until the Notes have been paid in full.

Each Holder of a Note by its acceptance thereof agrees to and shall be bound by the provisions of this Section 10.1.

SECTION 10.2. Release of Guarantor

Upon the occurrence of the earlier of (i) the Separation Date (if the Separation Date occurs on or prior to December 31, 2002) or (ii) the payment in full of all of the Issuers' Obligations under the Notes and this Indenture (other than with respect to any indemnification obligations), the Guarantor shall be released from and relieved of its Obligations with respect to the Notes under this Article X.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Trust Indenture Act Controls

If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the provision required by the TIA shall control.

SECTION 11.2. Notices

Any notice or communication shall be in writing and be effective upon receipt or refusal of delivery at the following addresses:

if to any Issuer:

United States Steel LLC
600 Grand Street
Pittsburgh, PA 15219-4776

Attention: Vice President - Finance and Accounting
Facsimile: 412-433-1131

if to the Trustee:

The Bank of New York
101 Barclay Street
Floor 21 West
New York, New York 10286

Attention: Corporate Trust Trustee Administration
Facsimile: (212) 815-5915 or (212) 815-5917

The Issuers or the Trustee by notice to the others may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Noteholder shall be mailed to the Noteholder at the Noteholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 11.3. Communication by Holders with Other Holders

Noteholders may communicate pursuant to TIA Section 312(b) with other Noteholders with respect to their rights under this Indenture or the Notes. The Issuers, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 11.4. Certificate and Opinion as to Conditions Precedent

Upon any request or application by the Issuers to the Trustee to take or refrain from taking any action under this Indenture, the Issuers shall furnish to the Trustee:

(i) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signer, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 11.5. Statements Required in Certificate or Opinion

Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(i) a statement that the individual making such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 11.6. When Notes Disregarded

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuers or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuers shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver

or consent, only Notes which a Trust Officer of the Trustee knows are so owned shall be so disregarded. Also, subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

SECTION 11.7. Rules by Trustee, Paying Agent and Registrar

The Trustee may make reasonable rules for action by or at a meeting of Noteholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 11.8. Legal Holidays

A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 11.9. GOVERNING LAW. THIS INDENTURE, THE NOTES AND THE GUARANTEE OF THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 11.10. No Recourse Against Others

No director, officer, employee, member, incorporator or stockholder of any Issuer or the Guarantor, as such, shall have any liability for any obligations of any Issuer or the Guarantor under the Notes, this Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. This waiver and release are part of the consideration for issuance of the Notes.

SECTION 11.11. Successors

All agreements of the Issuers and the Guarantor in this Indenture and the Notes shall bind their successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 11.12. Multiple Originals

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 11.13. Qualification of Indenture

The Issuers shall qualify this Indenture under the TIA in accordance with the terms and conditions of the Registration Rights Agreement and shall pay all reasonable costs and expenses (including attorneys' fees for the Issuers, the Trustee and the Holders) incurred in connection therewith, including, but not limited to, costs and expenses of qualification of this Indenture and the Notes. The Trustee shall be entitled to receive from the Issuers any such Officers' Certificates, Opinions of Counsel or other documentation as it may reasonably request in connection with any such qualification of this Indenture under the TIA.

SECTION 11.14. Table of Contents; Cross-Reference Sheet; Headings

The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 11.15. Severability

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly

executed as of the date first written above.

Issuers:

UNITED STATES STEEL LLC

By: /s/ Gretchen R. Haggerty

Name: Gretchen R. Haggerty
Title: Vice President - Accounting & Finance

UNITED STATES STEEL FINANCING CORP.

By: /s/ R. M. Stanton

Name: R. M. Stanton
Title: President

Guarantor:

USX CORPORATION

By: /s/ M. J. Hatcher

Name: M. J. Hatcher
Title: Assistant Treasurer - Corporate Finance

Trustee:

THE BANK OF NEW YORK

By: /s/ Terence Rawlins

Name: Terence Rawlins
Title: Vice President

EXHIBIT A

(Face of Note)

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]
[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

UNITED STATES STEEL LLC

and

UNITED STATES STEEL FINANCING CORP.

No. ____ Principal Amount $ _____

CUSIP NO. _____

10 3/4% Senior Notes due August 1, 2008

United States Steel LLC, a Delaware limited liability company, and United States Steel Financing Corp., a Delaware corporation, promise to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars on August 1, 2008.

Interest Payment Dates: February 1 and August 1.

Record Dates: January 15 and July 15.

Additional provisions of this Note are set forth on the other side of this Note.

Dated: UNITED STATES STEEL LLC

By:

Name:
Title:

UNITED STATES STEEL FINANCING CORP.

By:

Name:
Title:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

This is one of the Notes
referred to in the Indenture.

THE BANK OF NEW YORK
as Trustee

By:

Authorized Signatory

(Reverse of Note)

10 3/4% Senior Notes due August 1, 2008

1. Interest

United States Steel LLC, a Delaware limited liability company (the "Company"), and United States Steel Financing Corp., a Delaware corporation ("USS Financing", and together with the Company, the "Issuers"), promise to pay interest on the principal amount of this Note at the rate per annum shown above; provided, however, that if a Registration Default (as defined in the Registration Rights Agreement) occurs, additional cash interest will accrue on this Note at a rate of 0.25% per annum for the first 90-day period immediately following the occurrence of the Registration Default, and such rate shall increase by an additional 0.25% per annum until all Registration Defaults have been cured, calculated on the principal of this Note as of the date on which such interest is payable; provided, however, that in no event shall the aggregate amount of such additional interest exceed 1.0% per annum. Such interest is payable in addition to any other interest payable from time to time with respect to this Note. The Trustee will not be deemed to have notice of a Registration Default until it shall have received actual notice of such Registration Default from the Issuers.

The Issuers shall pay accrued interest semi-annually on each February 1 and August 1 commencing February 1, 2002 or if any such day is not a Business Day (as defined in the Indenture referred to below), on the next Business Day. The Issuers shall pay interest on overdue principal at 1% per annum in excess of the rate borne by the Notes to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

By at least 11:00 a.m. prevailing Eastern (U.S.) time on the date on which any principal of or interest on any Note is due and payable, the Issuers shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or interest. The Issuers will pay interest (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on January 15 or July 15 next preceding the interest payment date even if Notes are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Issuers will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts by wire transfer of immediately available funds to the U.S. dollar accounts with a bank in the United States specified by the Holder hereof or, if no such account is specified, by mailing a check to the Holder's registered address.

3. Paying Agent and Registrar

Initially, the Company will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice to any Noteholder. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent.

4. Indenture

The Issuers issued the Notes under an Indenture dated as of July 27, 2001 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Issuers, USX Corporation, a Delaware corporation (the "Guarantor") and The Bank of New York, a New York banking corporation ("the Trustee"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Noteholders are referred to the Indenture and the TIA for a statement of those terms.

The Notes are senior unsecured obligations of the Issuers limited to $385,000,000 aggregate principal amount at maturity (subject to Section 2.1(a) of the Indenture, which, inter alia, allows for the issuance of Additional Notes in some circumstances).

The Notes include the Initial Notes, any Private Exchange Note and Exchange Notes issued in exchange for the Initial Notes pursuant to the Indenture and the Registration Rights Agreement, and any Additional Notes actually issued. The Initial Notes, the Private Exchange Notes, the Exchange Notes and any Additional Notes actually issued are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the Incurrence of Indebtedness by the Company and its Restricted Subsidiaries, the payment of dividends and other distributions on the Capital Stock of Company and its Restricted Subsidiaries, the purchase or redemption of Capital Stock of the Company and Capital Stock of its Restricted Subsidiaries, the sale or transfer of assets and Capital Stock of Restricted Subsidiaries, the issuance or sale of Capital Stock of Restricted Subsidiaries, transactions with Affiliates, the incurrence of Liens and certain Sale/Leaseback Transactions. In addition, the Indenture limits the ability of the Company and its Restricted Subsidiaries to restrict distributions and dividends from Restricted Subsidiaries.

5. Optional Redemption

Except as set forth in the following paragraphs, the Notes will not be redeemable at the option of the Issuers prior to the Stated Maturity.

Before August 1, 2004, the Issuers may at their option on one or more occasions, upon not less than 30 nor more than 60 days' notice, redeem the Notes in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes originally issued at a redemption price (expressed as a percentage of principal amount) of 110.75%, plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more Public Equity Offerings; provided that

(i) at least 65% of such aggregate principal amount originally issued of the Notes remains outstanding immediately after the occurrence of each such redemption (other than Notes held, directly or indirectly, by the Company or its Affiliates); and

(ii) each such redemption occurs within 60 days after the date of the related Public Equity Offering.

Further, at any time on or prior to December 31, 2002, the Issuers may, at their option, give written notice to redeem the Notes, which notice shall be no less than 30 nor more than 60 days prior to the redemption date, in whole or in part at a redemption price (expressed as a percentage of principal amount) of 101%, plus accrued and unpaid interest to the redemption date; provided that

(i) the Board of Directors shall have determined not to proceed with the Separation (and the Guarantee of the Guarantor shall stay in effect until the Notes are fully paid);

(ii) if the Issuers elect to redeem the Notes in part, they may redeem up to an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes originally issued; and

(iii) at least 65% of such aggregate principal amount originally issued of the Notes remains outstanding immediately after the occurrence of each such redemption (other than Notes held, directly or indirectly, by the Issuers or their Affiliates).

6. Notice of Redemption

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date by first-class mail to each Holder of Notes

to be redeemed at his registered address. Notes in denominations of principal amount larger than $1,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

7. Put Provisions

Upon a Change of Control, any Holder of Notes will have the right to cause the Issuers to repurchase all or any part of the Notes of such Holder at a repurchase price equal to 101% of the principal amount thereof as of the date of repurchase, plus accrued and unpaid interest, if any, to the date of repurchase as provided in, and subject to the terms of, the Indenture.

8. Registration Rights

The Issuers are parties to a Registration Rights Agreement, dated as of July 27, 2001, among the Issuers, Credit Suisse First Boston Corporation, J.P. Morgan Securities Inc., Lehman Brothers Inc., Salomon Smith Barney Inc., BNY Capital Markets, Inc., Mellon Financial Markets, Inc., NatCity Investments, Inc., PNC Capital Markets, Inc. and Scotia Capital (USA) Inc. pursuant to which they are obligated to pay additional interest upon the occurrence of certain Registration Defaults (as defined therein).

9. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of principal amount of $1,000 and whole multiples of $1,000. A Holder may register, transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange (i) any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) for a period beginning 15 business days before a selection of Notes to be redeemed and ending on the date of such selection or (ii) any Notes for a period beginning on a record date and ending on the next succeeding interest payment date.

10. Persons Deemed Owners

The registered holder of this Note may be treated as the owner of it for all purposes.

11. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for one year after the date of payment of principal and interest, the Trustee or Paying Agent shall pay the money back to the Issuers at their request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuers and not to the Trustee for payment.

12. Defeasance

Subject to certain conditions set forth in the Indenture, the Issuers at any time may terminate some or all of their obligations under the Notes and the Indenture if the Issuers deposit with the Trustee money or U.S. Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

13. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the Holders of at least a majority in principal amount at maturity of the outstanding Notes and (ii) any default or noncompliance with any provision may be waived with the written consent of the Holders of a majority in principal amount at maturity of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Noteholder, the Issuers and the Trustee may amend the Indenture or the Notes to cure any ambiguity, omission, defect or inconsistency, or to comply with Article V of the Indenture, or to provide for uncertificated Notes in addition to or in place of certificated Notes, or to add guarantees with respect to the Notes or to secure the Notes, or to add additional covenants of or surrender rights and powers conferred on the Issuers, or to make any change that does not materially and adversely affect the rights of any Noteholder, or to comply with any request of the SEC in connection with qualifying the Indenture under the TIA.

14. Defaults and Remedies

Under the Indenture, Events of Default include (i) a default in any payment of interest on any Note when due, continued for 30 days, (ii) a default in the payment of principal of any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise, (iii) the failure by the Company to comply with its obligations under Article V of the Indenture, (iv) the failure by the Company to comply for 30 days after notice with any of its obligations under Section 4.4 or any of Sections 4.9 through 4.19 of the Indenture (in each case, other than a failure to repurchase Notes), (v) the failure by the Company or the Guarantor to comply for 60 days after notice with its other agreements contained in the Indenture, (vi) the failure by the Company or any Significant Subsidiary of the Company to pay any Indebtedness within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default if the total amount of such Indebtedness unpaid or accelerated exceeds $50 million or its foreign currency equivalent, (vii) certain events of bankruptcy, insolvency or reorganization of the Company, the Guarantor or any Significant Subsidiary of the Company, (viii) any judgment or decree for the payment of money in excess of $50 million is rendered against the Company or any Significant Subsidiary of the Company, remains outstanding for a period of 60 days following such judgment and is not discharged, waived or stayed within 10 days after notice, or (ix) prior to the Separation, the Guarantee with respect to the Notes ceases for any reason to be in full force and effect (other than in accordance with its terms) or the Guarantor denies or disaffirms its obligations under the Guarantee. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes may declare all the Notes to be due and payable immediately. Certain events of bankruptcy or insolvency are Events of Default that will result in the Notes being due and payable immediately upon the occurrence of such Events of Default.

Noteholders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Noteholders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is not opposed to their interest.

15. Guarantee of the Notes

Subject to the next paragraph, prior to the Separation, payment of principal, premium, if any, and interest, if any (including interest on overdue principal and overdue interest, if lawful), on the Notes is fully and unconditionally guaranteed by the Guarantor pursuant to, and subject to the terms of, Article X of the Indenture.

If the Separation Date does not occur on or before December 31, 2002 or if the Board of Directors determines not to proceed with the Separation, the Guarantee of the Notes by the Guarantor shall stay in effect until the Notes have been paid in full.

16. Trustee Dealings with the Issuers

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuers or their respective Affiliates and may otherwise deal with the Issuers or their respective Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

No director, officer, employee, member, incorporator or stockholder of the Issuers or the Guarantor, as such, shall have any liability for any obligations of the Issuers under the Notes, the Guarantee, the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. This waiver and release are part of the consideration for issuance of the Notes.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entirety), JT TEN (=joint tenants with rights of survivorship and not as tenants

in common), CUST (=custodian) and U/G/M/A (=Uniform Gift to Minors Act).

20. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Issuers have caused CUSIP numbers to be printed on the Notes and have directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Noteholders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

21. GOVERNING LAW

THIS NOTE AND THE GUARANTEE OF THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

NOTATION RELATING TO GUARANTEE

The undersigned (the "Guarantor") has fully and unconditionally guaranteed, on a senior unsecured basis (the "Guarantee"), that: (i) the principal of, premium, if any, and interest, if any, on the Notes will be paid in full when due, whether at the maturity or interest payment or redemption date, by acceleration, call for redemption, offer to purchase or otherwise, and interest on the overdue principal of, premium, and interest, if any, on the Notes and all other Obligations of the Issuers to the Holders of the Notes or the Trustee under the Indenture or the Notes will be promptly paid in full or performed, all in accordance with Article X of the Indenture and the Notes; (ii) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, they will be paid in full when due or performed in accordance with the terms of the extension or renewal, whether at maturity, by acceleration or otherwise; and (iii) any and all costs and expenses (including reasonable and documented attorneys' fees) incurred by the Trustee or any Holder of the Notes in enforcing any rights under this Guarantee with respect to the Notes will be paid.

If the Separation Date does not occur on or before December 31, 2002 or if the Board of Directors determines not to proceed with the Separation, this Guarantee shall stay in effect until the Notes have been paid in full.

The obligations of the undersigned to the Holders of the Notes and to the Trustee are expressly set forth in Article X to the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee.

Date: July 27, 2001 USX CORPORATION

By:
Title:

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint ---------- as agent to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

- ---

Date: ---------- Your Signature: ----------

Sign exactly as your name appears on the face of this Note.

Signature Guarantee:

(Signature must be guaranteed by a participant in a recognized Signature Guarantee Medallion Program or other signature guarantor program reasonably acceptable to the Trustee)

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.11 or 4.15 of the Indenture, check the appropriate box:

Section 4.11 [ ]

Section 4.15 [ ]

If you want to elect to have only part of this Note purchased by the Issuers pursuant to Section 4.11 or 4.15 of the Indenture, state the amount you elect to have purchased (must be integral multiple of $1,000): $

- ---

Date: _____ Your Signature: _____

Sign exactly as your name appears on the face of this Note.

Signature Guarantee:

(Signature must be guaranteed by a participant in a recognized Signature Guarantee Medallion Program or other signature guarantor program reasonably acceptable to the Trustee)

[TO BE ATTACHED TO GLOBAL NOTES]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

<TABLE>
<CAPTION>

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized officer of Trustee or Notes Custodian
<S>	<C>	<C>	<C>	<C>

</TABLE>

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

United States Steel LLC
600 Grant Street
Pittsburgh, PA 15219-4776
Attention: Vice President - Finance and Accounting

The Bank of New York
101 Barclay Street
Floor 21 West
New York, NY 10286
Attention: Corporate Trust Trustee Administration

Re: 10 3/4% Senior Notes due August 1, 2008

Reference is hereby made to the Indenture, dated as of July [ ], 2001 (the "Indenture"), among United States Steel LLC (the "Company"), United States Steel Financing Corp. ("USS Financing", and together with the Company, the "Issuers"), USX Corporation (the "Guarantor") and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $ in such Note[s] or interests (the "Transfer"), to (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. [ ] Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. [ ] Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Definitive Note pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time

the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Distribution Compliance Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. [ ] Check and complete if Transferee will take delivery of a beneficial interest in a Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) [ ] such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) [ ] such Transfer is being effected to the Issuers or any of their respective subsidiaries thereof;

or

(c) [ ] such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the

prospectus delivery requirements of the Securities Act.

4. [ ] Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) [ ] Check if Transfer is Pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) [ ] Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) [ ]Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

[Insert Name of Transferor]

By:

Name:
Title:

Dated:
----------, ---

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note (CUSIP), or

(ii) [ ] Regulation S Global Note (CUSIP); or

(b) [ ] a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(c) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note (CUSIP), or

(ii) [ ] Regulation S Global Note (CUSIP), or

(iii) [ ] Unrestricted Global Note (CUSIP); or

(d) [ ] a Restricted Definitive Note; or

(e) [ ] an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

United States Steel LLC
600 Grant Street
Pittsburgh, PA 15219-4776
Attention: Vice President - Finance and Accounting

The Bank of New York
101 Barclay Street
Floor 21 West
New York, NY 10286
Attention: Corporate Trust Trustee Administration]

Re: 10 3/4 % Senior Notes due August 1, 2008

(CUSIP)

Reference is hereby made to the Indenture, dated as of July [ ], 2001 (the "Indenture"), among United States Steel LLC (the "Company"), United States Steel Financing Corp. ("USS Financing", and together with the Company, the "Issuers"), USX Corporation (the "Guarantor") and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "Owner") owns and proposes to exchange the

Note[s] or interest in such Note[s] specified herein, in the principal amount of $ in such Note[s] or interests (the "Exchange"). In connection with the
----
Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note

(a) [ ] Check if Exchange is from beneficial interest in a Restricted
----
Global Note to beneficial interest in an Unrestricted Global Note. In connection
- ----------
with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) [ ] Check if Exchange is from beneficial interest in a Restricted
----
Global Note to Unrestricted Definitive Note. In connection with the Exchange of
- ----------
the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the

Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) [ ] Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) [ ] Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes

(a) [ ] Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) [ ] Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] 144A Global Note, Regulation S Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Owner]

By:

Name:
Title:

Dated:
-------, ---

Exhibit 4(g)

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UNITED STATES STEEL LLC

and

UNITED STATES STEEL FINANCING CORP.,

Issuers

and

USX CORPORATION,

Guarantor

10 3/4% Senior Notes due August 1, 2008

==========

FIRST SUPPLEMENTAL INDENTURE
Dated as of November 26, 2001

TO INDENTURE OF
UNITED STATES STEEL LLC
and
UNITED STATES STEEL FINANCING CORP.,
Issuers
and
USX CORPORATION,
Guarantor
Dated as of July 27, 2001

==========

The Bank of New York,
Trustee

==========

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of November 26, 2001, among United States Steel LLC, a Delaware limited liability company (the "Company"), United States Steel Financing Corp., a Delaware corporation ("USS Financing", and together with the Company, the "Issuers"), USX Corporation, a Delaware corporation (the "Guarantor"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Issuers, the Guarantor and the Trustee executed and delivered an Indenture dated as of July 27, 2001 (the "Indenture"), providing for the issuance of $385,000,000 principal amount of 10 3/4% Senior Notes due August 1, 2008 (the "Initial Notes") and Additional Notes (as defined in the Indenture);

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuers, the Guarantor and the Trustee desire to cure certain ambiguities, technical defects, inconsistencies and omissions contained in the Indenture, and to make certain changes to the Indenture that do not materially and adversely affect the rights of any Noteholder;

WHEREAS, all acts, conditions and requirements necessary to make this First Supplemental Indenture a valid and binding agreement in accordance with its terms and for the purposes herein set forth have been done and taken, and the execution and delivery of this First Supplemental Indenture has been in all respects duly authorized;

NOW THEREFORE, in consideration of the premises, the Issuers, the Guarantor and the Trustee covenant and agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.1. The definition of "Guarantee" in Section 1.1 of the Indenture is hereby amended to read in its entirety as follows:

> "Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise) but shall not include take-or-pay arrangements or other agreements to purchase goods or services that are not entered into for the purpose of purchasing or paying such Indebtedness of such Person; or

(ii) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

SECTION 1.2. The following definition of "Financing Entity" is hereby added to Section 1.1 of the Indenture:

"Financing Entity" means any Wholly Owned Subsidiary formed solely for the purpose of effecting a receivables or inventory financing program so long as such entity has no obligations that are either Guaranteed by, or recourse to, any other Restricted Subsidiary.

SECTION 1.3. Subclause (ix) of the definition of "Permitted Liens" is hereby amended to read in its entirety as follows:

(ix) Liens on the inventory or accounts receivable of the Company or any Restricted Subsidiary securing Indebtedness permitted under the provisions described in clause (b)(i) under Section 4.12;

SECTION 1.4. Section 4.12(b)(i) of the Indenture is amended to read in its entirety as follows:

(i) Indebtedness Incurred by the Company, any Financing Entity and any Foreign Restricted Subsidiary pursuant to any Credit Facilities, provided, however, that, immediately after giving effect to any such Incurrence, the aggregate principal amount of all Indebtedness Incurred under this clause (i) and then outstanding does not exceed the greater of (A) $750 million less the sum of all principal payments with respect to such Indebtedness pursuant to Section 4.15(b)(iii)(1) and (B) the sum of (x) 60% of the book value of the inventory of the Company and its Restricted Subsidiaries and (y) 85% of the book value of the accounts receivable of the Company and its Restricted Subsidiaries, provided further, however, that in no event shall the aggregate principal amount of all Indebtedness Incurred under this clause (i) at any time outstanding exceed $1.2 billion;

SECTION 1.5. The reference in the third sentence of Section 9.6 of the Indenture to Section 10.4 is amended to refer to Section 11.4.

ARTICLE II

MISCELLANEOUS PROVISIONS

SECTION 2.1. For all purposes of this First Supplemental Indenture, except as

otherwise defined or unless the context otherwise requires, capitalized terms used in this First Supplemental Indenture and defined in the Indenture have the meaning specified in the Indenture.

SECTION 2.2. Except as specifically amended and supplemented by this First Supplemental Indenture, the Indenture shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 2.3. The laws of the State of New York shall govern this First Supplemental Indenture without regard to principles of conflict of laws.

SECTION 2.4. All agreements of the Issuers and the Guarantor in this First Supplemental Indenture shall bind their successors. All agreements of the Trustee in this First Supplemental Indenture shall bind its successors.

SECTION 2.5. The parties may sign any number of counterparts of this First Supplemental Indenture. Each such counterpart shall be an original, but all of them together represent the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the date first written above.

Issuers:

UNITED STATES STEEL LLC

By: /s/ D. C. Greiner

Name: D. C. Greiner
Title: Assistant Treasurer

UNITED STATES STEEL FINANCING CORP.

By: /s/ B. E. Lammel

Name: B. E. Lammel
Title: Executive Vice President and Treasurer and Assistant Secretary

Guarantor:

USX CORPORATION

By: /s/ E. F. Guna

Name: E. F. Guna
Title: Vice President and Treasurer

Trustee:

THE BANK OF NEW YORK

By: /s/ Terence Rawlins

Name: Terence Rawlins
Title: Vice President

Exhibit 4(h)

CERTIFICATE OF DESIGNATIONS

OF

SERIES A JUNIOR PREFERRED STOCK

OF

UNITED STATES STEEL CORPORATION

Pursuant to Section 151 of the General
Corporation Law of the State of Delaware

The undersigned DOES HEREBY CERTIFY that the following resolution was duly adopted by the Board of Directors of United States Steel Corporation, a Delaware corporation (formerly a Delaware limited liability company) (the "Company") creating a series of 2,000,000 shares of Preferred Stock designated as Series A Junior Preferred Stock:

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Company in accordance with the provisions of its Certificate of Incorporation, as amended, a series of Preferred Stock of the Corporation be, and it hereby is, created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Preferred Stock" and the number of shares constituting such series shall be 2,000,000.

Section 2. Dividends and Distributions.

(a) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Preferred Stock with respect to dividends, the holders of shares of Series A Junior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $5.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), to be or being declared on the Common Stock, par value $1.00 per share, of the Corporation (the "Common Stock") with respect to the same dividend period. If the Quarterly Dividend Payment Date is a Saturday, Sunday or legal holiday then such Quarterly Dividend Payment Date shall be the first immediately preceding calendar day which is not a Saturday, Sunday or legal holiday. In the event the Corporation shall at any time after December 31, 2001 (the "Rights Declaration Date") (i) declare any dividend on Common

Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Junior Preferred Stock as provided in paragraph (A) above immediately prior to the time it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall be declared on the Common Stock with respect to a particular dividend

period, a dividend of $5.00 per share on the Series A Junior Preferred Stock shall nevertheless be payable on such Quarterly Dividend Payment Date with respect to such quarterly period.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof. Dividends in arrears may be declared and paid at any time, without reference to any Quarterly Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(d) Except as hereinafter provided, no dividends shall be declared or paid or set apart for payment on the shares of Series A Junior Preferred Stock for any period if the Corporation shall be in default in the payment of any dividends (including cumulative dividends, if applicable) on any shares of Preferred Stock ranking, as to dividends, prior to the Series A Junior Preferred Stock, unless the same shall be contemporaneously declared and paid.

(e) Dividends payable on the Series A Junior Preferred Stock for the initial dividend period and for any period less than a full quarterly period, shall be computed on the basis of a 360-day year of 30-day months.

Section 3. Voting Rights. The holders of shares of Series A Junior Preferred Stock shall have the following voting rights:

(a) Each share of Series A Junior Preferred Stock shall entitle the holder thereof to one vote on all matters submitted to a vote of the stockholders of the Corporation. The holders of Series A Junior Preferred Stock shall be entitled to notice of all meetings of the stockholders of the Corporation.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) If, on the date used to determine stockholders of record for any meeting of stockholders for the election of directors, a default in preference dividends on the Preferred Stock shall exist, the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Preferred Stock of all series (whether or not the holders of such series of Preferred Stock would be entitled to vote for the election of directors if such default in preference dividends did not exist), shall have the right at such meeting, voting together as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships. Each director elected by the holders of shares of Preferred Stock (herein called a "Preferred Director"), shall continue to serve as such director for the full term for which he shall have been elected, notwithstanding that prior to the end of such term a default in preference dividends shall cease to exist. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of the outstanding shares of Preferred Stock, voting together as a single class without regard to series, at a meeting of the stockholders, or of the holders of shares of Preferred Stock, called for the purpose. So long as a default in any preference dividends on the Preferred Stock shall exist (i) any vacancy in the office of a Preferred Director may be filled (except as provided in the following clause (ii)) by an instrument in writing signed by the remaining Preferred Director and filed with the Corporation and (ii) in the case of the removal of any Preferred Director, the vacancy may

be filled by the vote of the holders of the outstanding shares of Preferred Stock, voting together as a single class without regard to series, at the same meeting at which such removal shall be voted. Each director appointed as aforesaid by the remaining Preferred Director shall be deemed, for all purposes hereof, to be a Preferred Director. Whenever the term of office of the Preferred Directors shall end and no default in preference dividends shall exist, the number of directors constituting the Board of Directors of the Corporation shall be reduced by two. For the purposes of this paragraph (C), a "default in preference dividends" on the Preferred Stock shall be deemed to have occurred whenever the amount of accrued and unpaid dividends upon any series of the Preferred Stock shall be equivalent to six full quarterly dividends or more, and, having so occurred, such default shall be deemed to exist thereafter until, but only until, all accrued dividends on all shares of Preferred Stock of each and every series then outstanding shall have been paid through the last Quarterly Dividend Payment Date.

Section 4. Certain Restrictions.

(a)Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on (other than a dividend in Common Stock or in any other stock of the Corporation ranking junior to the Series A Junior Preferred Stock as to dividends and upon liquidation, dissolution or winding up and other than as provided in subparagraph (ii) of this section), or redeem or purchase or otherwise acquire for consideration (except by conversion into or exchange for stock of the Corporation ranking junior to the Series A Junior Preferred Stock as to dividends and upon dissolution, liquidation or winding up), any shares of stock

ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Preferred Stock, except dividends paid ratably on the Series A Junior Preferred Stock and all stock ranking on a parity with the Series A Junior Preferred Stock as to dividends on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series A Junior Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock

to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series A Junior Preferred Stock shall be entitled to receive the greater of (a) $100 per share, plus accrued dividends to the date of distribution, whether or not earned or declared, or (b) an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock (the "Series A Liquidation Preference"). In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event pursuant to clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which

is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. Optional Redemption.

(a) The Corporation shall have the option to redeem the whole or any part of the Series A Junior Preferred Stock at any time on at least 30 days notice in accordance with the provisions of paragraph (B) of this Section 8 at a redemption price equal to, subject to the provision for adjustment hereinafter set forth, 100 times the "current per share market price" of the Common Stock on the date of the mailing of the notice of redemption, together with unpaid accumulated dividends to the date of such redemption. In the event the Corporation shall at any time after December 31, 2001 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Preferred Stock were otherwise entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. The "current per share market price" on any date shall be deemed to be the average of the closing price per share of such Common Stock for the 10 consecutive Trading Days (as such term is hereinafter defined) immediately prior to such date. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities

listed or admitted to trading on the New York Stock Exchange or, if the Common Stock is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal national securities exchange on which the Common Stock is listed or admitted to trading or, if the Common Stock is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or such other system then in use or, if on any such date the Common Stock

is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Corporation. If on such date no such market maker is making a market in the Common Stock, the fair value of the Common Stock on such date as determined in good faith by the Board of Directors of the Corporation shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Common Stock is listed or admitted to trading is open for the transaction of business or, if the Common Stock is not listed or admitted to trading on any national securities exchange, a Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in the State of New York are not authorized or obligated by law or executive order to close.

(b) Whenever shares of Series A Junior Preferred Stock are to be redeemed, the Corporation shall mail a notice ("Notice of Redemption") by first-class mail, postage prepaid, to each holder of record of shares of Series A Junior Preferred Stock to be redeemed and to the transfer agent for the Series A Junior Preferred Stock. The Notice of Redemption shall be addressed to the holder at the address of the holder appearing on the stock transfer books of the Corporation maintained by the transfer agent for the Series A Junior Preferred Stock. The Notice of Redemption shall include a statement of (i) the redemption date, (ii) the redemption price, (iii) the number of shares of Series A Junior Preferred Stock to be redeemed, (iv) the place or places where shares of the Series A Junior Preferred Stock are to be surrendered for payment of the redemption price, (v) that the dividends on the shares to be redeemed will cease to accrue on such redemption date, and (vi) the provision under which redemption is made. No defect in the Notice of Redemption or in the mailing thereof shall affect the validity of the redemption proceedings, except as required by law. From the date on which a Notice of Redemption shall have been given as aforesaid and the Corporation shall have deposited with the transfer agent for the Series A Junior Preferred Stock a sum sufficient to redeem the shares of Series A Junior Preferred Stock as to which Notice of Redemption has been given, with irrevocable instructions and authority to pay the redemption price to the holders thereof, or if no such deposit is made, then upon such date fixed for redemption (unless the Corporation shall default in making payment of the redemption price), all rights of the holders thereof as stockholders of the Corporation by reason of the ownership of such shares (except their right to receive the redemption price thereof, but without interest), shall terminate including, but not limited to, their right to receive dividends, and such shares shall no longer be deemed outstanding. The Corporation shall be entitled to receive, from time to time, from the transfer agent for Series A Junior Preferred Stock the interest, if any, on such monies deposited with it and the holders of any shares so redeemed shall have no claim to any such interest. In case the holder of any shares so called for redemption shall not claim the redemption price for his shares within one year after the date of redemption, the transfer agent for the Series A Junior Preferred Stock shall, upon demand, pay over to the Corporation such amount remaining on deposit and the transfer agent for the Series A Junior Preferred Stock shall thereupon be relieved of all responsibility to the holders of such shares and such holder of the shares of the Series A Junior Preferred Stock so called for redemption shall look only to the Corporation for the payment thereof.

(c) In the event that fewer than all the outstanding shares of the Series A Junior Preferred Stock are to be redeemed, the number of shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors or by any other method as may be determined by the Board of Directors in its sole discretion to be equitable.

(d) If the Corporation shall be in default in the payment of any dividends (including cumulative dividends, if applicable) on any shares of Preferred Stock ranking, as to dividends, prior to the Series A Junior Preferred Stock, then no shares of the Series A

Junior Preferred Stock shall be redeemed and the Corporation shall not purchase or otherwise acquire any shares of the Series A Junior Preferred Stock.

Section 9. Ranking.

(a) The Series A Junior Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, unless the terms of any such series shall provide otherwise.

(b) For purposes of this resolution, any stock of any class or classes of the Corporation shall be deemed to rank:

(i) prior to the shares of the Series A Junior Preferred Stock, either as to dividends or upon liquidation, dissolution or winding up, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of the Series A Junior Preferred Stock. Each holder of any share of the Series A Junior Preferred Stock, by his acceptance thereof, expressly covenants and agrees that the rights of the holders of any shares of any other series of Preferred Stock of the Corporation to receive dividends or amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be and hereby are expressly prior to his rights unless in the case of any particular series of Preferred Stock the certificate or other instrument creating or evidencing the same expressly provides that the rights of the holders of such series shall not be prior to the shares of the Series A Junior Preferred Stock; and

(ii) on a parity with shares of the Series A Junior Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of the Series A Junior Preferred Stock, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of the Series A Junior Preferred Stock; and

(iii) junior to shares of the Series A Junior Preferred Stock, either as to dividends or upon liquidation, if such class or classes shall be Common Stock or if the holders of shares of the Series A Junior Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or classes.

Section 10. Amendment. Except as otherwise set forth in this Certificate of Designation, Preferences and Rights with respect to the Series A Junior Preferred Stock, holders of Series A Junior Preferred Stock shall not have any special powers and their consent shall not be required for taking any corporate action, provided, however, that:

(1) Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the consent of the holders of at least 66% of all of the shares of the Series A Junior Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of

shares of the Series A Junior Preferred Stock shall vote together as a separate class, shall be necessary for authorizing, effecting or validating the amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation or of any certificate amendatory thereof or supplemental thereto (including any Certificate of Designation, Preferences and Rights or any similar document relating to any series of Preferred Stock) so as to affect adversely the powers, preferences, or rights, of this Series A Junior Preferred Stock. The increase of the authorized amount of the Preferred Stock,

or the creation, authorization or issuance of any shares of any other class of stock of the Corporation ranking prior to or on a parity with the shares of the Series A Junior Preferred Stock as to dividends or upon liquidation, or the reclassification of any authorized or outstanding stock of the Corporation into any such prior or parity shares, or the creation, authorization or issuance of any obligation or security convertible into or evidencing the right to purchase any such prior or parity shares shall not be deemed to affect adversely the powers, preferences or rights of the Series A Junior Preferred Stock.

Section 11. Fractional Shares. Series A Junior Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Preferred Stock.

FURTHER RESOLVED, that this Certificate of Designations shall be effective as of 11:59 p.m. on December 31, 2001.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed in its name and on its behalf as of this 31st day of December, 2001 by a duly authorized officer of the Company.

UNITED STATES STEEL CORPORATION

By: /s/ G. R. Haggerty

G. R. Haggerty
Authorized Officer

Exhibit 10(c)

UNITED STATES STEEL CORPORATION
ANNUAL INCENTIVE COMPENSATION PLAN

1. Purpose of the Plan

The objectives of the Plan are to advance the interests of the Corporation and its shareholders by providing officers and key employees incentive opportunities in order that the Corporation might attract, retain and motivate outstanding personnel by:

a) providing compensation opportunities which are competitive with those of other major corporations of comparable size and in similar businesses;

b) supporting the Corporation's goal-setting and strategic planning process; and

c) motivating officers and key employees to achieve annual business goals and contribute to team performance by allowing them to share in the risks and rewards of the business.

2. Administration

This Plan shall be administered by the Compensation and Organization Committee of the Board of Directors, which shall consist of not less than three directors of the Corporation who are appointed by the Board of Directors and who shall not be, and shall not have been, an officer or an employee of the Corporation. The Committee is authorized to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to delegate the granting of awards pursuant to guidelines established from time to time by the Committee, and to make all other determinations necessary for its administration.

3. Eligibility for Participation

Employees of the Corporation eligible to receive incentive compensation under the Plan are those in responsible positions whose performance may affect the Corporation's success. Participants shall include employees of United States Steel Corporation as well as employees of any subsidiary and/or joint ventures if such employee is specifically designated as a participant.

4. Amount Available for Plan

The Board of Directors, upon the recommendation of the Committee, shall determine the aggregate amount which may be awarded with respect to each year.

5. Awards

Within the limits of the Plan, annual incentive awards stated in dollars may be made to any or all eligible participants. Determinations as to participation and award level shall be made on the basis of the positions, responsibilities and accomplishments of the eligible employees; the performance of the respective individuals, divisions, departments and subsidiaries of the Corporation; the overall performance and best interests of the Corporation; the recommendations of the Chairman; and other pertinent factors; such factors to be given such weight as is deemed appropriate. The guidelines established by the Committee shall provide that no participant shall have an annual target award in excess of 150% of his annual base salary; any exceptions to this limit shall be specifically approved by the Committee. If a participant retires during the year with respect to which awards are made, the Committee may grant him an award, but it shall be prorated based on the number of months of active employment. If a participant dies during the year, the Committee may grant a prorated award to the employee's estate.

6. Payment of Awards

In its discretion, the Committee may permit participants in the Plan to defer the receipt of all or any part of any award granted under the Plan for such period and under such conditions as the Committee may determine, including the payment of interest on deferred awards if the Committee so determines. Unless receipt is deferred, all awards will be paid in cash as soon as practicable following the grant. No award will be considered as part of a participant's salary and no award shall be used in the

calculation of any other pay, allowance or benefit except for benefits under the Supplemental Pension Program. No award will be paid to a person who quits or is discharged prior to payment of the award.

7 Effective Date; Amendment, Suspension or Termination of the Plan

This Plan became effective as of January 1, 2002.

The Board of Directors may, from time to time, amend, suspend or terminate the Plan in whole or in part. If it is suspended or terminated, the Board of Directors may reinstate any or all of the provisions of the Plan.

Exhibit 10(d)

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

United States Steel Corporation Non-Officer Restricted Stock Plan

(Effective January 1, 2002)

1. Purpose

The objective of the United States Steel Corporation Non-Officer Restricted Stock Plan (the "Plan") is, through the issuance of restricted stock ("Shares"), to advance the interests of United States Steel Corporation, its subsidiaries, affiliates and joint ventures (the "Corporation") (a) by promoting the retention of outstanding employees, (b) by rewarding specific noteworthy achievements on the part of an employee or a group of employees, (c) by motivating employees through growth-related incentives to achieve long-term goals and (d) by aligning the interests of employees with those of the stockholders.

2. Administration

The Plan shall be administered by the Salary & Benefits Committee for United States Steel Corporation (the "Administering Committee")

The Administering Committee shall establish its own guidelines for granting Shares and for general administration of grants made under the Plan. Such guidelines shall be subject to review by the Law, Tax and Accounting departments. The Committee shall have the power to cancel a grant made under the Plan when such cancellation is deemed appropriate.

The Compensation and Organization Committee of the United States Steel Corporation Board of Directors shall create and authorize pools for specific numbers and classes of Shares to be granted by the Administering Committee. Authorizations shall be made every two years, and no authorization shall exceed one percent of the total shares of either class of stock outstanding on December 31 of the preceding year. In addition, Shares related to grants that are forfeited or cancelled before vesting shall immediately become available for grants, and these Shares, as well as any unused portion of the percentage limit of Shares available from previous authorizations, shall be carried forward and available for grants in succeeding calendar years.

The United States Steel Corporation Board of Directors shall approve the initial Plan and all material amendments to the Plan.

3. Eligibility for Participation

Participation in this Plan shall be limited to exempt employees below the officer level, up to and including Salary Grade 48.

4. Grants

All grants shall be subject to such forfeiture and transfer restriction provisions as may be established by the Administering Committee. Grantees receiving an award shall have all the rights of a stockholder of the Corporation, including the right to vote the Shares and the right to receive any cash dividends paid thereon.

5. Source of Shares

Shares granted under the Plan may be granted out of authorized and unissued shares, treasury shares or open-market purchases.

6. Vesting

Shares granted to an employee shall vest as follows: 50 percent of the Shares received pursuant to a specific grant shall vest on the second anniversary of the grant; the remaining 50 percent shall vest on the fourth anniversary of the grant. Each grant shall be subject to the condition that the employee's continuous service with the Corporation continue through the date on which the Shares vest.

7. Adjustments

In the event of any change in the outstanding common stock of United States Steel Corporation by reason of a stock split, stock dividend, stock combination or reclassification, recapitalization or merger, or similar event, the Compensation and Organization Committee may appropriately adjust the number of Shares covered by a grant and make such other revisions to outstanding grants as it deems are equitably required.

8. Tax Withholding

The Corporation shall have the right to condition the obligation to deliver or the vesting of Shares under this Plan upon the employee paying United States Steel Corporation such amount as it may request to satisfy any liability for applicable withholding taxes. Employees may elect to have United States Steel Corporation withhold Shares to satisfy all or part of their withholding liability in the manner and to the extent provided for by the Administering Committee at the time of such election.

9. Amendments

The Administering Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding grants as are consistent with the Plan, provided that, except for adjustments under Paragraph 7 hereof, no such action shall modify a grant in a manner adverse to the grantee without the grantee's prior consent, except as such modification is provided for or contemplated in the terms of the grant.

10. Effective Date

This Plan shall become effective on January 1, 2002

Exhibit 10(e)

UNITED STATES STEEL CORPORATION EXECUTIVE MANAGEMENT SUPPLEMENTAL PENSION PROGRAM

Amended Effective January 1, 2002

1. Purpose

The purpose of this program is to provide a pension benefit for Executive Management and certain other key managers with respect to compensation paid under the incentive compensation plans maintained by United States Steel Corporation (hereinafter "the Corporation"), its subsidiaries, and its joint ventures.

2. Eligibility

An employee of the Corporation, a Subsidiary Company, or a joint venture is a Member of the United States Steel Corporation Executive Management Supplemental Pension Program ("Program") if he is:

(a) a member of the Executive Management Group as established from time to time by the United States Steel Corporation Board of Directors, or

(b) a key manager designated by name as a "Member" under this Program by the Compensation and Organization Committee of the United States Steel Corporation Board of Directors (the "Committee").

Subject to the age 60 consent requirement outlined below, a Member will be eligible to receive the supplemental pension provided under this Program (the "Supplemental Pension") if he retires or otherwise terminates employment after completing fifteen years of continuous service. Benefits will not be payable under this Program with respect to a Member who terminates employment prior to age 60 unless the Corporation consents to the termination of employment; provided, however, that such consent is not required for terminations on account of: (a) death, or (b) involuntary termination, other than for cause.

Subject to the age 60 consent requirement outlined below, the surviving spouse of any Member will be eligible to receive the supplemental surviving spouse benefit provided under this Program (the "Supplemental Surviving Spouse Benefit") if the Member (a) has accrued at least 15 years of continuous service, and (b) either (i) dies prior to retirement, or (ii) dies after retirement under conditions of eligibility for a pension pursuant to the provisions of the United States Steel Corporation Plan for Non-Union Employee Pension Benefits (Revision of 1998) (the "Plan"). The Supplemental Surviving Spouse Benefit will not be payable with respect to a Member who terminates employment prior to age 60 unless the Corporation consents to the termination of employment; provided, however, that such consent is not required for terminations on account of: (a) death, or (b) involuntary termination, other than for cause.

Notwithstanding anything to the contrary contained herein, participants who elect to retire under (1) the Voluntary Early Retirement Program - 2001, or (2) the 2001 Voluntary Early Retirement Program - Fairless Works, shall be treated as having Corporation consent to retire even if they have not attained age 60.

3. Amount of Benefit

a. Supplemental Pension

The Supplemental Pension provided under this Program shall be a monthly amount paid for the life of the Member equal to the product of: (i) the Member's Average Earnings,

multiplied by (ii) a percentage which shall be equal to the sum of 1.54% for each year of continuous service and each year of allowed service.

Except as otherwise provided in this Program, the terms "continuous service," "allowed service," "surviving spouse" and "Subsidiary Company" as used herein mean continuous service, allowed service, surviving spouse, and subsidiary company as determined under (or, in the case of "subsidiary company", as defined in) the United States Steel 1994 Salaried Pension Rules adopted under the Plan. However, the term "continuous service" for the purpose of determining the amount of the Supplemental Pension and Supplemental Surviving Spouse Benefit under this Program shall exclude the Member's continuous service that (i) is creditable under a pension plan adopted by the Corporation, a Subsidiary Company, or a joint venture, if the pension plan includes bonus payments as creditable earnings for pension purposes, or (ii) occurs following the date the Member was designated by the Committee as no longer covered by this Program for future accruals.

Average Earnings as used herein shall be equal to the total bonuses paid or credited to the Member pursuant to the United States Steel

Corporation Annual Incentive Compensation Plan (and/or under similar incentive plans or under profit sharing plans, if the employing entity has a profit sharing plan rather than an incentive plan) with respect to the three calendar years for which total bonus payments or deferrals (or such other payments) were the highest out of the last ten consecutive calendar years immediately prior to the calendar year in which retirement or death occurs (or, if earlier, the date the Member was designated by the Committee as no longer covered by the Program for future accruals) divided by thirty-six. Bonus payments or deferrals (or such other payments) will be considered as having been made for the calendar year in which the applicable services were performed rather than for the calendar year in which the bonus payment was actually received. Notwithstanding anything to the contrary contained herein, no benefits payable with respect to a Member shall be based on any bonus paid to such Member after the date he was designated by the Committee as no longer covered by this Program.

The Average Earnings used in the determination of benefits under this Program as of retirement will be recalculated using any bonus payable for the calendar year in which retirement occurs if such bonus produces Average Earnings greater than that determined at retirement.

As of December 31, 2001, (the "Effective Date"), the determination of Average Earnings used herein also shall take into consideration bonuses paid or credited to the Member after the Effective Date by Marathon Oil Corporation, Marathon Oil Company, Marathon Ashland Petroleum LLC, and Speedway SuperAmerica LLC, and their subsidiaries and successors.

b. Supplemental Surviving Spouse Benefit

The Surviving Spouse of a Member shall be eligible for a monthly Supplemental Surviving Spouse Benefit under this Program equal to (i) in the case of a Member who dies after retirement, 50% of the Supplemental Pension that was being paid to the Member, or (ii) in the case of a Member who dies while still employed by the Corporation, the actuarial equivalent (to adjust to the life expectancy of the spouse utilizing the 1971 Group Annuity Mortality Tables unisexed on a 9 to 1 female-male ratio for the spouse and the PBGC interest rate in effect the first of the month following the date of the Member's death) of 100% of the monthly Supplemental Pension that would have been payable to the Member had the Member retired with Corporation consent as of the date of his death. In the event that a Member who has completed fifteen years of continuous service dies while still employed by the Corporation and does not leave a Surviving Spouse, an amount equal to the lump sum distribution which he would have received under this Program had he retired with Corporation consent as of the date of his death shall be payable to his estate.

4. Form of Benefit

a. Normal Form - Lump Sum Distribution

The Member shall receive a lump sum distribution of both the benefits payable to him and the benefits payable to his surviving spouse, if any, unless the Member elects prior to the earlier of retirement or death to:

(i) receive on a monthly basis both the benefits payable to him and the benefits payable to his surviving spouse, or

(ii) receive on a monthly basis the benefits payable to him (but not the benefits payable to his surviving spouse).

If the Member (i) dies prior to retirement, or (ii) made the election in paragraph 4.a.(ii) above, the Supplemental Surviving Spouse Benefit, if any, shall be paid in a lump sum distribution. Such lump sum distribution will be determined based upon the life expectancy of the Member's surviving spouse.

Unless a valid election has been made in accordance with paragraph 4.b. below, any lump sum distribution shall be payable within 90 days following retirement, or death, and shall represent full and final settlement of all benefits provided under the Program. Any lump sum distribution under this Program shall be calculated in the same manner as it would have been calculated had it been made under the United States Steel Corporation Plan for Non-Union Employee Pension Benefits (Revision of 1998). If a Member elects a lump sum and retires, but dies prior to receiving such lump sum, the lump sum will be paid to the Member's surviving spouse or to the Member's estate if there is no surviving spouse.

b. Deferral of Lump Sum Distribution

A Member who makes a valid election to receive a lump sum distribution

in accordance with paragraph 4.a. above may elect, prior to retirement and in writing to the administrator of the Program, to receive such lump sum distribution either:

(i) in full on February 1 of the year following the year in which the Member retires, or

(ii) in three annual installments with the first annual installment payable within 90 days following the Member's date of retirement and the succeeding installments payable on the next two anniversaries of the first payment date.

Interest would accrue and be payable on the balance due at the rate used under the Program to determine the actuarially equivalent lump sum value of the Member's benefit under the Program.

If the Member makes a valid deferral election in accordance with the preceding paragraph and dies prior to retirement, the deferral election will apply to the lump sum distribution of the Supplemental Surviving Spouse Benefit, if any.

Subject to a 2% penalty, the Member may elect to accelerate the payment of all remaining installments to a date prior to the scheduled date. If such an election is made, the accelerated payment would be reduced by an amount equal to 2% of the amounts accelerated (including interest). Such an election for acceleration of any balance due will be valid only if it is filed in writing with the administrator at least 20 days prior to the date payment is requested.

5. Split Dollar Exchange Option

a. Upon attainment of age 59 each Member who will have completed 15 years of continuous service prior to age 60 will be given a one time opportunity to elect, effective upon attainment of age 60, to exchange all or a specified portion of his unvested accrued benefit under this Program for split dollar life insurance coverage. (In addition, (i) a Member who becomes a Member after attainment of age 60 will be given such opportunity immediately prior to becoming a Member, and (ii) a Member who will complete 15 years of continuous service after attainment of age 60 will be given such opportunity upon completion of 14 years of continuous service.) Any Member interested in exploring this opportunity must elect to do so within 30 days of the date he is sent notice of such opportunity.

b. Each Member who elects to explore such opportunity will be given information about:

(i) the estimated lump sum value of his accrued benefit under the Program as of the date split dollar coverage would become effective (using the PBGC interest rate in effect at the time the estimate is given), and

(ii) the estimated cost of each $100,000 of split dollar life insurance that he may purchase from a participating insurance underwriter.

No insurance underwriter will be permitted to participate unless it has at least a rating of AA- as evaluated by Moody's. The underwriters initially participating in this special program will include Metropolitan, Manufacturer's Life of Canada, Pacific Life and Denver Life. Each Member must elect to make or not make an exchange for split dollar life insurance within 60 days of being sent this information. Any

Member electing to make an exchange for such split dollar life insurance either on his own behalf or on behalf of a trust (which will become the policy owner) must complete the enrollment process that includes a physical examination for all persons to be insured under the policy, a formal application for insurance, and contractual materials. The enrollment package will be sent by the new business department of the National Benefits Group, Inc., an affiliate of Marsh & McLennan Inc. Split dollar coverage will become effective as of the later of: (i) the date that the Member attains age 60, (ii) the date that the Member becomes a Member under the Program, (iii) the date that the Member completes 15 years of continuous service, or (iv) the date that the insurance underwriters issue a split dollar insurance policy ("policy").

The amount of the Member's accrued lump sum benefit under this Program will be reduced as of the date that split dollar life insurance coverage becomes effective. The value of such accrued lump sum benefit will be calculated using the PBGC interest rate applicable to retirements which occur in the month prior to the month in which this split dollar policy becomes effective. The amount of reduction will be determined by the underwriter and will consist of the present value of the Corporation's cost to provide the split dollar policy. Such present value will be calculated utilizing the same interest rate used

to calculate the Member's accrued lump sum benefit. The Corporation's cost will be the most favorable quote obtainable at the time of procurement from the participating underwriters. Any remaining accrued lump sum benefit will be converted back to a reduced number of years and months of service for future benefit calculation.

c. Any split dollar policy received by the Member shall be payable upon the Member's death, or, in the case of a joint life policy, upon the later of the Member's death or his co- insured's death if this dual coverage feature is elected. The proceeds of the policy will be payable to the beneficiary of record. Such amount will be paid in a lump sum but the Member may make arrangements for payment in installments.

d. The face amount of the split dollar policy will be payable upon the death of the last insured under the policy if the earnings actually credited by the underwriter on the cash value of the policy equal or exceed the anticipated earnings rate for the policy. The anticipated credited earnings rate is established at the time that the policy is issued and represents the earnings rate which the insurance carrier anticipates will be earned by the policy and which, if earned, will preclude any lapse in the policy. However, if the earnings resulting from the actual credited rates do not equal or exceed the earnings which would be produced by the anticipated credited rate, then the policy may lapse before the death of the last insured unless the policy owner agrees with the insurance carrier to reduce the amount of split dollar insurance or unless the policy owner makes special contributions to the policy. The Policy Service Department of the National Benefits Group, Inc. will advise the policy owner in the event that the actual earnings credited to the policy fall below the earnings which would have been produced by the anticipated credited rate and will assist the policy owner in making arrangements to reduce the amount of the policy or to make contributions thereto if the policy owner so elects. The policy owner will have the right at any time after the policy has been in effect for fifteen years to surrender the policy and receive the cash balance (minus any surrender charge).

e. There will be imputed income with respect to this split dollar life insurance because the Corporation will be paying a premium equal to the term cost of such insurance. Term insurance premiums and imputed income shall terminate the earlier of: (i) the end of the fifteenth year in which the policy is in force, or (ii) the death of the last insured under the policy.

f. The Corporation shall be solely responsible for paying the annual split dollar premiums (and term insurance premiums) required by the insurance carrier. The total amount of premiums paid by the Corporation will be repaid to it by the insurance underwriter on the earlier of (i) the end of the fifteenth year in which the policy is in force, or (ii) the death of the last insured under the policy. Repayment of the premiums to the Corporation upon the death of the last insured (or upon the end of the fifteen year period following the date of issue, if later) shall not reduce the face amount of the policy which is payable to the beneficiary. The policy has been designed so that the Corporation will be able to recover the premiums it

had paid without adversely impacting the beneficiary. The policyholder will be required to sign an agreement authorizing the insurance underwriter to repay the Corporation, at the appropriate time, the premiums which it has paid.

g. The policyholder may request a change in ownership and/or beneficiary of the split dollar life insurance policy at any time. If the beneficiary predeceases the Member and a new beneficiary is not named, the split dollar life insurance policy will be payable in accordance with a preferred beneficiary schedule.

h. The policy's beneficiary will be provided the necessary forms for claiming the split dollar life insurance proceeds if the beneficiary contacts: (i) National Benefits Group, Inc., or (ii) the United States Steel and Carnegie Pension Fund.

6. General Provisions

a. Administration

The Vice President-Administration, United States Steel and Carnegie Pension Fund, is responsible for the administration of this Program. The administrator shall decide all questions arising out of and relating to the administration of this Program. The decision of the administrator shall be final and conclusive as to all questions of

interpretations and application of the Program.

b. Amendment or Termination of Program

The Corporation reserves the right to make any changes in this Program or to terminate this Program as to any or all groups of employees covered under this Program, but in no event shall such amendment or termination adversely affect the benefits accrued hereunder prior to the effective date of such amendment or termination. Any amendment to this Program which changes this Program (including any amendment which increases, reduces or alters the benefits of this Program) or any action which terminates this Program to any or all groups shall be made by a resolution of the Corporation's Board of Directors (or any authorized committee of such Board) adopted in accordance with the bylaws of the Corporation and the corporation law of the state of Delaware.

c. No Guarantee of Employment

Neither the creation of this Program nor anything contained herein shall be construed as giving an individual hereunder any right to remain in the employ of the Corporation.

d. Nonalienation

No benefits payable under this Program shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind by operation of law or otherwise. However, this section shall not apply to portions of benefits applied to satisfy (i) obligations for the withholding of taxes, or (ii) obligations under a qualified domestic relations order.

e. No Requirement to Fund

Except to the extent provided otherwise in this paragraph, benefits provided by this Program shall be paid out of general assets of the Corporation. No provisions in this Program, either directly or indirectly, shall be construed to require the Corporation to reserve, or otherwise set aside, funds for the payment of benefits hereunder.

As of the Effective Date, United States Steel Corporation (and its subsidiaries and successors) and Marathon Oil Corporation (and its subsidiaries and successors) have assumed liability for a Specified Percentage of the Corporate Part, if any, of each Member's accrued benefit under the Program. The term "Corporate Part" is defined to mean the pro rata portion (based upon continuous service taken into consideration for benefit accrual purposes under the Program) of a Member's total accrued benefit under the Program as of the Effective Date (as adjusted, if applicable, for increases in compensation in periods after the Effective Date) which is attributable to continuous service performed for the USX Headquarters unit of USX Corporation on

or after May 1, 1991 and prior to the Effective Date. The Specified Percentage is thirty-five percent (35%) for United States Steel Corporation and sixty-five percent (65%) for Marathon Oil Corporation.

f. Controlling Law

To the extent not preempted by the laws of the United States of America, the laws of the Commonwealth of Pennsylvania shall be the controlling state law in all matters relating to this Program.

g. Severability

If any provisions of this Program shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Program, but this Program shall be construed and enforced as if said illegal or invalid provision had never been included herein.

h. Exclusive Provisions of Program

The provisions contained herein constitute the complete and exclusive statement of the terms of this Program. There are no written or oral representations, promises, statements or commitments, other than those expressly set forth herein, with respect to benefits provided by this Program. All reliance by any individual concerning the subject matter of this Program shall be solely upon the provisions set forth in this document.

Exhibit 10(f)

United States Steel Corporation Supplemental Thrift Program

Amended Effective January 1, 2002

1. Purpose

The purpose of this program is to compensate individuals for the loss of Company matching contributions under the United States Steel Corporation Savings Fund Plan for Salaried Employees ("Savings Plan") that occurs due to certain limits established under the Internal Revenue Code ("Code") or that are required under the Code. The term "Corporation" shall mean United States Steel Corporation and any other company that is a participating employer in the Savings Plan.

2. Eligibility

Except as otherwise provided herein, an individual is a "Member" of the United States Steel Corporation Supplemental Thrift Program (the "Program") if he or she is an employee of the Corporation who is eligible to participate in the Savings Plan and either (a) is a member of the Executive Management Group, or (b) is not permitted to make contributions to the Savings Plan at least equal to the maximum rate of matching Company contributions applicable to his service because of the limitations of the Code.

3. Amount of Benefits

With respect to a month in which a Member's ability to either:

(a) save on both a pre-tax and after-tax basis under the Savings Plan at a rate at least equal to the maximum rate of matching Company contributions applicable to his service is restricted by law (including the limitations under Code sections 401(a)(17), 401(k), 402(g), and 415), or

(b) save on an after-tax basis under the Savings Plan at a rate at least equal to the maximum rate of matching Company contributions applicable to his service is restricted by Code section 401(m),

the full matching Company contributions which would otherwise have been deposited into the Savings Plan on behalf of the Member will be credited for such month to the Member's account under the Program (regardless of the Member's rate of savings under the Savings Plan).

Beginning January 1, 2002, the amount to be credited to a Member's account in the Program (book entry only) will be credited in the same manner as if the amount had been deposited in the Savings Plan for investment in United States Steel Corporation Common Stock. In addition, amounts credited to a Member's account (book entry only) as of December 31, 2001 relating to USX-U.S. Steel Group Common Stock and USX-Marathon Group Common Stock, respectively, will continue to be held in such accounts as amounts relating to United States Steel Corporation Common Stock and Marathon Oil Corporation Common Stock, respectively. Except as otherwise provided, the rules under the Savings Plan for determining service for eligibility and vesting, Corporation stock values, share determination, beneficiary designation, and vesting will be applicable under this Program.

4. Form of Benefit

a. Lump Sum Distribution

A Member shall receive a lump sum distribution of the benefits payable under this Program upon the Member's (a) termination of employment with five or more years of continuous service, (b) termination of employment prior to attaining five years of continuous service with the consent of the Corporation, or (c) pre-retirement death. Except as provided in section 5e., benefits provided by this Program shall be paid by the Corporation in cash out of the general assets of the Corporation.

In the event a Member dies prior to retirement (or after retirement but prior to receiving the benefits credited to his account under the Program), the benefits will be paid to the Member's surviving spouse (or to the Member's estate, if there is no surviving spouse) in the form of a lump sum distribution.

b. Deferral of Lump Sum Distribution

A Member may elect, prior to retirement and in writing to the

administrator of the Program, to receive such lump sum distribution either:

(i) in full on February 1 of the year following the year in which the Member retires, or

(ii) in three annual installments with the first annual installment payable within 90 days following the Member's date of retirement and the succeeding installments payable on the next two anniversaries of the first payment date.

Interest would accrue and be payable on the balance due using the interest rate earned within the Group Interest Fund under the Savings Plan during the period of the deferral.

Subject to a 2% penalty, the Member may elect to accelerate the payment of all remaining installments to a date prior to the scheduled date. If such an election is made, the accelerated payment would be reduced by an amount equal to 2% of the amounts accelerated (including interest). Such an election for acceleration of any balance due will be valid only if it is filed in writing with the administrator at least 20 days prior to the date payment is requested.

5. General Provisions

a. Administration

The Vice President-Administration, United States Steel and Carnegie Pension Fund, is responsible for the administration of this Program. The administrator shall decide all questions arising out of and relating to the administration of this Program. The decision of the administrator shall be final and conclusive as to all questions of interpretations and application of the Program.

b. Amendment or Termination of Program

The Corporation reserves the right to make any changes in this Program or to terminate this Program as to any or all groups of employees covered under this Program, but in no event shall such amendment or termination adversely affect the benefits accrued hereunder prior to the effective date of such amendment or termination. Any amendment to this Program which changes this Program (including any amendment which increases, reduces or alters the benefits of this Program) or any action which terminates this Program to any or all groups shall be made by a resolution of the United States Steel Corporation Board of Directors (or any authorized committee of such Board) adopted in accordance with the bylaws of United States Steel Corporation and the corporation law of the state of Delaware.

c. No Guarantee of Employment

Neither the creation of this Program nor anything contained herein shall be construed as giving an individual hereunder any right to remain in the employ of the Corporation.

d. Nonalienation

No benefits payable under this Program shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind by operation of law or otherwise. However, this section shall not apply to portions of benefits applied to satisfy (i) obligations for withholding of employment taxes, or (ii) obligations under a qualified domestic relations order.

e. No Requirement to Fund

Except as provided in this section 5e., benefits provided by this Program shall be paid out of general assets of the Corporation. No provisions in this Program, either directly or indirectly, shall be construed to require the Corporation to reserve, or otherwise set aside, funds for the payment of benefits hereunder.

As of December 31, 2001 (the "Effective Date"), United States Steel Corporation (and its subsidiaries and successors) and Marathon Oil Corporation (and its subsidiaries and successors) have assumed liability for a Specified Percentage of the Corporate Part, if any, of each Member's accrued benefit under the Program. The term "Corporate

Part" is defined to mean the pro rata portion (based upon continuous service taken into consideration for benefit accrual purposes under the Program) of a Member's total accrued benefit under the Program as of the Effective Date which is attributable to continuous service performed for the USX Headquarters unit of USX Corporation on or after May 1, 1991 and prior to the Effective Date. The Specified Percentage is thirty-five percent (35%) for United States Steel Corporation and sixty-five percent (65%) for Marathon Oil Corporation. The term "accrued benefit" is defined to mean the number of units of Marathon Stock (as renamed the Marathon Oil Corporation common stock) and the number of units of Steel Stock (as converted to United States Steel Corporation common stock) the participant has accrued in his or her account under the Program. The assumption of liability for the Specified Portion of the Corporate Part includes the assumption of liability for future dividends attributable to such allocated units.

f. Controlling Law

To the extent not preempted by the laws of the United States of America, the laws of the Commonwealth of Pennsylvania shall be the controlling state law in all matters relating to this Program.

g. Severability

If any provisions of this Program shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Program, but this Program shall be construed and enforced as if such illegal or invalid provision had never been included herein.

h. Exclusive Provisions of Program

The provisions contained herein constitute the complete and exclusive statement of the terms of this Program. There are no written or oral representations, promises, statements or commitments, other than those expressly set forth herein, with respect to benefits provided by this Program. All reliance by any individual concerning the subject matter of this Program shall be solely upon the provisions set forth in this document.

Exhibit 10(g)

UNITED STATES STEEL CORPORATION
DEFERRED COMPENSATION PLAN
FOR NON-EMPLOYEE DIRECTORS
(Effective as of January 1, 2002)

1. Purpose

The United States Steel Corporation Deferred Compensation Plan for Non-Employee Directors is intended to enable the Corporation to attract and retain non-employee Directors and to enhance the long-term mutuality of interest between such Directors and shareholders of the Corporation.

2. Definitions

The following definitions apply to this Plan and to the Deferral Election Forms:

(a) Beneficiary or Beneficiaries means a person or persons or other entity designated on a Beneficiary Designation Form by a Participant as allowed in subsection 7(c) of this Plan to receive Deferred Benefit payments. If there is no valid designation by the Participant, or if the designated Beneficiary or Beneficiaries fail to survive the Participant or otherwise fail to take the Benefit, the Participant's Beneficiary is the Participant's surviving spouse or, if there is no surviving spouse, the Participant's estate.

(b) Beneficiary Designation Form means a form acceptable to the Committee or its designee and used by a Participant according to this Plan to name his/her Beneficiary or Beneficiaries.

(c) Board means the board of directors of United States Steel Corporation.

(d) Committee means the Compensation and Organization Committee of the Board.

(e) Common Stock means the common stock of the Corporation.

(f) Common Stock Unit shall have the meaning assigned to it in Section 6(a).

(g) Corporation means United States Steel Corporation.

(h) Deferral Election Form means a document governed by the provisions of section 4 of this Plan, including the portion that is the Distribution Election Form and the related Beneficiary Designation Form.

(i) Deferral Year means a calendar year for which a Participant has a Deferred Benefit.

(j) Deferred Stock Account means that bookkeeping record established for each Participant to reflect the status of his/her Deferred Stock Benefits under this Plan. A Deferred Stock Account is established only for purposes of measuring a Deferred Stock Benefit and not to segregate assets or to identify assets that may or must be used to satisfy a Deferred Stock Benefit. A Deferred Stock Account will be credited with that portion of the Participant's Retainer Fee deferred as a Deferred Stock Benefit according to a Deferral Election Form and according to sections 3 and 6 of this Plan. A Deferred

Stock Account will be credited periodically with amounts determined by the Committee under subsection 6(b) of this Plan.

(k) Deferred Stock Benefit means the benefit that results in distributions governed by sections 6 and 7.

(l) Directors means those duly named members of the Board.

(m) Distribution Election Form means that part of a Deferral Election Form used by a Participant according to this Plan to establish the post-Termination duration of deferral of a Deferred Stock Benefit. If a Deferred Stock Benefit has no Distribution Election Form that is operative according to section 4, distribution of that Deferred Stock Benefit is governed by section 7.

(n) Election Date means the date established by this Plan as the date before which a Participant must submit a valid Deferral Election Form to the Committee. For each Deferral Year, the Election Date is December 31 of the preceding calendar year or, in the case of an individual who becomes a Participant during a Deferral Year, the date that he/she becomes a Participant. Despite the two preceding sentences, the Committee may set an earlier date as the Election Date for any Deferral Year.

(o) Participant means a Director who is not simultaneously an employee of the Corporation.

(p) Plan means the United States Steel Corporation Deferred Compensation Plan for Non-Employee Directors.

(q) Retainer Fee means that portion of a Participant's compensation that is fixed and paid without regard to his/her attendance at meetings.

(r) Terminate, Terminating, or Termination, with respect to a Participant, means cessation of his/her relationship with the Corporation as a Director whether by retirement, death, disability or severance for any other reason.

3. Minimum Stock-Based Compensation

Each Person who becomes a Participant shall receive at least 50 percent of his/her annual Retainer Fee in the form of Common Stock Units.

4. Deferral Election

A deferral election is valid when a Deferral Election Form is completed, signed by the Participant, and received by the Committee or its designee. Deferral elections are governed by the provisions of this section.

(a) A Participant may elect a Deferred Stock Benefit for any Deferral Year if he/she is a Participant at the beginning of that Deferral Year or becomes a Participant during the Deferral Year.

(b) Before each Deferral Year's Election Date, each Participant will be provided with a Deferral Election Form. Subject to Section 3, a Participant may elect on or before the Election Date to defer until after Termination the receipt of all or part of his/her Retainer Fee for the Deferral Year in the form of a Deferred Stock Benefit.

(c) Each Distribution Election Form is part of the Deferral Election Form on which it appears or to which it states that it is related. The Committee may allow a Participant to file one Distribution Election Form for all of his/her Deferred Stock Benefits. The provisions of subsection 2(m) apply to any Deferred Benefit under this Plan if there is no operative Distribution Election Form for that Deferred Benefit.

(d) If it does so before the last business day of the Deferral Year, the Committee may reject any Deferral Election Form or any Distribution Election Form or both, and the Committee is not required to state a reason for any rejection. The Committee may modify any Distribution Election Form at any time to the extent necessary to comply with any laws or regulations. However, the Committee's rejection of any Deferral Election Form or any Distribution Election Form or the Committee's modification of any Distribution Election Form must be based upon action taken without regard to any vote of the Participant whose Deferral Election Form or Distribution Election Form is under consideration, and the Committee's rejections must be made on a uniform basis with respect to similarly situated Participants. If the Committee rejects a Deferral Election Form, the Participant must be paid the amounts he/she would then have been entitled to receive if he/she had not submitted the rejected Deferral Election Form.

(e) A Participant may not revoke a Deferral Election Form or a Distribution Election Form after the Deferral Year begins. Any revocation before the beginning of the Deferral Year is the same as a failure to submit a Deferral Election Form or a Distribution Election Form. Any writing signed by a Participant expressing an intention to revoke his/her Deferral Election Form or a related Distribution Election Form and delivered to the Committee or its designee before the close of business on the relevant Election Date is a revocation.

5. Effect of No Election

In the case of a person who does not submit a valid Deferral Election Form on or before the relevant Election Date, fifty percent of such Participant's Retainer Fee will become a Deferred Stock Benefit. The Deferred Stock Benefit of a Participant who submits a valid Deferral Election Form but fails to submit a valid Distribution Election Form for that Deferred Stock Benefit before the relevant Election Date or who otherwise has no valid Distribution Election Form for that Deferred Stock Benefit is governed by section 2(m).

6. Deferred Stock Benefits

(a) Deferred Stock Benefits will consist of Common Stock Units and will be

set up in a Deferred Stock Account for each Participant. "Common Stock Unit" shall mean a book-entry unit equal in value to a share of Common Stock. Each Common Stock Unit will increase or decrease in value by the same amount and with the same frequency as the fair market value of a share of Common Stock. Each Deferred Stock Account will be credited on January 15th of each year (or, if such day is not a business day, on the next succeeding business day) with a quantity of Common Stock Units determined in accordance with this section based on the closing price of a share of Common Stock on the NYSE on the last trading day of the preceding calendar year.

(b) Each Deferred Stock Account will be credited each calendar quarter, on the date on which dividends are reinvested under the Corporation's dividend reinvestment and stock purchase plans (the "Investment Date"), with additional Common Stock Units, including fractional units, in a quantity equal to the quotient of the dividends payable on the quantity of shares in such account divided by the Stock Purchase Price. "Stock Purchase Price" means the price obtained by averaging the daily high and low sales prices of Common Stock on the NYSE for the twelve days immediately preceding the Investment Date on which shares of Common Stock are reported on the NYSE.

(c) If a trust is established under section 8(b), an electing Participant may advise the trustee under the governing trust agreement as to the voting of shares of the Common Stock allocated to that Participant's separate account under the trust according to this subsection and provisions of the governing trust agreement. Before each annual or special meeting of the Corporation's shareholders, the trustee under the governing trust agreement must furnish each Participant with a copy of the proxy solicitation and other relevant material for the meeting as furnished to the trustee by the Corporation, and a form addressed to the trustee requesting the Participant's confidential advice as to the voting of shares of the Common Stock allocated to his/her account as of the valuation date established under the governing trust agreement preceding the record date.

7. Distributions

(a) A Deferred Stock Benefit will be distributed in shares of Common Stock equal to the number of, the Common Stock Units credited to the Participant's Deferred Stock Account. However, cash must be paid in lieu of fractional shares of the Common Stock otherwise distributable.

(b) Delivery of Common Stock will be made no later than five business days after the Participant's Termination, unless a later post-Termination date is specified in a Participant's Distribution Election Form.

(c) Deferred Stock Benefits may not be assigned by a Participant or Beneficiary. A Participant may use a Beneficiary Designation Form to designate one or more Beneficiaries for all of his/her Deferred Stock Benefits; such designations are revocable. Each Beneficiary will receive his/her portion of the Participant's Deferred Stock Account on February 15 of the year following the Participant's death unless the Beneficiary's request for a different distribution is received before that date and is approved at the Committee's sole discretion. The Committee may require that multiple Beneficiaries agree upon a single distributiondate.

(d) Upon the occurrence of a Change in Control resulting in a Participant's Termination, the Corporation shall pay such Participant, on the fifth day following such Termination, , cash in an aggregate amount equal to the value of such Participant's Deferred Stock Account on the date of the Change in Control, as determined using the higher of the closing prices of the Common Stock on the New York Stock Exchange on such date or the highest per-share price actually paid in connection with such Change in Control. For purposes of this Plan, "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Corporation is then subject to such reporting requirement; provided, that, without limitation, such a change in control shall be deemed to have occurred if

(A) any person (as defined in Sections 13(d) and 14(d) of the Exchange Act) (a "Person") is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding voting securities; provided, however, that for purposes of this Agreement the term "Person" shall not include (i) the Corporation or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an

employee benefit plan of the Corporation or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation; or

(B) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest including but not limited to a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the Board or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

(C) there is consummated a merger or consolidation of the Corporation or a subsidiary thereof with any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Corporation outstanding immediately prior thereto holding securities which represent immediately after such merger or consolidation at least 50% of the combined voting power of the voting securities of the entity surviving the merger or consolidation (or the parent of such surviving entity) or the shareholders of the Corporation approve a plan of complete liquidation of the Corporation, or there is consummated the sale or other disposition of all or substantially all of the Corporation's assets.

8. Corporation's Obligation

(a) The Plan is unfunded. A Deferred Benefit is at all times solely a contractual obligation of the Corporation. A Participant and his/her Beneficiaries have no right, title or interest in the Deferred Stock Benefits or any claim against them. Except according to section 8(b), the Corporation will not segregate any funds or assets for Deferred Stock Benefits nor issue any notes or security for the payment of any Deferred Stock Benefit.

(b) The Corporation may establish a grantor trust and transfer to that trust shares of Common Stock or other assets. The governing trust agreement must require a separate account to be established for each electing Participant. The governing trust agreement must also require that all Corporation assets held in trust remain at all times subject to the Corporation's judgment creditors.

9. Control by Participant

A Participant has no control over Deferred Benefits except according to his/her Deferral Election Forms, Distribution Election Forms, and Beneficiary Designation Form.

10. Claims Against Participant's Deferred Stock Benefits

A Deferred Stock Account relating to a Participant under this Plan is not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so is void. A Deferred Stock Benefit is not subject to attachment or legal process for a Participant's debts or other obligations. Nothing contained in this Plan gives any Participant any interest, lien or claim against any specific asset of the Company. A Participant or his/her beneficiary has no rights other than as a general creditor.

11. Amendment or Termination

This Plan may be altered, amended, suspended, or terminated at any time by the Board.

12. Notices

Notices and elections under this Plan must be in writing. A notice or election is deemed delivered if it is delivered personally or if it is mailed by registered or certified mail to the person at his/her last known business address.

13. Waiver

The waiver of a breach of any provision in this Plan does not operate as

and may not be construed as a waiver of any later breach.

14. Construction

This Plan is created, adopted, maintained and governed according to the laws of the state of Delaware. Headings and captions are only for convenience; they do not have substantive meaning. If a provision of this Plan is not valid or not enforceable, the validity or enforceability of any other provision is not affected. Use of one gender includes all, and the singular and plural include each other.

15. Effective Date

This Plan shall be effective January 1,2002.

Exhibit 10(h)

August 31, 2001

[Title][FirstName][LastName]
[JobTitle]
[Company]
[Address1]
[City],[State][PostalCode]

Dear[Title][LastName]:

USX Corporation and its subsidiaries and affiliates (the "Corporation") recognizes that your contribution to the growth and success of the Corporation will continue to be substantial and desires to assure the Corporation of your continued employment. In this connection, the Board of Directors of the Corporation (the "Board") recognizes that, as is the case with many publicly-held corporations, the possibility of a change in control may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Corporation and its stockholders.

Accordingly, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Corporation's management, including yourself, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Corporation.

In order to induce you to remain in the employ of the Corporation, the Corporation agrees that you shall receive the severance benefits set forth in this letter agreement ("Agreement") in the event your employment with the Corporation is terminated subsequent to a "Change in Control of the Corporation" (as defined in Section 2(a) hereof), in connection with a "Potential Change in Control of the Corporation" (as defined in Section 2(b) hereof), or under the other circumstances described below.

Upon the separation of the steel and steel-related businesses of the Corporation from its energy and energy related businesses (the "Separation"), which is anticipated to occur on or about January 1, 2002, the steel and steel-related businesses will be owned and operated by United States Steel Corporation, which will be a separate, stand-alone, publicly traded company no longer affiliated with the Corporation, and the energy and energy

related businesses will continue to be owned and operated by the Corporation, which, at the time of the Separation, will be renamed Marathon Oil Corporation.

If, in connection with the Separation you will be employed by United States Steel Corporation, effective at that time: 1) United States Steel Corporation will assume this Agreement, and will perform under the Agreement in the same manner and to the same extent that the Corporation would be required to perform if the Separation had not taken place; 2) United States Steel Corporation will replace USX Corporation as the "Corporation," as that term is used in this Agreement, except as otherwise required by context; and 3) USX Corporation will no longer have any obligations under this Agreement. In the event that the Separation does not occur, the obligations owed to you under this Agreement will remain those of USX Corporation.

If you will not be employed by United States Steel Corporation in connection with the Separation, the obligations owed to you under this Agreement will remain those of the Corporation. However, in light of the name change, effective as of the Separation, Marathon Oil Corporation will be the "Corporation" as that term is used in this Agreement, except as otherwise required by context. In the event that the Separation does not occur, this Agreement will continue unchanged.

1. Term of Agreement. This Agreement will commence on the date hereof and shall continue in effect until December 31, 2002; provided, however, that commencing on December 31, 2002 and each December 31 thereafter, the term of this Agreement shall automatically be extended for one additional year unless, not later than September 1 of that year, the Corporation shall have given notice that it does not wish to extend this Agreement; provided, further that, if (a) a Change in Control of the Corporation shall have occurred during the original or extended term of this Agreement, the term of this Agreement shall continue in effect for a period of twenty-four (24) months beyond the month in which such Change in Control of the Corporation occurred and (b) if a Potential Change in Control of the Corporation shall have occurred during the original or extended term of this Agreement, then the term of this Agreement shall continue in effect beginning on the date the Potential Change in Control occurs and shall not end before the earlier of (i) the end of the month in which a Change in Control occurs or (ii) the date the Board makes a good faith determination that the risk of a Change in Control has terminated (the "Potential Change in Control

Period"). In the event the Potential Change in Control Period ends due to a Change in Control, this Agreement shall continue in effect for a period of twenty-four (24) months beyond the month in which such Change in Control occurred.

2. Change in Control and Potential Change in Control of the Corporation.

(a) For purposes of this Agreement, a "Change in Control of the Corporation" and "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Corporation is then subject to such reporting requirement; provided, that, without limitation, such a change in control shall be deemed to have occurred if:

(i) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (a "Person") is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation (not including in the amount of the securities beneficially owned by such person any such securities acquired directly from the Corporation or its affiliates) representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding voting securities; provided, however, that for purposes of this Agreement the term "Person" shall not include (A) the Corporation or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its subsidiaries, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation; and provided, further, however, that for purposes of this paragraph (i), there shall be excluded any Person who becomes such a beneficial owner in connection with an Excluded Transaction (as defined in paragraph (iii) below); or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest including, but not limited to, a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the Board or nomination for election by the Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Corporation or any direct or indirect subsidiary thereof with any other corporation, other than a merger or consolidation (an

"Excluded Transaction") which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving corporation or any parent thereof) at least 50% of the combined voting power of the voting securities of the entity surviving the merger or consolidation (or the parent of such surviving entity) immediately after such merger or consolidation, or the shareholders of the Corporation approve a plan of complete liquidation of the Corporation, or there is consummated the sale or other disposition of all or substantially all of the Corporation's assets.

(b) For purposes of this Agreement, a "Potential Change in Control of the Corporation" and "Potential Change in Control" shall be deemed to have occurred, if:

(i) the Corporation enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Corporation;

(ii) any Person (including the Corporation) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Corporation;

(iii) any Person becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 15% or more of the combined voting power of the Corporation's then outstanding securities (not including in the amount of the securities beneficially owned by such Person any such securities acquired directly from the Corporation or its affiliates); or

(iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control of the Corporation has occurred.

(c) You agree that, subject to the terms and conditions of this Agreement, in the event of a Change in Control of the Corporation, you will remain in the employ of the Corporation for a period of three (3) months from and after the occurrence of such Change in Control of the Corporation; provided, however, that if during such three-month period (A) your employment is involuntarily terminated by the Corporation other than for Cause or (B) you terminate your employment during such three-month period for Good Reason, you shall not be required to remain in the Corporation's employ. The foregoing shall in no event limit or otherwise affect your rights under any other provision of this Agreement.

(d) You agree that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control of the Corporation, you will remain in the employ of the Corporation until the

earliest of (A) a date which is six (6) months from the occurrence of such Potential Change in Control of the Corporation, (B) the termination of your employment by reason of your death or Disability, as defined in Subsection 3(a), or (C) a date which is three (3) months from and after the occurrence of a Change in Control of the Corporation; provided, however, that if during any such period (A) your employment is involuntarily terminated by the Corporation other than for Cause or (B) you terminate your employment during any such period for Good Reason, you shall not be required to remain in the Corporation's employ. The foregoing shall in no event limit or otherwise affect your rights under any other provision of this Agreement.

(e) Notwithstanding anything to the contrary herein, the currently contemplated tax-free spin-off of the steel and steel-related businesses of the Corporation into a freestanding, publicly traded company and retention of the energy and energy-related businesses (the "Restructuring") shall not constitute a Change in Control nor shall events or actions in contemplation of the Restructuring constitute a Potential Change in Control.

3. Termination Following a Change in Control or Potential Change in Control of the Corporation. If any of the events described in Section 2(a) hereof constituting a Change in Control of the Corporation shall have occurred, you shall be entitled to the benefits provided in Section 4(d) hereof upon the termination of your employment during the term of this Agreement unless such termination is (i) because of your death or Disability, (ii) by the Corporation for Cause, (iii) by you other than for Good Reason or (iv) on or after the date that you attain age sixty-five (65). If your employment is terminated prior to a Change in Control, if such termination is other than (i) because of your death or Disability, (ii) by the Corporation for Cause, (iii) due to your voluntary resignation, unless such resignation is for Good Reason or (iv) on or after the date that you attain age sixty-five (65), and either you reasonably demonstrate that such termination (I) was at the request of or as a result of actions by a third party who has taken steps reasonably calculated to effect a Change in Control or (II) occurs during a Potential Change in Control Period, then your employment shall be deemed to have terminated following a Change in Control.

(a) Disability. If, as a result of your incapacity due to physical or mental illness which in the opinion of a licensed physician renders you incapable of performing your assigned duties with the Corporation, you shall have been absent from the full-time performance of your duties with the Corporation for six (6) consecutive months, and within thirty (30) days after written Notice of Termination is given you shall not have

returned to the full-time performance of your duties, the Corporation may terminate your employment for "Disability."

(b) Cause. Termination by the Corporation of your employment for "Cause" shall mean termination upon (i) the willful and continued failure by you to substantially perform your duties with the Corporation (other than any such failure resulting from termination by you for Good Reason or any such failure resulting from your incapacity due to physical or mental illness), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Corporation believes that you have not substantially performed your duties, and you have failed to resume substantial performance of your duties on a continuous basis within fourteen (14) days of receiving such demand, (ii) the willful engaging by you in conduct which is demonstrably and materially injurious to the Corporation, monetarily or otherwise or (iii) your conviction of a felony or conviction of a misdemeanor which impairs your ability substantially to perform your duties with the Corporation. For purposes of this Subsection, no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the

best interest of the Corporation.

(c) Good Reason. You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without your express written consent, the occurrence after a Change in Control of the Corporation, or after and at the request of or as a result of actions by a third party who has taken steps reasonably calculated to effect a Change in Control or after the first day of but during a Potential Change in Control Period (each an "Applicable Event"), of any one or more of the following:

(i) the assignment to you of duties inconsistent with your position immediately prior to the Applicable Event or a reduction or alteration in the nature of your position, duties, status or responsibilities from those in effect immediately prior to the Applicable Event;

(ii) a reduction by the Corporation in your annualized and monthly or semi-monthly rate of base salary (as increased to incorporate your foreign service premium, if any) ("Base Salary") as in effect on the date hereof or as the same shall be increased from time to time;

(iii) the Corporation's requiring you to be based at a location in excess of fifty (50) miles from the location where you are based immediately prior to the Applicable Event;

(iv) the failure by the Corporation to continue, substantially as in effect immediately prior to the Applicable Event, all of the Corporation's employee benefit, incentive compensation, bonus, stock option and stock award plans, programs, policies, practices or arrangements in which you participate (or substantially equivalent successor plans, programs, policies, practices or arrangements) or the failure by the Corporation to continue your participation therein on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed immediately prior to the Applicable Event;

(v) the failure of the Corporation to obtain an agreement from any successor to the Corporation to assume and agree to perform this Agreement, as contemplated in Section 7 hereof; and

(vi) any purported termination by the Corporation of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of subparagraph (d) below, and for purposes of this Agreement, no such purported termination shall be effective.

Your right to terminate your employment pursuant to this Subsection shall not be affected by your incapacity due to physical or mental illness. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder. Your determination of the existence of Good Reason shall be final and conclusive unless such determination is not made in good faith and is made without reasonable belief in the existence of Good Reason.

(d) Notice of Termination. Any termination by the Corporation for Cause or for Disability or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated.

(e) Date of Termination. "Date of Termination" shall mean the date specified in the Notice of Termination, when such a notice is required, or in any other case upon ceasing to perform services to the Corporation; provided, however, that if within thirty (30) days after any Notice of Termination one party notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date finally determined to be the Date of Termination in an arbitration award that has been confirmed or enforced by a final,

nonappealable judgment of a court of competent jurisdiction. Until there is a finally determined Date of Termination, your compensation (including your Base Salary at the rate in effect at the time Notice of Termination is given, or the Date of Termination where no Notice of Termination is required hereunder) and benefits as in effect prior to the event asserted to have triggered a Notice of Termination shall continue in effect.

4. Compensation Upon Termination or During Disability. After an Applicable Event has occurred, if, during the term of this Agreement, your employment is

terminated or you are in a period of Disability the following shall be applicable:

(a) During any period that you fail to perform your full-time duties with the Corporation as a result of incapacity due to physical or mental illness, your total compensation, including your Base Salary, bonus and any benefits, will continue unaffected until either you return to the full-time performance of your duties or your employment is terminated pursuant to Section 3(a) hereof. In the event you return to the full-time performance of your duties, you shall continue to receive your full Base Salary and bonus plus all other amounts to which you are entitled under any compensation or other employee benefit plan of the Corporation without interruption. In the event your employment is terminated pursuant to Section 3(a) hereof, your benefits shall be determined in accordance with the Corporation's retirement, insurance and other applicable programs and plans then in effect.

(b) If your employment shall be terminated by the Corporation for Cause or by you other than for Good Reason, the Corporation shall pay you your full Base Salary through the Date of Termination at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required hereunder, plus all other amounts to which you are entitled under any compensation or benefit plan of the Corporation at the time such payments are due, and the Corporation shall have no further obligations to you under this Agreement.

(c) If your employment terminates by reason of your death, your benefits shall be determined in accordance with the Corporation's retirement, survivor's benefits, insurance and other applicable programs and plans then in effect.

(d) If your employment by the Corporation is either terminated by the Corporation (other than for Cause or Disability) or terminated by you for Good Reason, you shall be entitled to the following benefits.

(i) Accrued Compensation and Benefits. The Corporation shall provide you:

(A) the compensation and benefits accrued through the Date of Termination to the extent not theretofore provided;

(B) a lump sum cash amount equal to the value of your unused vacation days accrued through the Date of Termination; and

(C) your normal post-termination compensation and benefits under the Corporation's retirement, insurance and other compensation and benefit plans as in effect immediately prior to the Date of Termination, or if more favorable to you, immediately prior to the Applicable Event.

(ii) Lump Sum Severance Payment. The Corporation shall provide to you a severance payment in the form of a cash lump sum distribution equal to your Current Annual Compensation (as defined below) multiplied times three (3); provided, however, that if you attain age 65 within three years of the Date of Termination, your benefit will be limited to a pro rata portion of such benefit based on a fraction equal to the number of full and partial months existing between the Date of Termination and your sixty-fifth (65th) birthday divided by 36 months.

For purposes of this paragraph, the term "Current Annual Compensation" shall mean the sum of:

(A) your Base Salary in effect immediately prior to the occurrence of the circumstances giving rise to such termination or, if higher, immediately prior to the Applicable Event; and

(B) an amount equal to the highest annual bonus awarded to you, if any, under any annual bonus plan of the Corporation or its predecessor in the three (3) years immediately preceding the Date of Termination or, if higher, in the three (3) years immediately preceding the Applicable Event.

(iii) Continuation of Welfare Benefits. Subject to the benefits offset described below, the Corporation will arrange to make available to you life and health insurance benefits during the Welfare Continuation Period (as defined below) that are substantially similar to those which you were receiving under a Corporation-sponsored welfare benefit plan immediately prior to the Date of Termination or, if more

favorable to you, immediately prior to the Applicable Event. These benefits will be provided at a cost to you that is no greater than the amount paid for such benefits by active employees who participate in such Corporation-sponsored welfare benefit plan or, if less, the amount paid for such benefits by you immediately prior to the Applicable Event. The Welfare Continuation Period

extends from the Date of Termination for a period of thirty-six (36) months, or, if earlier, until your 65th birthday.

The benefits otherwise receivable by you pursuant to this paragraph (iii) shall be reduced to the extent comparable benefits are actually received by you during the Welfare Continuation Period. For purposes of complying with the terms of this offset, you are obligated to report to the Corporation the amount of any such benefits actually received.

(iv) Retiree Medical and Life Benefits. The Corporation will arrange to make available to you retiree life and health insurance benefits determined as if under the Corporation's welfare benefit plans your actual participation credit (or continuous service) and actual age as of the Date of Termination were increased by the additional three years of service and age provided in paragraph 4(d)(v)(A) below. If eligible for such coverage, you may elect to commence participation in retiree medical benefits coverage at any time following the expiration of the Welfare Continuation Period (or immediately after the Date of Termination, if you satisfy the eligibility requirements without taking into consideration the additional three years of service and age).

Such retiree medical and life insurance coverage, if any, will be provided by the entity that is your employer as of the Date of Termination. The term "SSA" is defined to mean Speedway SuperAmerica LLC and its subsidiaries and successors. The term "MAP" is defined to mean Marathon Ashland Petroleum LLC and its subsidiaries, other than SSA, and successors. The term "Marathon" is defined to mean Marathon Oil Corporation, Marathon Oil Company and their subsidiaries, other than MAP and SSA, and successors. The term "Steel" is defined to mean United States Steel LLC, United States Steel Corporation, and their subsidiaries and successors.

(A) Marathon Welfare Benefit Plan. With respect to a Marathon welfare benefit plan, the premium charged by the Corporation for retiree medical coverage will be the lowest premium then in effect for any retiree medical coverage under its welfare benefit plan or, if lower, the lowest premium available thereunder immediately prior to the Applicable Event.

(B) Steel, MAP or SSA Welfare Benefit Plan. The additional three years of continuous service and age provided in paragraph 4(d)(v)(A) below shall be taken into

consideration in determining your eligibility for retiree medical and life insurance benefits under this Agreement.

If because of the recognition of the additional three years of continuous service and age described above, your service and/or age meets or exceeds the service and/or age specified in the appropriate Steel, MAP, or SSA welfare benefit plan for eligibility for retiree medical or life insurance coverage, the Corporation will provide you with an additional lump sum severance payment equal to the lump sum value of the contributions that the Corporation would have made on your behalf with respect to the retiree medical and life (as if all such life insurance benefits were group term life insurance benefits) benefits provided under the appropriate Steel, MAP, or SSA welfare benefit plan. Such additional lump sum severance benefit shall be in lieu of monthly Corporation contributions on your behalf for retiree medical and life insurance coverage under a Steel, MAP, or SSA welfare benefit plan. If you elect to participate in retiree medical and life insurance coverage through the Corporation, you will be responsible for the full costs of the program. The methods and assumptions that existed under the appropriate Steel Pension Plans, MAP Pension Plans, or SSA Pension Plans immediately prior to the Applicable Event for purposes of determining a lump sum distribution shall be used for purposes of determining the lump sum value of the Corporation contributions.

(v) Supplemental Retirement Benefit. In addition to the pension benefits to which you are entitled (assuming Corporation consent, if necessary for retirement prior to age 60) under the Corporation's defined benefit pension plans, the Corporation shall provide to you a benefit (the "Supplemental Retirement Benefit") equal to the difference between: (A) the lump sum value of your Enhanced Pension Benefit (as defined in paragraph (A) below), and (B) the lump sum value of your Actual Pension Benefit (as defined in paragraph (B) below). The Supplemental Retirement Benefit shall be paid in the form of a lump sum cash distribution. The methods and assumptions that existed under the applicable Corporation pension plan (or plans) immediately prior to the Applicable Event for purposes of determining a lump sum distribution shall be used for purposes of determining the lump sum values in (A) and (B). In determining the Enhanced Pension Benefit and the Actual Pension Benefit, amendments to the Steel Pension Plans, the Marathon Pension Plans, the MAP Pension Plans, and the SSA Pension Plans made subsequent to the Applicable Event and on or prior to the Date of

Termination, if any, shall be disregarded if they adversely affect in any manner the computation of retirement benefits thereunder.

(A) Enhanced Pension Benefit. The amount of your Enhanced Pension Benefit shall be equal to the Actual Pension Benefit for which you are eligible under the Steel Pension Plans, the Marathon Pension Plans, the MAP Pension Plans, and the SSA Pension Plans (as each is defined in paragraph 4(d)(v)(B) below) as of the Date of Termination, as adjusted to incorporate the enhancements outlined in paragraphs (1) through (6) below. If you are employed by Marathon, MAP or SSA as of the Date of Termination, the enhancements outlined in this paragraph (A) shall be applied only to your benefits under the Marathon Pension Plans, the MAP Pension Plans, or the SSA Pension Plans in which you were an active participant as of the Date of Termination. Otherwise, the enhancements shall be applied only to your benefits under the Steel Pension Plans.

(1) Normal Retirement Benefit - Service. For purposes of determining your monthly normal retirement benefit payable at normal retirement age, service used in the formula(s) shall be deemed to be equal to the sum of your actual service for benefit accrual purposes plus three years. For this purpose, your actual service shall be determined as of the Date of Termination.

(2) Normal Retirement Benefit - Final Average Pay. For purposes of determining your monthly normal retirement benefit payable at normal retirement age, final average pay shall be calculated using the sum of:

I. your Base Salary in effect immediately prior to the occurrence of the circumstances giving rise to such termination or, if higher, immediately prior to the Applicable Event; and

II. if bonus is considered covered compensation under the applicable pension plan, an amount equal to the highest annual bonus awarded to you, if any, under any annual bonus plan of the Corporation or its predecessor with respect to the three

(3) years immediately preceding the Date of Termination or, if higher, the three (3) years immediately preceding the Applicable Event (but not less than the amount of bonus taken into account in your Actual Pension Benefit).

Final average pay taken into account for this paragraph shall not be less than the amount of final average pay taken into account in the determination of your Actual Pension Benefit.

(3) Early Commencement Factors - Enhanced Service and Age. For purposes of determining the early commencement factors that apply to your monthly normal retirement benefit, your service and age shall be deemed equal to your actual service and age plus three years of service and three years of age, respectively. For this purpose, your actual service and actual age shall be determined as of the Date of Termination. In addition, if you satisfy the age and service requirements for a Rule-of-65, -70, or -80 retirement option under the pension rules applicable to the Steel Pension Plans as of the Date of Termination (taking into consideration the three years of age and service provided in this paragraph), you shall be eligible for an immediate pension under such retirement option in accordance with the terms of such pension rules even though the leave of absence requirements have not been satisfied.

(4) Full Vesting. Your accrued benefits under the Steel Pension Plans, Marathon Pension Plans, the MAP Pension Plans, and the SSA Pension Plans shall be deemed to be fully vested or, to the extent not so vested, paid as an additional benefit under this Agreement.

(5) Special SSA Provisions. If you are employed by SSA on the Date of Termination:

I. the additional service credit under paragraph (1) above shall be disregarded for purposes of calculating the accrued benefit under the prior traditional defined benefit plan formula under SSA's Pension Equity Plan which is otherwise

applicable in determining the Enhanced Pension Benefit, but shall be counted for early retirement eligibility and other purposes; and

II. in calculating the Enhanced Pension Benefit related to the pension equity formula under SSA's Pension Equity Plan, the additional service credit under paragraph (1) above shall be disregarded and instead you shall be deemed to have Pension Equity Benefit accruals for three additional years following the Date of Termination. The age and participation service points for each deemed year of accrual shall be calculated based on what your actual age and service would have been at the end of each calendar year had you remained employed with SSA.

(6) Determination of Age - All other purposes. Except as specifically provided otherwise in this paragraph (A), your age, as well as the age of your spouse, survivor, and/or co-pensioner, used in the determination of the amount of benefits payable under the applicable pension plan shall be determined using your age and their actual ages as of the Date of Termination.

(B) Actual Pension Benefit. The amount of your Actual Pension Benefit is determined as the sum of the monthly pension benefits payable to you as of the Date of Termination under: =

(1) the tax-qualified defined benefit pension plans, non-qualified defined benefit excess benefit plans, and non-qualified top-hat or supplemental defined benefit plans sponsored or maintained by Steel (or any successor plans or similar plans) (the "Steel Pension Plans"), and

(2) the tax-qualified defined benefit pension plans, non-qualified defined benefit excess benefit plans, and non-qualified top-hat or supplemental defined benefit plans sponsored or maintained by Marathon, MAP or SSA (or any successor plans or similar plans) (the

"Marathon Pension Plans," the "MAP Pension Plans," and the "SSA Pension Plans," as applicable).

(vi) Supplemental Savings Benefit. In addition to the benefits you are entitled to under the USX Corporation Savings Fund Plan for Salaried Employees and/or the Marathon Oil Company Thrift Plan and the related non-qualified supplemental savings plans ("Savings Plans"), the Corporation shall provide to you in the form of a cash lump sum distribution a benefit equal to the excess, if any, of:

(A) the amount you would have been entitled to under the Savings Plans determined as if you were fully vested thereunder on the Date of Termination, over

(B) the amount you are entitled to under the Savings Plans on the Date of Termination.

(vii) Timing. The payments provided for in this paragraph (d) shall be made not later than the fifth day following the Date of Termination.

(e) The Corporation shall also pay to you all legal fees and expenses incurred by you, as such legal fees and expenses are incurred, as a result of termination of employment (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided hereunder) or otherwise.

(f) Other than as provided in Section 4(d)(iii), you shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer, including self-employment, after the Date of Termination, or otherwise.

5. Stock Awards Acceleration.

(a) Upon a Change in Control, all outstanding options, restored options, and stock appreciation rights granted to you under any option or incentive plan of the Corporation shall be immediately fully vested and immediately exercisable and shall remain so exercisable throughout their entire original terms, and all restricted stock shall be immediately vested.

(b) If your employment is terminated prior to a Change in Control and

you are entitled to benefits under Section 4(d), as of the Date of Termination all outstanding options, restored options, and stock appreciation rights granted to you shall be immediately fully vested and immediately exercisable and shall remain so exercisable throughout their entire original terms, and all restricted stock shall be immediately vested. (c) The terms of this Section 5 shall amend and supercede the terms of any other agreement or instrument relating to the treatment of such outstanding options, restored options, stock appreciation rights, and restricted stock upon or following an Applicable Event.

6. Additional Payment.

(a) Whether or not you become entitled to any benefits under Section 4 above, in the event that there is made any payment in the nature of compensation to or for your benefit that would be subject to the tax (the "Excise Tax") imposed by section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Corporation shall pay to you, at the time specified in paragraph (b) below, an additional amount (the "Gross-Up Payment") such that the net amount retained by you shall be equal to the compensation and benefits you would have received had there been no Excise Tax imposed. For purposes of determining whether any of the payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) any payments or benefits received or to be received by you in connection with a Change in Control of the Corporation or your termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Corporation or with any person whose actions result in a Change in Control of the Corporation or with any person affiliated with the Corporation or such person (the "Total Payments") shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) shall be treated as subject to the Excise Tax, except to the extent that in the opinion of tax counsel reasonably acceptable to you and selected by the accounting firm which, immediately prior to the Change in Control, served as the Corporation's independent auditor (the "Auditor") such other payments or benefits (in whole

or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of section 280G(b)(4) of the Code in excess of the base amount within the meaning of section 280G(b)(3) of the Code, or are otherwise not subject to the Excise Tax, (ii) the amount of the Total Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Total Payments or (B) the amount of excess parachute payments within the meaning of section 280G(b)(1) (after applying clause (i), above), and (iii) the value of the Total Payments, including the value of any non-cash benefits or any deferred payment or benefit, shall be determined by the Auditor in accordance with the principles of section 280G of the Code. For purposes of determining the amount of the Gross-Up Payment, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of your residence on the Date of Termination (or, if there is no Date of Termination, then on the date of the Change in Control), net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder in calculating the Gross-Up Payment, you shall repay to the Corporation, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax, and federal and state and local income tax, and FICA-Health Insurance tax imposed on the portion of the Gross-Up Payment being repaid by you if such repayment results in a reduction in Excise Tax or FICA-Health Insurance tax, and/or a federal and state and local income tax deduction) plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Corporation shall make an additional gross-up payment in respect of such excess (plus any penalty, interest or Excise Taxes payable with respect to such excess) at the time that the amount of such excess is finally determined, such that you retain the same amount of compensation and benefits you would have received had there been no Excise Tax imposed.

(b) The payments provided for in paragraph (a) above shall be made not later than the fifth day following the Date of Termination (or, if there is no Date of Termination, not later than the fifth day following the date of the Change in Control); provided, however, that if the amounts of such payments cannot be

finally determined on or before such day, the Corporation shall pay to

you on such day an estimate as determined in good faith by the Corporation of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth day after the Date of Termination (or, if there is no Date of Termination, not later than the thirtieth day after the date of the Change in Control). In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Corporation to you payable on the fifth day after demand by the Corporation (together with interest at the rate provided in section 1274(b)(2)(B) of the Code).

7. Successors; Binding Agreement.

(a) The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place. Failure of the Corporation to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Corporation in the same amount and on the same terms as you would be entitled hereunder if you terminate your employment for Good Reason following an Applicable Event, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

(b) This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee or other designee or, if there is no such designee, to your estate.

8. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.

9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware.

10. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

12. Claims and Arbitration.

(a) Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that you shall be entitled to seek specific performance of your right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

(b) If you will be employed by United States Steel Corporation in connection with the Separation previously referenced in this Agreement, or in the event that the Separation does not occur, any such arbitration shall be held in Pittsburgh, Pennsylvania. If you will not be employed by United States Steel Corporation in connection with the Separation, following the Separation any such arbitration will be held in Houston, Texas.

13. Entire Agreement. This Agreement supersedes any other agreement or understanding between the parties hereto with respect to the issues that

are the subject matter of this Agreement.

14. Effective Date. This Agreement shall become effective as of the date set forth above. If this letter sets forth our agreement on the subject matter hereof, kindly sign and return to the Corporation the enclosed copy of this letter which will then constitute our agreement on this subject.

Sincerely,

USX CORPORATION

By

Dan D. Sandman
General Counsel, Secretary &
Senior Vice President-
Human Resources &
Public Affairs

Agreed to this ____ day of

, 2001

By

Exhibit 10(i)

August 8, 2001

Mr. Thomas J. Usher
600 Grant Street
Suite 6100
Pittsburgh, PA 15219-4776

Dear Tom,

In connection with the separation of the businesses, of the U.S. Steel Group and Marathon Group pursuant to the Agreement and Plan of Reorganization approved by the Board of Directors on July 31, 2001 (Separation) and your agreement to serve as Chairman, Chief Executive Officer and President of United States Steel Corporation (USSC), Chairman of the Board of Directors of Marathon Oil Corporation (Marathon) and Chairman of the Board of Managers of Marathon Ashland Petroleum LLC (MAP), I am authorized to extend to you, on behalf of the Compensation Committee of USX Corporation (USX), this Completion and Retention Agreement (Agreement), effective as of the date stated above.

The terms and conditions of our Agreement are as follows.

1. If the Separation occurs, you will receive a salary from USSC of $1,100,000 for each of years 2000 through 2004, subject to adjustment by the Board of Directors of USSC, or a committee thereof.

2. Subject to the completion of the Separation, you will receive:

   (a) a restructuring completion bonus of $6,000,000 payable by Marathon on the first business day after the effective time of the Separation; and

   (b) a retention bonus payable by USSC on the third anniversary of the effective time of the Separation. This retention bonus is capped at $3,000,000 and is further subject to the following performance measures and limitations authorized in (i) and (ii) below.

      (i) On the third anniversary of the effective time of the Separation, (A) the fair value of the aggregate assets of USSC exceeds its total liabilities, (B) the fair saleable value of the aggregate assets of USSC exceed its probable liabilities, and (C) USSC is able to pay and discharge its debts and other liabilities as they become due. The satisfaction of the forEgoing performance measures shall be determined solely by the Board of Directors of USSC, or the Compensation Committee thereof.

      (ii) In the event the conditions under 2(b)(i) are satisfied, the retention bonus of $3,000,000 shall be further subject to the performance-related vesting criteria applicable to restricted stock under the USSC 2002 Stock Plan (Plan). Based on a three-year rolling average of comparator-company performances and the performance criteria established in Appendix A to the Plan, the Compensation Committee shall determine the percentage (not to exceed 100%) to be applied to the $3,000,000 retention bonus.

3. Subject to completion of the Separation in addition to the normal director fees paid to non-employee directors, you will receive a $25,000 annual fee from Marathon for serving as Chairman of the Board of Marathon and Chairman of the MAP Board of Managers.

4. A grant of 90,000 restricted shares of USX-Marathon Group Common Stock with (a) 30,000 shares subject to vesting on the first anniversary hereof based on the 2001 performance of USX under the USX Stock Plan as determined by the Compensation Committee on May 2, 2002, (b) 30,000 shares subject to vesting in May 2003 based on the 2002 performance of Marathon under the Marathon Stock Plan as determined by the Marathon Compensation Committee in May 2003, and (c) 30,000 shares subject to vesting in May 2004 based on the 2003 performance of Marathon under the Marathon Stock Plan as determined by the Marathon Compensation Committee in May 2004.

5. Subject to the completion of the Separation, a grant of phantom stock appreciation rights for 500,000 shares of Marathon common stock. The exercise price of 150,000 shares will be based on the average of the high and low market price of USX-Marathon Group Stock Common Stock on the last trading day before the effective time of the Separation, and the exercise price of 350,000 shares will be based on the average of the high and low market price of Marathon common stock on the first trading day after the effective time of the Separation. The effective date of each grant will be same date as the determination of the exercise price. These stock appreciation rights will vest on the effective date of the grant and will expire on the earlier of ten years from the effective date of grant, nine years following retirement or three years following death while employed. These rights will be paid in cash upon exercise.

6. Subject to completion of the Separation, if you elect to receive your non-qualified pension plan as a lump sum distribution, the applicable interest rate and mortality table in effect for retirements on December 31, 2001 will be used to calculate the amount of such pension instead of the applicable interest rate and mortality table in effect at the time of your retirement, which could be greater or less than such rate.

7. Other provisions. The following provisions are further subject to the completion of the Separation.

(a) In the event of any merger, consolidation or other business combination involving USSC which has not been approved by the Board of Directors of USSC, all benefits payable hereunder shall immediately become due and payable.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Your rights hereunder are not assignable. We may assign our rights or a portion thereof to USSC or to any successor to USSC in a transaction approved by the Board of Directors of USSC.

(c) Except as otherwise provided herein, in the event of your death prior to the satisfaction of any benefit payable hereunder, any such benefit that remains unsatisfied at such date shall immediately become due and payable, including the vesting of any restricted stock or stock appreciation rights.

(d) In the event that you voluntarily leave the employment of USSC on or before December 31, 2004, the benefits payable under paragraphs 1 and 3 hereof shall be pro-rated based on the elapsed.

(e) You agree that you will dedicate your full attention and efforts to the management and direction of both Marathon and USSC and that you will be diligent in acting in the best interests of these organizations.

(f) We reserve the right to terminate this Agreement for good cause.

Except for your salary set forth in paragraph 1 hereof, it is further understood that the foregoing benefits are not benefit bearing under any tax-qualified or non tax-qualified plan of USX, Marathon, USSC or MAP.

Because of your extensive experience and personal qualities, you can make a unique and valuable contribution to the future of Marathon and USSC. If the terms and conditions herein are acceptable, please sign below.

Sincerely,

USX CORPORATION

By: /s/ Seth E.Schofield

Seth E.Schofield
On Behalf of the
Compensation Committee
Of USX Corporation,
predecessor to Marathon
Oil Corporation

Agreed to and Accepted this 8th day of August, 2001.

/s/ Thomas J. Usher

Thomas J. Usher

UNITED STATES STEEL LLC, predecessor
to United States Steel Corporation

Agreed to and Acknowledged

By: /s/ E.F. Guna

Name:E.F. Guna

Title: Vice President

Date: August 8, 2001

Exhibit 10(j)

Mr. John P. Surma
2006 Hycroft Drive
Pittsburgh, PA 15241

December 21, 2001

Dear John,

In furtherance of your employment letter dated January 27, 1997, and in consideration for your agreeing to act as Vice Chairman of United States Steel Corporation effective January 1, 2002 (or such later date on which the USX Corporation Board of Directors approves the restructure of USX), USX Corporation, renamed Marathon Oil Corporation effective upon the USX restructure ("Marathon"), United States Steel LLC ("Steel"), Marathon Ashland Petroleum LLC ("MAP"), Speedway SuperAmerica LLC ("SSA"), and their successors (collectively, the "Corporation") agree to provide the non-qualified benefit supplements outlined in Section A below. The supplements payable under this letter agreement ("Agreement") are in addition to the pension and savings benefits and non-qualified deferred compensation that you are otherwise entitled to as an executive employee of the Corporation.

Unless you elect otherwise in accordance with Section B below, the supplements payable under this Agreement shall be paid by Steel and Marathon in the form of a lump sum distribution within 90 days of the date of your termination of employment from all employers of the Corporation (or, if earlier, the date of your death). Any such lump sum distribution shall be calculated in the same manner as it would have been calculated had it been made under the Steel or Marathon pension plan, as applicable. If you die prior to receipt of such lump sum, such lump sum will be paid to your surviving spouse or to your estate if there is no surviving spouse.

A. Pension and Savings Benefits - Attributable to Bonus Service Steel and Marathon

Marathon shall provide non-qualified benefit supplements equal to the difference between (1) the Adjusted Benefits, and (2) the Actual Benefits, as outlined below.

(1) Adjusted Benefits

The term "Adjusted Benefits" shall mean the pension (and surviving spouse and survivor) or savings benefits that would be provided to you under the Steel Plans and the Marathon Plans specified in Exhibit A attached if your actual continuous service with the Corporation is adjusted to reflect an increase of fifteen (15) years of continuous service. As outlined in Exhibit A, such bonus years will be used for purposes of determining eligibility and vesting for both the Steel Plans and Marathon Plans. For benefit accrual purposes, the fifteen bonus years of service will be allocated between Steel and Marathon (and their plans) based upon the ratio of the number of months of service you have worked for Steel or Marathon, respectively, as compared to the combined number of months of service you have worked for Steel and Marathon as of the determination date.

Solely for purposes of determining the above-described allocation ratio, years of service with USX prior to the USX restructure will be counted as service for Steel and years of service with MAP and SSA shall be counted as service for Marathon. The determination date shall be the date of your termination of employment (or, if earlier, the date of your death). A partial month of service shall be counted as a month if it includes at least 15 days of service.

(2) Actual Benefit

The term "Actual Benefits" shall mean the pension (and surviving spouse and survivor) and savings benefits that are provided to you under the Steel Plans and the Marathon Plans specified in Exhibit A as of the determination date.

For purposes of determining the amounts in (1) and (2) above, benefits will be based upon the amount of immediate benefit payable in the form of a lump sum distribution under the terms of the applicable plan.

B. Alternative Forms of Benefit

You may receive all or a portion of the supplements payable by Steel or Marathon under this Agreement in one or more alternative forms of benefit if you make an election to do so at least one year prior to the date of your retirement from the Corporation (or, if earlier, from the date of your death). Any alternative form of benefit must be approved by the Corporation

and may include, for example, the alternatives outlined below. To be valid, any such election must be received in writing and approved by the Vice President-Employee Relations of Steel and/or Marathon, as applicable.

(1) Installments

In accordance with the terms of a valid election, the benefit payable under this Agreement may be paid either:

(a) in full on February 1 of the year following the year in which you retire, or

(b) in up to ten annual installments with the first annual installment payable within 90 days following the date of your retirement and the succeeding installments payable on the next anniversary(ies) of the first payment date.

Interest would accrue and be payable on the balance due at the rate used to determine the actuarially equivalent lump sum value of your benefit under the Steel or Marathon pension plan, as applicable. If you die prior to receipt of the remaining installments, such remaining installments shall be paid to your surviving spouse or to your estate if there is no surviving spouse.

Subject to a 2% penalty, you may elect to accelerate the payment of all remaining installments to a date prior to the scheduled date. If such an election is made, the accelerated payment would be reduced by an amount equal to 2% of the amounts accelerated (including interest). Such an election for acceleration of any balance due will be valid only if it is filed in writing with the appropriate Vice President -Employee Relations at least 20 days prior to the date payment is requested.

(2) Split Dollar Life Insurance

In accordance with the terms of a valid election, you may waive your right to all or a portion of the benefits payable by Steel and/or Marathon under this Agreement in return for split dollar life insurance coverage under terms to be subsequently determined by Steel or Marathon.

C. Deferred Compensation Arrangements

As with other similarly situated former employees, Marathon agrees that you will be treated the same as an employee transferred to an employer within the Marathon Oil Corporation controlled group of corporations for purposes of the MAP and SSA Deferred Compensation Arrangements outlined in Exhibit B attached. In this regard, no distributions under these Arrangements will be permitted or required solely as a result of the separation of USX Corporation.

Consistent with the terms of the January 27, 1997 letter agreement, Marathon agrees to provide the non-qualified benefit supplement under this Agreement that is payable by Steel to the extent, if any, that such supplement is not paid by Steel within 60 days of the due date. In such event, Marathon shall pay such unpaid portion within 60 days of the date that you notify Marathon that Steel has failed to satisfy its obligation under this Agreement.

For your information, attached as Exhibit B is a list of the pension and savings plans and non-qualified deferred compensation arrangements in which you are currently participating.

Sincerely,

/s/ T.J. Usher

T.J. Usher

Agreed to: /s/ John P. Surma December 21, 2001

John P. Surma

Exhibit A

John P. Surma Letter Agreement - December 21, 2001

Application of Bonus Service to Steel and Marathon Plans (and their successors)

<TABLE>

<CAPTION>

Plans	Adjusted Benefit under Letter Agreement: Eligibility and Vesting	Adjusted Benefit under Letter Agreement: Benefit Accrual
<S>	<C>	<C>
Steel Plans		
USS Plan for Non-Union Employee Pension Benefits	15 years of bonus service	Steel's pro rata portion/1/ of 15 bonus years
USS Corporation Non-Tax Qualified Pension Plan	15 years of bonus service	Steel's pro rata portion of 15 bonus years
USS Corporation Executive Management Supplemental Pension Program	15 years of bonus service	Steel's pro rata portion of 15 bonus years
USS Corporation Supplemental Thrift Program	15 years of bonus service (provides higher Co. match)	No impact
Marathon Plans		
Retirement Plan of Marathon Oil Company	15 years of bonus service	No impact. (Marathon's pro rata portion of 15 bonus years is used in hypothetical MAP Ret. Plan unreduced for Marathon Retirement Plan offset)/2/
Marathon Oil Company Excess Benefits Plan	15 years of bonus service	No impact
Refining, Marketing, and Transportation Subplan of Marathon Ashland Petroleum Retirement Plan	15 years of bonus service	Marathon's pro rata portion of 15 bonus years
Marathon Ashland Petroleum Excess Benefits Plan	15 years of bonus service	Marathon's pro rata portion of 15 bonus years
Retail Subplan of Marathon Ashland Petroleum Plan		
- Petroleum Marketing Legacy Provisions	15 years of bonus service	No impact
- Pension Equity Provisions	15 years of bonus service (provides higher accrual rate)	No impact on number of accrual years
Speedway SuperAmerica Excess Benefits Plan	15 years of bonus service	No impact

</TABLE>

/1 Pro rata portion is determined as of the determination date based upon the ratio of the number of months of service for Steel (including pre-2002 USX) or Marathon, respectively as compared to the combined number of months of service for Steel and Marathon. Determination data is the date of retirement (or, if earlier, date of death)./

/2 The term"Marathon's pro rata portion" refers to the portion allocable to service with Marathon, MAP, and SSA./

Exhibit B

John P. Surma - Applicable Pension and Savings Plans and Deferred Compensation Arrangements (and their successors)

<TABLE>
<CAPTION>

Plans	Summary of Benefits: Estimated Lump Sum Value-7/1/01	Summary of Benefits: Active Participation	Explanation
<S>	<C>	<C>	<C>
Steel Plans			
1. USS Non-Union Employee Pension Plan	0	9/01 -	DB pension on non-bonus compensation

2. USS Non-Tax Qualified Pension Plan under Plan 1	0	9/01 -	Excess/1/ not payable [Non-Qual.]
3. USS Supplemental Pension Program compensation	0	9/01 -	DB Pension on bonus [Non-Qual.]
4. USS Savings Fund Plan 401(m)]	0	9/01 -	DC savings [401(k) and
5. USS Supplemental Thrift Program under	0	9/01 -	Company match not provided Plan 4 [Non-Q.]
Marathon Plans			
6. MRO - Marathon Retirement Plan bonus	54,582	2/97 - 8/98	DB pension on regular and compensation
7. MRO and MAP - Thrift Plan 401(m)]	(See website)	2/97 - 8/98 1/00 - 8/01	DC savings [401(k) and
8. MRO - Excess Benefits Plan Plans 6 & 7		2/97 - 8/98	Excess not payable under [Non-Qual.]
. Excess Defined Contribution (Thrift)	30,800		
. Excess Defined Benefit	(Shown in Plan 6)		
9. MAP - RM&T Subplan of MAP Plan bonus	111,345	1/00 - 8/01	DB pension on regular and compensation
10. MAP - Excess Benefits Plan Plans 9 & 7		1/00 - 8/01	Excess not payable under [Non-Qual.]
. Excess Defined Contribution (Thrift)	35,900		
. Excess Defined Benefit	(Shown in Plan 9)		
11. SSA - Retail Subplan of MAP Plan			
- Petroleum Marketing Legacy bonus	17,471	9/98 - 12/98	DB pension on regular and compensation
- Pension Equity Provisions bonus	79,848	1/99 - 12/99	DB pension on regular and compensation
12. SSA - Excess Benefits Plan Plan 11	(Shown in Plan 11)	9/98 - 12/99	Excess not payable under [Non-Qual.]
Deferred Compensation Arrangements			
13. MAP - Deferred Compensation hypothetical	178,100	1/00 - 8/01	Deferred income; Fidelity options
14. SSA - Deferred Compensation - 1998	21,200	9/98 - 12/98	Deferrals; earnings tied to prime rate
15. SSA - Deferred Compensation - 1999 hypothetical	131,600	1/99 - 12/99	Deferred income; Fidelity options

</TABLE>

- ----------

/1 For purposes of this chart, the term "Excess" means the amount not payable under a qualified trust on account of Code sections 401(a)(17) and 415 (or other Code sections)./

Exhibit 10(k)

[LETTERHEAD]

Mr. Dan D. Sandman
2173 Hycroft Dr.
Pittsburgh, PA 15241

September 14, 2001

Dear Dan,

In consideration for your agreeing to serve as Vice Chairman and Chief Legal & Administrative Officer of United States Steel Corporation, United States Steel LLC and its successors (the "Corporation") agree to provide you with the additional pension benefits outlined in paragraphs A. and B. of this agreement ("Agreement") upon your retirement if you are employed by the Corporation for a period of at least five years following the date that USX Corporation is separated into Marathon Oil Corporation and United States Steel Corporation ("Effective Date"). In the event of your death prior to retirement, the enhanced pension benefits provided by this Agreement will be payable even if the five-year service requirement has not been satisfied and will be calculated as if the date of your retirement was the day immediately prior to the date of your death.

A. Enhanced Pension Benefits

The Corporation will provide a pension supplement to you upon your retirement from the Corporation (or to your surviving spouse and/or survivor upon your death prior to retirement) equal to the excess of (1) minus (2) below:

(1) the sum of the pension, surviving spouse's benefits, and/or survivor benefits which would be provided on your behalf under the United States Steel Corporation Plan for Non-Union Employee Pension Benefits (Revision of 1998) (or its successor) (hereinafter the "Plan") or the USX Corporation Non Tax-Qualified Pension Plan (or its successor) (hereinafter the "Non-Qualified Plan"), if such benefits were calculated using-

(a) your actual age at retirement (or death) plus three years, for purposes of applying the Plan's early retirement factors,

(b) your actual continuous service under the Plan for benefit accrual purposes at retirement (or death) plus three years, for purposes of determining your regular pension under the Final Earnings provisions of the Plan and for purposes of applying the Plan's early retirement factors,

(c) the interest rate and mortality table specified by the Plan for calculating lump sum distributions as of the date of your retirement (or death), except that the lump sum shall be at least equal to the amount that would be provided if the lump sum was calculated using the applicable interest rate and mortality table for retirements on the later of December 31, 2001 or the Effective Date,

(d) the actuarial factors and assumptions that are in effect under the Plan as of the later of December 31, 2001 or the Effective Date, using your actual age (and your spouse's and/or survivor's age) at retirement (or death),

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(e) the Rule-of-70/80 retirement provisions under the Plan even though the period of absence requirements have not been satisfied, and

(f) your actual age, except as specifically provided above, for purposes of determining the amount of your benefits under the Plan.

(2) the sum of the pension, surviving spouse's benefits, and/or survivor benefits which are actually payable on your behalf under the Plan or the Non-Qualified Plan as of your retirement (or death).

For purposes of determining the amounts in (1) and (2) above, benefits will be based upon the amount of immediate pension payable in the form of a lump sum distribution under the terms of the applicable plan. To the extent a pension benefit is payable under this Agreement, it will be paid in the form of a lump sum distribution by the United States Steel Corporation (or

its successor).

You may elect, prior to retirement and in writing to the administrator of the Corporation's employee benefit plans, to receive such lump sum distribution either:

(i) in full on February 1 of the year following the year in which you retire, or

(ii) in up to five annual installments with the first annual installments payable within 90 days following your date of retirement and the succeeding installments payable on the applicable anniversaries of the first payment date.

Interest would accrue and be payable on the balance due at the rate used under the Plan to determine the actuarially equivalent lump sum value of participants' benefits under the Plan.

B. Consent Requirements

For purposes of the USX Corporation Executive Management Supplemental Pension Program and the USX Corporation Non Tax-Qualified Pension Program, you will be treated as having Company consent to retire even if you have not attained age 60 as of the date of your retirement.

Sincerely,

/s/ T.J. Usher
- ------------------
T.J. Usher

Agreed to: /s/ Dan D. Sandman September 14, 2001
Dan D. Sandman

Exhibit 10(n)

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AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

dated as of November 28, 2001

among

U.S. STEEL RECEIVABLES LLC,
as Seller

UNITED STATES STEEL LLC,
as initial Servicer

THE PERSONS PARTY HERETO AS CP CONDUIT PURCHASERS,
COMMITTED PURCHASERS AND FUNDING AGENTS

and

THE BANK OF NOVA SCOTIA,
as Collateral Agent

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This AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement") is dated as of November 28, 2001, among U.S. STEEL RECEIVABLES LLC, a Delaware limited liability company, as Seller (the "Seller"), UNITED STATES STEEL LLC ("USS"), a Delaware limited liability company as initial Servicer (in such capacity, together with its successors and permitted assigns in such capacity, the "Servicer"), the several commercial paper conduits identified on the signature pages hereto and their respective permitted successors and assigns (the "CP Conduit Purchasers"; each, individually, a "CP Conduit Purchaser"), the several financial institutions identified on the signature pages hereto as "Committed Purchasers" and their respective permitted successors and assigns (the "Committed Purchasers"; each, individually, a "Committed Purchaser"), the agent banks identified for each CP Conduit Purchaser and Committed Purchaser on the signature pages hereto and their respective permitted successors and assigns (the "Funding Agents"), each CP Conduit Purchaser, Committed Purchaser and Funding Agent that becomes a party hereto from time to time pursuant to an Assumption Agreement, Transfer Supplement or otherwise, and THE BANK OF NOVA SCOTIA, a Canadian chartered bank acting through its New York Agency ("BNS"), as Collateral Agent for the CP Conduit Purchasers and Committed Purchasers (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

The Seller may desire to convey, transfer and assign, from time to time, undivided percentage interests in certain accounts receivable, and the CP Conduit Purchasers may desire to, and the Committed Purchasers, if requested by the CP Conduit Purchasers, shall, accept such conveyance, transfer and assignment of such undivided percentage interests, subject to the terms and conditions of this Agreement.

This Agreement amends and restates in its entirety, as of the Closing Date, the Receivables Purchase Agreement dated as of December 7, 1999 (as amended

through the date hereof, the "Original Agreement"), among USS, as Seller and initial Servicer, Liberty Street Funding Corporation ("LSFC") and BNS, as agent for LSFC. Upon the effectiveness of this Agreement, the terms and provisions of the Original Agreement shall, subject to this paragraph, be superseded hereby in their entirety. Notwithstanding the amendment and restatement of the Original Agreement by this Agreement, (i) USS shall continue to be liable to LSFC, BNS or any other Indemnified Party or Affected Person (as such terms are defined in the Original Agreement) with respect to all unpaid Capital, Discount (as such terms are defined in the Original Agreement),

fees and expenses (the "Original Agreement Outstanding Amounts") under the Original Agreement (which shall continue to accrue thereunder until such amounts are paid in full) and all agreements to indemnify such parties in connection with events or conditions arising or existing prior to the effective date of this Agreement and (ii) the security interest created under the Original Agreement shall remain in full force and effect as security for such Original Agreement Outstanding Amounts until such Original Agreement Outstanding Amounts shall have been paid in full. Upon the effectiveness of this Agreement, each reference to the Original Agreement in any other document, instrument or agreement shall mean and be a reference to this Agreement. Nothing contained herein, unless expressly herein stated to the contrary, is intended to amend, modify or otherwise affect any other instrument, document or agreement executed and or delivered in connection with the Original Agreement.

In consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

ARTICLE I.
AMOUNTS AND TERMS OF THE PURCHASES

Section 1.1. Facility; Termination. (a) On the terms and conditions hereinafter set forth in this Agreement, the parties hereto establish a receivables financing facility.

(b) The Seller may, upon at least 30 days' written notice to each Funding Agent, terminate or reduce the unused portion of the Facility Limit (ratably with respect to each such Committed Purchaser based on such Person's Commitment); provided, that each reduction shall be in the amount of at least $10,000,000 with respect to each Committed Purchaser, or an integral multiple of $1,000,000 in excess thereof, and that, unless terminated, the Facility Limit shall in no event be reduced below $100,000,000.

Section 1.2. Transfers; Certificates; Eligible Receivables. (a) Incremental Transfers. Prior to the Facility Termination Date, upon the terms and subject to the conditions set forth herein and in the other Transaction Documents, the Seller may, at its option from time to time, convey, transfer and assign to the Collateral Agent for the benefit of each CP Conduit Purchaser (except during the pendency of a CP Conduit Purchaser Termination Event with respect to such CP Conduit Purchaser) or to the Collateral Agent for the benefit of the Committed Purchasers with respect to such CP Conduit Purchaser (and the Collateral Agent for the benefit of each

CP Conduit Purchaser may, at the option of such CP Conduit Purchaser from time to time, except during the pendency of a CP Conduit Purchaser Termination Event relating to such CP Conduit Purchaser), and the Collateral Agent for the benefit of the Committed Purchasers relating to such CP Conduit Purchaser shall, accept such conveyance, transfer and assignment from the Seller, without recourse except as provided herein), undivided percentage ownership interests in the Receivables, together with the Related Security, Collections and proceeds with respect thereto (each, an "Incremental Transfer") for an amount equal to the applicable Transfer Price from time to time prior to the Facility Termination Date; provided that after giving effect to the issuance of Notes by the CP Conduit Purchasers or the obtaining of funds by the Committed Purchasers to fund the Transfer Price of any Incremental Transfer and the payment to the Seller of such Transfer Price, (i) the Net Investment of any such Purchaser (together with the outstanding Net Investments of each such CP Conduit Purchaser or Committed Purchaser relating to such Purchaser) shall not exceed the aggregate of the Commitments of the Committed Purchasers relating to such Purchaser and (ii) the Capital shall not exceed the Facility Limit; and provided further, that the conditions set forth in Exhibit II of this Agreement shall be satisfied with respect thereto.

The Seller may, from time to time, by notice to each Funding Agent given by telecopy, offer to convey, transfer and assign to the Collateral Agent for the benefit of each CP Conduit Purchaser (except during the pendency of a CP Conduit Purchaser Termination Event with respect to such CP Conduit Purchaser) or the Collateral Agent for the benefit of the Committed Purchasers, undivided percentage ownership interests in the Purchased Interest at least two (2) Business Days prior to the proposed date of any Incremental Transfer. Each such notice shall specify (x) the desired Transfer Price (which shall be at least $1,000,000 per CP Conduit Purchaser or integral multiples of $100,000 in excess thereof) or, to the extent that the then available unused portion of the Facility Limit (or the aggregate unused Commitment of the Committed Purchasers relating to such CP Conduit Purchaser) is less than such amount, such lesser amount equal to such available portion of the Facility Limit (or Commitment of the related Committed Purchasers, as the case may be); and (y) the desired date of such Incremental Transfer which shall be a Business Day. At the option of each such CP Conduit Purchaser the Collateral Agent for the benefit of such Conduit Purchaser shall accept or reject any such offer by prompt written notice given to the Seller.

Each notice of proposed Incremental Transfer shall be irrevocable and binding on the Seller, and the Seller shall indemnify the CP Conduit Purchasers and the Committed Purchasers against any loss or expense incurred by the CP Conduit Purchasers and/or the Committed Purchasers, either directly or indirectly, as a result of any failure by the Seller to complete such Incremental Transfer, including, without limitation, any loss or expense incurred by the CP Conduit Purchasers and/or the Committed Purchasers by reason of the liquidation or reemployment of funds acquired by the CP Conduit Purchasers or the Committed Purchasers (including, without limitation, funds obtained by issuing Notes, obtaining deposits as loans from third parties and reemployment of funds) to fund such Incremental Transfer.

(b) On the date of each purchase (but not reinvestment) of undivided percentage ownership interests with regard to the Purchased Interest hereunder, each Purchaser making a purchase (through the Collateral Agent) on such date pursuant to paragraph (a) above (or its Funding Agent on such Purchaser's
behalf) shall, upon satisfaction of the applicable conditions set forth in Exhibit II, make available to the Seller in same day funds, at Mellon Bank, N.A., account number 000-0300, ABA 043000261, an amount equal to such Purchaser's ratable share (based on its Commitment and/or the Commitments of the Committed Purchasers relating to such Purchaser) of the Transfer Price with respect to thereto (as specified by the Seller pursuant to paragraph (a) above) relating to the undivided percentage ownership interest then being purchased by such Purchaser.

(c) Effective on the date of each purchase pursuant to this Section and each reinvestment pursuant to Section 1.4 or 1.5, as applicable, the Seller hereby sells and assigns to the Collateral Agent for the benefit of the Purchasers (ratably, according to each such Purchaser's Net Investment) an undivided percentage ownership interest in: (i) each Pool Receivable then existing, (ii) all Related Security with respect to such Pool Receivables, and (iii) all Collections with respect to, and other proceeds of, such Pool Receivables and Related Security.

(d) (i) It is the express intent of the parties hereto that the transfers of the Receivables, Related Security, Collections and other proceeds of such Receivables by the Seller to the Collateral Agent, as contemplated by this Agreement be, and be treated as, sales and not as secured loans secured thereby. If, however, notwithstanding the intent of the parties, such transactions are deemed to be loans, the Seller hereby grants to the Collateral Agent for the benefit of the Purchasers (ratably, according to each

such Purchaser's Net Investment) a security interest (and hereby authorizes the filing of all applicable financing statements to perfect such security interest) in all of the Seller's right, title and interest in and to the Pool Receivables, Related Security and Collections now existing and hereafter created, all monies due or to become due and all amounts received with respect thereto, and all proceeds thereof, to secure the obligations of the Seller hereunder, and this Agreement shall be deemed a security agreement under applicable law.

(ii) In addition to and without limiting the grant of security interest described in clause (i), above, to secure all of the Seller's obligations (monetary or otherwise) under this Agreement and the other Transaction Documents to which it is a party, whether now or hereafter existing or arising, due or to become due, direct or indirect, absolute or contingent, the Seller hereby grants to the Collateral Agent for the benefit of the Purchasers (ratably, according to each such Purchaser's Net

Investment) a security interest in all of the Seller's right, title and interest, if any, (including any undivided interest of the Seller) in, to and under all of the following, whether now or hereafter owned, existing or arising: (i) all Pool Receivables, (ii) all Related Security with respect to such Pool Receivables, (iii) all Collections with respect to such Pool Receivables, (iv) the Lock-Box Accounts, the Concentration Account and the Collection Account, and all amounts on deposit therein, and all certificates and instruments, if any, from time to time evidencing such Lock-Box Accounts, the Concentration Account and the Collection Account, and amounts on deposit therein, (v) all of the Seller's right, title and interest in and to the Purchase and Sale Agreement and each other Transaction Document to which it is a party, and (vi) all proceeds of, and all amounts received or receivable under any or all of, the foregoing (collectively, the "Pool Assets"). The Collateral Agent (for the benefit of the Purchasers) shall have, with respect to the Pool Assets, and in addition to all the other rights and remedies available to the Collateral Agent (for the benefit of the Purchasers), all the rights and remedies of a secured party under any applicable UCC.

Section 1.3. Purchased Interest Computation. The Purchased Interest shall be initially computed on the date of the initial purchase hereunder. Thereafter, until the Facility Termination Date, the Purchased Interest shall be automatically recomputed (or deemed to be recomputed) on each Business Day other than a Termination Day. From and after the occurrence of any Termination

Day, the Purchased Interest shall (until the event(s) giving rise to such Termination Day are satisfied or are waived by the Funding Agents) be deemed to be 100%. The Purchased Interest shall become zero when the aggregate of the Capital thereof and all accrued and unpaid Discount thereon with respect to any Purchaser shall have been paid in full, all other amounts owed by the Seller and the Servicer hereunder to the Purchasers, the Funding Agents, and the Collateral Agent and any other Indemnified Party or Affected Person are paid in full, and the Servicer shall have received the accrued Servicing Fee thereon; provided that nothing in this Section 1.3 shall be construed to require the Seller, the Servicer or any Affiliate thereof to make actual computations on a daily basis or to deliver to the Purchasers, the Funding Agents, or the Collateral Agent a writing setting forth any computation, recomputation or deemed recomputation effected under this Section 1.3, except to the extent required pursuant to Section 2 of Exhibit II or as otherwise required pursuant to this Agreement.

Section 1.4. Non-Liquidation Settlement and Reinvestment Procedures. On each day after the date of any Incremental Transfer but prior to the Facility Termination Date, and provided that Section 1.5 shall not be applicable, the Servicer shall, out of the Collections represented by the Purchased Interest received on or prior to such day and not previously set aside or paid:

(i) set aside and hold in trust in the Concentration Account for the CP Conduit Purchasers or the Committed Purchasers, as applicable (or deposit into the Collection Account if so required pursuant to Section 1.5 hereof) an amount equal to all Discount, Fees and, if USS or any Affiliate thereof is not the Servicer, the Purchasers' share of the Servicing Fee (such share based on the Purchased Interest at such time), in each case accrued through such day and not so previously set aside or paid;

(ii) subject to Section 1.6(b), reinvest the balance of such Collections in respect of the Capital of the Purchased Interest remaining after application of Collections as provided in clause (i) above for the benefit of the CP Conduit Purchasers and/or the Committed Purchasers, as applicable, in additional undivided percentage ownership interests in the Pool Receivables, Related Security and Collections and other proceeds with respect thereto;

(iii) if USS or any Affiliate thereof is the Servicer, pay to the Servicer out of the amount of such Collections remaining after application pursuant to clause (i) and (ii),

above, an amount equal to the Purchasers' share of the Servicing Fee (such share based on the Purchased Interest at such time), accrued through such day and not previously set aside or paid; and

(iv) remit the balance, if any, of such Collections remaining after the applications provided in clauses (i), (ii) and (iii), above, and Section 1.6(b), to the Seller for its own account. Such Collections remitted to the Seller shall be available for the ordinary business purposes of the Seller or otherwise, subject to the provisions of the Transaction Documents.

On each Settlement Date, from the amounts set aside as described in clause (i) of the first sentence of this Section 1.4 and Section 1.6(b), the Servicer shall pay to each Funding Agent, for the benefit of the Purchasers related to such Funding Agent (ratably according to accrued Discount and Fees), an amount equal to the accrued and unpaid Discount and Fees (as calculated by such Funding Agent) for the immediately preceding Settlement Period.

Section 1.5. Liquidation Settlement Procedures. (a) If at any time on or prior to any Termination Day, the Purchased Interest is greater than 100%, then the Seller shall immediately pay to each Funding Agent, for the benefit of the Purchasers related to such Funding Agent (ratably, based on the Net Investment of each such Purchaser) an amount that, when applied to reduce the Capital, will cause the Purchased Interest to be less than or equal to 100%; it being understood that if any such amounts are not immediately paid by the Seller, the Servicer shall cease making any reinvestments pursuant to Section 1.4(ii) and shall instead cause such amounts as are necessary to so reduce the Purchased Interest to be deposited into the Collection Account for distribution to the applicable Purchasers on the next Settlement Date in accordance with the provisions set forth in the last paragraph of Section 1.4 or paragraph (d) below, as applicable.

(b) On and after any Termination Day or the day on which an Unmatured Termination Event occurs, the Servicer shall deposit or cause to be deposited to the Collection Account, for the benefit of the Purchasers (and shall pay such amounts to each applicable Funding Agent on the next Settlement Date pursuant to paragraph (d) below), all amounts previously set aside in the Concentration Account pursuant to Section 1.4.

(c) Subject to Section 1.13(a) with respect to each Non- Extending Committed Purchaser that is not required to transfer and

assign its Commitment pursuant to Section 1.13(b)(ii) of this Agreement, the Servicer shall implement the procedures set forth in this clause (c) (a "Partial Liquidation"). On each Business Day prior to such Non-Extending Committed Purchaser's Net Investment being reduced to zero (provided that no Termination Event and no Unmatured Termination Event has occurred and is continuing), the Servicer shall apply funds, out of the Collections represented by the Purchased Interest received and not previously applied, in the following manner:

(i) set aside and hold in trust in the Concentration Account (or deposit into the Collection Account if so required by paragraph (b) above), for the benefit of the CP Conduit Purchasers and the Committed Purchasers an amount equal to all Discount on all Tranches, Fees, and, if USS or any Affiliate is not the Servicer, the Purchasers' share of the Servicing Fee (based on the Purchased Interest at such time), in each case accrued through such day and not so previously set aside or paid. The Servicer shall thereafter pay to each Funding Agent on the next Settlement Date for the Purchasers (ratably according to accrued Discount and Fees) the amount of such accrued and unpaid Fees and Discount, and shall pay such portion of the Servicing Fee to the Servicer pursuant to Section 1.4(iii);

(ii) pay to each applicable Funding Agent for the account of each Non-Extending Committed Purchaser, if any, related to such Funding Agent (ratably based on the Net Investment of such Purchasers at such time), and, for the account of any related CP Conduit Purchasers solely to the extent necessary to reduce the Net Investment of any such CP Conduit Purchaser to an amount that is equal to or lesser than the amount of any available Commitment of any remaining Committed Purchasers related to such CP Conduit Purchaser at such time, from such Collections remaining after application pursuant to clause (i) above, the amount of such Non-Extending Committed

Purchaser's Net Investment; provided that solely for purposes of determining such Non-Extending Committed Purchaser's ratable share of such Collections, such Purchaser's Net Investment shall be deemed to remain constant from the date such Purchaser becomes a Non-Extending Committed Purchaser until the date such Non-Extending Purchaser's Net Investment has been paid in full; it being understood that if such day is also a Termination Day or a day on which an Unmatured Termination Event has occurred, such Purchaser's Net Investment shall be recalculated at such time (taking into account amounts received or as on behalf of such Purchaser in

respect of its Net Investment pursuant to this clause (ii)), and thereafter Collections shall be set aside in the Collection Account for payment to all Purchasers (ratably according to each such Purchaser's Net Investment) pursuant to paragraph (d) below);

(iii) reinvest the balance of such Collections in respect of Capital to the acquisition of additional undivided percentage interests pursuant to Section 1.4(ii) hereof; and

(iv) if USS or any Affiliate thereof is the Servicer, pay to the Servicer out of such Collections remaining after application pursuant to clause (i) through (iii) above, an amount equal to the Purchasers' share of the Servicing Fee (based on the Purchased Interest at such time).

(d) On and after any Termination Day and on each day thereafter, and on each day on which an Unmatured Termination Event has occurred and is continuing, the Servicer shall deposit or cause to be deposited into the Collection Account, for the benefit of the Purchasers, all Collections received on such day in respect of the Purchased Interest, to be applied by the Collateral Agent on the next succeeding Settlement Date to the payment in full of (i) the accrued Discount, (ii) the outstanding Net Investment of each Purchaser, and (iii) all other amounts payable to the Purchasers and their assigns in respect of indemnities, fees, costs and expenses hereunder and not covered in clauses (i) and (ii) of this paragraph (d). On each such day, the Servicer shall deposit to its account, from the amounts set aside for the Purchasers pursuant to the preceding sentence which remain after payment in full of the aforementioned amounts, the accrued Servicing Fee. If there shall be insufficient funds on deposit in the Collection Account following deposits therein by the Servicer pursuant to this paragraph and paragraph (b) above, for the Collateral Agent to distribute funds in payment in full of the aforementioned amounts, the Collateral Agent shall distribute such funds as are in the Collection Account on the next succeeding Settlement Date (and on each Settlement Date thereafter, if applicable) in the following order of priority:

(i) first, in payment of the accrued Discount and all Fees;

(ii) second, if USS or any Affiliate of USS is not then the Servicer (and if such amount has not already been paid by operation of the immediately preceding sentence), to the Servicer, in payment of the accrued and unpaid Servicing Fee;

(iii) third, in reduction to zero of the Net Investment of each applicable Purchaser;

(iv) fourth, in payment of all other amounts payable to the Purchasers and their assigns in respect of indemnities, fees, costs and expenses hereunder and not covered in clauses (i) through (iii) above; and

(v) fifth, if USS or any Affiliate of USS is the Servicer (and if such amount has not already been paid by operation of the immediately preceding sentence), to its account as Servicer, in payment of the accrued and unpaid Servicing Fee.

The Collateral Agent, shall distribute such amounts held in the Collection Account to the Funding Agents for the related Purchasers entitled thereto on the

next succeeding Settlement Date; provided that if there are insufficient funds
in the Collection Account on any such Settlement Date to pay all of the above amounts in full, the Collateral Agent shall pay such amounts to the applicable Funding Agents in the order of priority set forth above, and with respect to any such category above for which the Collateral Agent shall have insufficient funds to pay all amounts owing on such date, ratably (based on the amounts in such categories owing to such Persons) among all such Persons entitled to payment thereof.

(e) Following the date on which the Net Investment of each Purchaser has been reduced to zero and all accrued Discount, Fees, Servicing Fees and all other amounts payable to the Purchasers, the Funding Agents, the Collateral Agent, each Indemnified Party and Affected Person and their assigns hereunder have been paid in full, (i) the Purchased Interest shall become zero, (ii) the Collateral Agent, on behalf of the Purchasers, shall be considered to have reconveyed to the Seller all of the Purchasers' right, title and interest in, to and under the Receivables, Related Security, Collections and proceeds with respect thereto, and (iii) the Collateral Agent, on behalf of the Purchasers, shall execute and deliver to the Seller, at the Seller's expense, such documents or instruments as are necessary to terminate the Purchasers' respective interests in the Receivables, Related Security, Collections and proceeds with respect thereto. Any such documents shall be prepared by or on behalf of the Seller. Thereafter any remaining Collections shall be for the account of the Seller.

Section 1.6. Deemed Collections; Reduction in Net Investment.

(a) For the purposes of this Agreement:

(i) if on any day the Outstanding Balance of any Pool Receivable is reduced or adjusted as a result of any defective, rejected, returned, repossessed or foreclosed goods or services, or any revision, cancellation, allowance, discount or other adjustment made by the Seller or any Affiliate of the Seller, or any setoff or dispute between the Seller or any Affiliate of the Seller and an Obligor, the Seller shall be deemed to have received on such day a Collection of such Pool Receivable in the amount of such reduction or adjustment; and

(ii) if on any day any of the representations or warranties in Section 1(f), (k) or (q) of Exhibit III is not true with respect to any Pool Receivable, the Seller shall be deemed to have received on such day a Collection of such Pool Receivable in full (Collections deemed to have been received pursuant to clauses (i) and (ii) of this paragraph (a) are hereinafter sometimes referred to as "Deemed Collections").

(b) If at any time the Seller shall wish to cause the reduction of Capital of the Purchased Interest (but not to commence the liquidation, or reduction to zero, of the entire Capital of the Purchased Interest), the Seller may do so as follows:

(i) the Seller shall give each Funding Agent and the Servicer at least two Business Days' prior written notice thereof (including the amount of such proposed reduction and the proposed date on which such reduction will commence);

(ii) on the proposed date of commencement of such reduction and on each day thereafter, the Servicer shall cause Collections not to be reinvested pursuant to Section 1.4 or 1.5, as applicable, until the amount thereof not so reinvested shall equal the desired amount of reduction; and

(iii) the Servicer shall hold such Collections in trust in the Concentration Account (or, if required pursuant to Section 1.5, transfer to the Collection Account) for the benefit of the Purchasers, for payment to each applicable Funding Agent ratably (according to the outstanding Net Investment of each Purchaser relating to such Funding Agent) on the next Settlement Date immediately following the current Settlement Period, and the Capital (and each applicable Net Investment) of the Purchased Interest shall be deemed reduced

in the amount to be paid to the Funding Agents only when in fact finally so paid;

provided, that:

(A) the amount of any such reduction shall be not less than $5,000,000 (with respect to payments made to any Purchaser) and shall be an integral multiple of $1,000,000, and the Net Investment of any Purchaser after giving effect to such reduction, if not reduced to zero, shall be not less than $5,000,000 and shall be in an integral multiple of $1,000,000; and

(B) the Seller shall choose a reduction amount, and the date of commencement thereof, so that to the extent practicable such reduction shall commence and conclude in the same Settlement Period.

Section 1.7. Fees. The Seller shall pay to each Funding Agent for the benefit of the Purchasers in accordance with the provisions set forth in Sections 1.4 and 1.5 certain fees in the amounts and on the dates set forth in one or more letters, dated the date hereof (or dated the date any such Purchaser becomes a party hereto pursuant to an Assumption Agreement, a Transfer Supplement or otherwise), among the Servicer, the Seller, and each applicable Funding Agent, respectively, (as any such letter agreement may be amended, supplemented or otherwise modified from time to time, each, a "Fee Letter").

Section 1.8. Payments and Computations, Etc. (a) All amounts to be paid or deposited by the Seller or the Servicer hereunder shall be made without reduction for offset or counterclaim and shall be paid or deposited no later than noon (Eastern Time) on the day when due in same day funds to the account designated to the Servicer at such time by the applicable Funding Agent. All amounts received after noon (Eastern Time) will be deemed to have been received on the next Business Day.

(b) The Seller or the Servicer, as the case may be, shall, to the extent permitted by law, pay interest on any amount not paid or deposited by the Seller or the Servicer, as the case may be, when due hereunder, at an interest rate equal to 2% per annum above the Base Rate, payable on demand.

(c) All computations of interest under clause (b) and all computations of Discount, fees and other amounts hereunder shall be made on the basis of a year of 360 days except with respect to

Discount or other amounts calculated by reference to the Base Rate that shall be calculated on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. Whenever any payment or deposit to be made hereunder shall be due on a day other than a Business Day, such payment or deposit shall be made on the next Business Day and such extension of time shall be included in the computation of such payment or deposit.

Section 1.9. Increased Costs. (a) If any Funding Agent, any Purchaser, any Program Support Provider or any of their respective Affiliates (each an "Affected Person") reasonably determines that the existence of or compliance with: (i) any law or regulation or any change therein or in the interpretation or application thereof, in each case adopted, issued or occurring after the date hereof, or (ii) any request, guideline or directive from any central bank or other Governmental Authority (whether or not having the force of law) issued or occurring after the date of this Agreement, affects or would affect the amount of capital required or expected to be maintained by such Affected Person, and such Affected Person determines that the amount of such capital is increased by or based upon the existence of any commitment to make purchases of (or otherwise to maintain the investment in) Pool Receivables related to this Agreement or any related liquidity facility, credit enhancement facility and other commitments of the same type, then, upon written demand by such Affected Person (accompanied by the certificate referred to in the next sentence, with a copy to the applicable Funding Agent), the Seller shall promptly pay to the applicable Funding Agent, for the account of such Affected Person, from time to time as specified by such Affected Person, additional amounts sufficient to compensate such Affected Person. A certificate describing in reasonable detail such amounts and the basis for such Affected Person's demand for such amounts submitted to the Seller and the applicable Funding Agent by such Affected Person shall be conclusive and binding for all purposes, absent manifest error.

(b) If, due to either: (i) the introduction of or any change in or in the interpretation of any law or regulation occurring after the date hereof or (ii) compliance with any guideline or request occurring after the date hereof from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to any Affected Person of agreeing to purchase or purchasing, or maintaining the ownership of, the Purchased Interest in respect of which Discount is computed by reference to the Eurodollar Rate, then, upon written demand by such Affected Person (accompanied by the certificate referred to in the next sentence, with a copy to the applicable

Funding Agent) and, the Seller shall promptly pay to such Affected Person, from time to time as specified by such Affected Person, additional amounts sufficient to compensate such Affected Person for such increased costs. A certificate describing in reasonable detail, such amounts and the basis for such Affected Person's demand for such amounts submitted to the Seller and the applicable Funding Agent by such Affected Person shall be conclusive and binding for all purposes, absent manifest error.

(c) In determining the additional amounts necessary to compensate an Affected Person pursuant to clause (a) or (b) above, such Affected Person may use any reasonable method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable.

(d) Each Affected Person will promptly notify the Seller of any event of which it has knowledge that will entitle such Affected Person to compensation pursuant to this Section 1.9 and will use all reasonable efforts to take such action as it deems appropriate to avoid the need for, or reduce the amount of, such compensation that would not be otherwise disadvantageous to such Affected Person. For purposes of this Section 1.9, an Affected Person shall be deemed to have promptly notified the Seller of an event if such notice is given to the Seller within 6 months of the date such Affected Person obtains knowledge of such event.

Section 1.10. Requirements of Law. If any Affected Person reasonably determines that the existence of or compliance with: (a) any law or regulation or any change therein or in the interpretation or application thereof, in each case adopted, issued or occurring after the date hereof, or (b) any request, guideline or directive from any central bank or other Governmental Authority (whether or not having the force of law) issued or occurring after the date of this Agreement:

(i) subjects such Affected Person to any tax of any kind whatsoever with respect to this Agreement, any increase in the Purchased Interest or in the amount of Capital relating thereto, or does or shall change the basis of taxation of payments to such Affected Person on account of Collections, Discount or any other amounts payable hereunder (excluding taxes imposed on the overall pre-tax net income of such Affected Person, franchise taxes imposed on such Affected Person, by the jurisdiction under the laws of which such Affected Person is organized or a political subdivision thereof),

(ii) imposes, modifies or holds applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, purchases, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Affected Person that are not otherwise included in the determination of the Eurodollar Rate or the Base Rate hereunder, or

(iii) imposes on such Affected Person any other condition,

and the result of any of the foregoing is: (A) to increase the cost to such Affected Person of acting as Collateral Agent or Funding Agent, or of agreeing to purchase or purchasing or maintaining the ownership of undivided percentage ownership interests with regard to the Purchased Interest (or interests therein) or any Portion of Capital, or (B) to reduce any amount receivable hereunder (whether directly or indirectly), then, in any such case, upon written demand by such Affected Person (accompanied by the certificate referred to below, with a copy to the applicable Funding Agent), the Seller shall promptly pay to such Affected Person additional amounts necessary to compensate such Affected Person for such additional cost or reduced amount receivable. All such amounts shall be payable as incurred. A certificate from such Affected Person to the Seller describing in reasonable detail the amount and basis for the amount of such additional costs or reduced amount receivable shall be conclusive and binding for all purposes, absent manifest error. Each Affected Person will promptly notify the Seller of any event of which it has knowledge that will entitle such Affected Person to compensation pursuant to this Section 1.10 and will use all reasonable efforts to take such action as it deems appropriate to avoid the need for, or reduce the amount of, such compensation that would not be otherwise disadvantageous to such Affected Person. For purposes of this Section 1.10, an Affected Person shall be deemed to have promptly notified the Seller of an event if such notice is given to the Seller within 6 months of the date such Affected Person obtains knowledge of such event.

Section 1.11. Inability to Determine Eurodollar Rate. If any Funding Agent

shall have determined before the first day of any Settlement Period (which determination shall be conclusive and binding upon the parties hereto), by reason of circumstances affecting the interbank Eurodollar market, either that: (a) dollar deposits in the relevant amounts and for the relevant Settlement Period are not available, (b) adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Settlement

Period or (c) the Eurodollar Rate determined pursuant hereto does not accurately reflect the cost to the applicable Affected Person (as conclusively determined by such Funding Agent) of maintaining any Portion of Capital during such Settlement Period, such Funding Agent shall promptly give telephonic notice of such determination, confirmed in writing, to the Seller before the first day of such Settlement Period. Upon delivery of such notice: (i) no Portion of Capital shall be funded thereafter at the Alternate Rate determined by reference to the Eurodollar Rate unless and until such Funding Agent shall have given notice to the Seller that the circumstances giving rise to such determination no longer exist, and (ii) with respect to any outstanding Portions of Capital then funded at the Alternate Rate determined by reference to the Eurodollar Rate, such Alternate Rate shall, on the immediately succeeding Settlement Date, automatically be converted to the Alternate Rate determined by reference to the Base Rate at the respective last days of the then-current Settlement Periods relating to such Portions of Capital.

Section 1.12. Sharing of Payments, etc. If any CP Conduit Purchaser or any Committed Purchaser (for purpose of this Section 1.12 only, a "Recipient") shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) on account of any interest in the Purchased Interest owned by it in excess of its ratable share thereof, such Recipient shall forthwith purchase from the CP Conduit Purchasers and/or the Committed Purchasers entitled to a share of such amount participations in the percentage interests owned by such Persons as shall be necessary to cause such Recipient to share the excess payment ratably with each such other Person entitled thereto; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Recipient, such purchase from each such other Person shall be rescinded and each such other Person shall repay to the Recipient the purchase price paid by such Recipient for such participation to the extent of such recovery, together with an amount equal to such other Person's ratable share (according to the proportion of (a) the amount of such other Person's required payment to (b) the total amount so recovered from the Recipient) of any interest or other amount paid or payable by the Recipient in respect of the total amount so recovered.

Section 1.13. Expiration or Extension of Commitments. (a) the Seller may request the extension of any Committed Purchaser's Commitment Expiry Date for an additional three hundred and sixty four (364) days from time to time by providing the applicable Funding Agent with a written request for such extension no fewer than forty-five (45) days, but no more than sixty (60) days prior

to such Committed Purchaser's Commitment Expiry Date then in effect. The related Funding Agent shall provide written notice to each other Funding Agent and the Seller on or prior to the thirtieth (30th) day (the "Consent Date") following the applicable Funding Agent's actual receipt of such written request for extension of its desire to extend (any such Committed Purchaser an "Extending Committed Purchaser") or not to so extend (any such Committed Purchaser a "Non-Extending Committed Purchaser") such date.

(b) If Committed Purchasers holding less than 100% of the aggregate Commitment of all Commitments consent to such extension, then the Seller may elect by written notice to the Funding Agents to either:

(i) continue this receivables financing facility for such additional period with an aggregate Commitment equal to the then effective aggregate Commitment less the Commitment of the Non-Extending Committed Purchaser(s); or

(ii) require any such Non-Extending Committed Purchaser(s) and the related CP Conduit Purchaser(s) to execute a Transfer Supplement in accordance with Section 5.3 with respect to all of such Non-Extending Committed Purchaser(s)' Commitment and their other interests, rights and obligations under this Agreement to a Purchaser who consents thereto (in its sole discretion at such time) and shall assume such obligations upon

its consent to assume such obligations; provided that (x) no such
assignment shall conflict with any law, (y) such assignment shall be at the Seller's cost and expense, and (z) the purchase price to be paid to such Non- Extending Committed Purchaser shall be an amount equal to the Net Investment and accrued and unpaid Discount and Fees attributable to such Non-Extending Committed Purchaser and/or CP Conduit Purchaser. Notwithstanding anything in this Agreement to the contrary, such a transfer of a Non-Extending Committed Purchaser's interest and the related CP Conduit Purchaser's interest pursuant to a Transfer Supplement shall be subject to the consent of the Funding Agents (not to be unreasonably withheld).

Section 1.14. Addition of Purchasers. The Seller may, with the written consent of the Funding Agents (not to be unreasonably withheld), add additional Persons as Purchasers (either to an existing group of related Purchasers or by creating a new group of related Purchasers and a Funding Agent) or cause an existing Purchaser to increase its Commitment in connection with a

corresponding increase in the Facility Limit; provided, however, that the Commitment of any Purchaser may only be increased with the consent of such Purchaser. Each new Purchaser (or group of related Purchasers) and each Purchaser increasing its Commitment shall become a party hereto or increase its Commitment, as the case may be, by executing and delivering to each Funding Agent and the Seller an Assumption Agreement (each, an "Assumption Agreement") in the form of Exhibit VI hereto (which Assumption Agreement shall, in the case of any new Purchaser or Purchasers be executed by each Person (including the related Funding Agent) in such new Purchaser's group of related Purchasers).

Section 1.15. Obligations Several. Each Committed Purchaser's obligation hereunder shall be several, such that the failure of any Committed Purchaser to make a payment in connection with any purchase hereunder shall not relieve any other Committed Purchaser of its obligation hereunder to make payment for any purchase. Further, if any Committed Purchaser fails to satisfy its obligation to make a purchase as required hereunder, upon receipt of notice of such failure from the relevant Funding Agent, subject to the limitations set forth herein, the non-defaulting Committed Purchasers in such defaulting Committed Purchaser's group of related Purchasers shall purchase the defaulting Committed Purchaser's portion of the related purchase pro rata in proportion to their relative Commitments (determined without regard to the Commitment of the defaulting Committed Purchaser; it being understood that a defaulting Committed Purchaser's Commitment of any purchase shall be first put to the Committed Purchasers related to such defaulting Purchaser and thereafter if there are no other Committed Purchasers in such related group or if such other Committed Purchasers are also defaulting Committed Purchasers, then such defaulting Committed Purchaser's portion of such purchase shall be put to each other group of Purchasers ratably and applied in accordance with this Section 1.15). Notwithstanding anything in this Section 1.15 to the contrary, no Committed Purchaser shall be required to make a purchase pursuant to this paragraph for an amount which would cause the aggregate Net Investment of such Committed Purchaser (after giving effect to such purchase) to exceed its Commitment.

ARTICLE II.
REPRESENTATIONS AND WARRANTIES; COVENANTS; TERMINATION EVENTS

Section 2.1. Representations and Warranties; Covenants. Each of the Seller and the Servicer hereby makes the representations and warranties, and hereby agrees to perform and observe the covenants, applicable to it set forth in Exhibits III and IV.

Section 2.2. Termination Events. If any of the Termination Events set forth in Exhibit V shall occur, either Funding Agent may, by written notice to the Seller, declare the Facility Termination Date to have occurred (in which case the Facility Termination Date shall be deemed to have occurred); provided, that

(i) if the Purchased Interest shall, at any time, exceed 100% and such condition continues unremedied and, solely to the extent that the Rating Agency Condition shall have been satisfied with respect thereto, unwaived for a period of 5 Business Days, the Facility Termination Date shall automatically occur, and (ii) automatically upon the occurrence of any event (without any requirement for the passage of time or the giving of notice) described in paragraph (f) of Exhibit V, the Facility Termination Date shall occur. Upon any such declaration, occurrence or deemed occurrence of the Facility Termination Date, the Collateral Agent, the Funding Agents and the Purchasers shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided after default under the New York UCC and under other applicable law, which rights and remedies shall be cumulative.

ARTICLE III.
INDEMNIFICATION

Section 3.1. Indemnities by the Seller. Without duplicating any amounts otherwise payable by the Seller pursuant to Sections 1.9 and 1.10 of this Agreement, and without limiting any other rights that the Collateral Agent, the Funding Agents, the Purchasers, any Program Support Provider or any of their respective Affiliates, employees, officers, directors, agents, counsel, successors, transferees or assigns (each, an "Indemnified Party") may have hereunder or under applicable law, the Seller hereby agrees to indemnify each Indemnified Party from and against any and all claims, damages, expenses, costs, losses and liabilities (including Attorney Costs) (all of the foregoing being collectively referred to as "Indemnified Amounts") arising out of or resulting from this Agreement (whether directly or indirectly), the use of proceeds of purchases or reinvestments, the ownership of the Purchased Interest, or any interest therein, or in respect of any Receivable, Related Security or Contract, excluding, however: (a) Indemnified Amounts to the extent resulting from gross negligence

or willful misconduct on the part of such Indemnified Party or its officers, directors, agents (including any successor Servicer appointed by the Funding Agents pursuant to Section 4.1(a)) or counsel, (b) recourse (except as otherwise specifically provided in this Agreement) for uncollectible Receivables, or (c) any overall net income taxes or franchise taxes imposed on such Indemnified Party by the jurisdiction under the laws of which such Indemnified Party is organized or any political subdivision thereof. Subject to the exclusions set forth in the preceding sentence, but without otherwise limiting or being limited by the foregoing, the Seller shall pay on demand to each Indemnified Party any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from any of the following:

(i) the failure of any Receivable included in the calculation of the Net Receivables Pool Balance as an Eligible Receivable to be an Eligible Receivable, the failure of any information contained in a Monthly Report, a Weekly Report or a Daily Report to be true and correct, or the failure of any other information provided to the Collateral Agent, any Purchaser or any Funding Agent with respect to Receivables or this Agreement to be true and correct,

(ii) the failure of any representation, warranty or statement made or deemed made by the Seller (or any of its officers) under or in connection with this Agreement to have been true and correct as of the date made or deemed made in all respects,

(iii) the failure by the Seller to comply with any applicable law, rule or regulation with respect to any Pool Receivable or the related Contract, or the failure of any Pool Receivable or the related Contract to conform to any such applicable law, rule or regulation,

(iv) the failure to vest in the Collateral Agent (for the benefit of the Purchaser) a valid and enforceable: (A) perfected undivided percentage ownership interest, to the extent of the Purchased Interest, in the Receivables in, or purporting to be in, the Receivables Pool and the other Pool Assets, or (B) first priority perfected security interest in the Pool Assets, in each case, free and clear of any Adverse Claim,

(v) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents

under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivables in, or purporting to be in, the Receivables Pool and the other Pool Assets, whether at the time of any purchase or reinvestment or at any subsequent time,

(vi) any dispute, claim, offset or defense of an Obligor (other than discharge in bankruptcy of such Obligor) to the payment of any Receivable in, or purporting to be in, the Receivables Pool (including a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the goods or services related to such Receivable or the furnishing or failure to furnish such goods or services or relating to collection activities with respect to such Receivable (if such collection activities were performed by the Seller or by any agent or independent contractor retained by the Seller),

(vii) any failure of the Seller to perform its duties or obligations in accordance with the provisions hereof or under the Contracts,

(viii) any products liability or other claim, investigation, litigation or proceeding arising out of or in connection with merchandise, insurance or services that are the subject of any Contract,

(ix) the commingling of Collections at any time with other funds,

(x) the use of proceeds of purchases or reinvestments by the Seller, or

(xi) any reduction in Capital (or any applicable Net Investment) as a result of the distribution of Collections pursuant to Section 1.4, 1.5 or 1.6, if all or a portion of such distributions shall thereafter be rescinded or otherwise must be returned for any reason.

Section 3.2. Indemnities by the Servicer. Without limiting any other rights that the Collateral Agent, the Funding Agents, the Purchasers or any other Indemnified Party may have hereunder or under applicable law, the Servicer hereby agrees to indemnify each Indemnified Party from and against any and all Indemnified Amounts arising out of or resulting from (whether directly or indirectly):

(a) the failure of any information contained in a Monthly Report, a Weekly Report or a Daily Report to be true and correct, or the failure of any other information provided to the Collateral Agent, any Funding Agent or any Purchaser by, or on behalf of, the Servicer to be true and correct, (b) the failure of any representation, warranty or statement made or deemed made by the Servicer (or any of its officers) under or in connection with this Agreement to have been true and correct in all respects as of the date made or deemed made, (c) the failure by the Servicer to comply with any applicable law, rule or regulation with respect to any Pool Receivable or the related Contract, (d) any dispute, claim, offset or defense of the Obligor to the payment of any Receivable in, or purporting to be in, the Receivables Pool resulting from or related to the collection activities with respect to such Receivable, or (e) any failure of the Servicer to perform its duties or obligations in accordance with the provisions hereof.

Section 3.3. Defense of Claims. (a) Promptly after the receipt by an Indemnified Party or Parties of a notice of the commencement of any action, suit, proceeding, investigation or claim against such Indemnified Party or Parties as to which it proposes to demand indemnification from the Seller or Servicer (either or both such parties, as applicable, the "Indemnifying Party" or "Parties") pursuant to Section 3.1 or 3.2, as applicable, such Indemnified Party or Parties shall notify the Indemnifying Party or Parties in writing of the commencement thereof; but the failure so to notify the Indemnifying Party or Parties will not relieve such Indemnifying Party or Parties from any liability which such Indemnifying Party or Parties may have to such Indemnified Party or Parties pursuant to Section 3.1 or 3.2, as applicable, unless and to the extent that such failure results in a material impairment of the Indemnifying Party or Parties ability to defend such action, suit, proceeding, investigation or claim in accordance with the terms of this Section 3.3. After such notice, if (i) an Indemnifying Party or Parties shall acknowledge (without prejudice to any exclusion of Indemnified Amounts as a result of an Indemnified Party's gross negligence or willful misconduct pursuant to Section 3.1 or 3.2) in writing to such Indemnified Party or Parties that such Indemnifying Party or Parties shall

be obligated to indemnify such Indemnified Party or Parties for any Indemnified Amounts described in Section 3.1 or 3.2, as applicable, with respect to such action, suit, proceeding, investigation or claim, (ii) the defendants in, or targets of, any such action, suit, proceeding, investigation or claim include both the Indemnifying Party or Parties and any such Indemnified Party or Parties, and (iii) no Termination Event or Unmatured Termination Event shall have occurred and be continuing, the Indemnifying Party or Parties,

to the extent that it or they shall wish, jointly with such Indemnified Party or Parties, shall be entitled to participate therein in defense of such action, suit, proceeding or investigation, and the Indemnifying Party or Parties and such Indemnified Party or Parties shall cooperate in the defense thereof and shall retain counsel reasonably satisfactory to the Indemnifying Party or Parties and such Indemnified Party or Parties to undertake the joint defense of such Indemnifying Party or Parties and such Indemnified Party or Parties at such Indemnifying Party's or Parties' cost, risk and expense. If (i) in the reasonable opinion of such Indemnified Party or Parties, the engagement of such counsel would present a conflict of interest that would prevent such counsel from effectively undertaking such joint defense, (ii) such Indemnified Party or Parties reasonably conclude that there may be legal defenses available to it or them that are different from or in addition to those available to such Indemnifying Party or Parties, (iii) such Indemnifying Party or Parties fail to employ counsel reasonably satisfactory to such Indemnified Party or Parties in a timely manner, or (iv) if a Termination Event or Unmatured Termination Event shall have occurred and be continuing, then such Indemnified Party or Parties may employ separate counsel to represent or defend it or them in any such action, suit, proceeding or investigation and such Indemnifying Party or Parties shall pay all fees, expenses and disbursements of such counsel; provided, however, that in no event shall such Indemnifying Party or Parties be liable for the fees, expenses and disbursements of more than one counsel representing all Indemnified Parties that are related to the same Funding Agent and that are parties to the same action, suit, proceeding, investigation or claim.

(b) No Indemnifying Party shall (i) without the prior written consent of the relevant Indemnified Party or Parties (which consent shall not be unreasonably withheld or delayed) settle or compromise or consent to the entry of any judgment with respect to any pending action, suit, proceeding, investigation or claim in respect to which indemnification or contribution may be sought hereunder (whether or not the relevant Indemnified Party or Parties are actual or potential parties to such claim) unless such settlement, compromise or consent includes an unconditional release of each relevant Indemnified Party from all liability arising out of such action, suit, proceeding, investigation or claim or (ii) be liable for any settlement of any such action affected without its written consent (which consent shall not be unreasonably withheld or delayed), but if settled with its written consent or if there be a final judgment in favor of the plaintiff in any action, the Indemnifying Parties agree to indemnify and hold harmless any

Indemnified Party from and against any indemnified amounts (subject to the terms of Sections 3.1 and 3.2) relating thereto.

In the event of any dispute between any Indemnified Party or Parties, on the one hand, and any Indemnifying Party, on the other hand, as to whether such Indemnifying Party or Indemnified Party is acting reasonably in objecting to any proposed settlement, compromise or consent, such dispute shall be resolved through binding arbitration in New York, New York in accordance with the commercial arbitration rules of the American Arbitration Association. There shall be a single arbitrator to be selected by mutual agreement of such Indemnified Party or Parties and such Indemnifying Party or Parties (or if such parties cannot agree on an arbitrator, by an arbitrator selected by a federal or state court located in the City of New York). Any such arbitration must be commenced not later than 30 days after the date such dispute arose.

ARTICLE IV.
ADMINISTRATION AND COLLECTIONS

Section 4.1. Appointment of the Servicer. (a) The servicing, administering and collection of the Pool Receivables shall be conducted by the Person so designated from time to time as the Servicer in accordance with this Section 4.1. Until the Funding Agents give notice to USS (in accordance with this Section 4.1) of the designation of a new Servicer, USS is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. Upon the occurrence and during the continuation of

a Termination Event, the Funding Agents may designate as Servicer any Person (including itself) to succeed USS or any successor Servicer, on the condition in each case that any such Person so designated shall agree to perform the duties and obligations of the Servicer pursuant to the terms hereof.

(b) Upon the designation of a successor Servicer as set forth in clause (a), USS agrees it will terminate its activities as Servicer hereunder in a manner that the Funding Agents reasonably determine will facilitate the transition of the performance of such activities to the new Servicer, and USS shall cooperate with and assist such new Servicer. Such cooperation shall include access to and transfer of related records and use by the new Servicer of all licenses, hardware or software necessary or desirable to collect the Pool Receivables and the Related Security.

(c) USS acknowledges that, in making their decision to execute and deliver this Agreement, the Collateral Agent, each Funding Agent and each Purchaser have relied on USS's agreement to act as Servicer hereunder. Accordingly, USS agrees that it will not voluntarily resign as Servicer.

(d) The Servicer may with the prior written consent of the Funding Agents, delegate its duties and obligations hereunder to any subservicer (each a "Sub-Servicer"); provided, that, in each such delegation: (i) such Sub-Servicer shall agree in writing to perform the duties and obligations of the Servicer pursuant to the terms hereof, (ii) the Servicer shall remain primarily liable for the performance of the duties and obligations so delegated, (iii) the Seller, the Collateral Agent, each Funding Agent and each Purchaser shall have the right to look solely to the Servicer for performance, and (iv) the terms of any agreement with any Sub- Servicer shall provide that the Funding Agents may terminate such agreement upon the termination of the Servicer hereunder by giving notice of its desire to terminate such agreement to the Servicer (and the Servicer shall provide appropriate notice to each such Sub-Servicer).

Section 4.2. Duties of the Servicer. (a) The Servicer shall take or cause to be taken all such action as may be necessary or advisable to administer and collect each Pool Receivable from time to time, all in accordance with this Agreement and all applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Credit and Collection Policy. The Servicer shall set aside, for the accounts of the Seller and the Purchasers, the amount of the Collections to which each is entitled in accordance with Article I. The Servicer may, in accordance with the Credit and Collection Policy, extend the maturity of any Pool Receivable (but not beyond 60 days and not more than once with respect to any such Pool Receivable) and extend the maturity or adjust the Outstanding Balance of any Defaulted Receivable as the Servicer may determine to be appropriate to maximize Collections thereof; provided, however, that: (i) such extension or adjustment shall not alter the status of such Pool Receivable as a Delinquent Receivable or a Defaulted Receivable or limit the rights of the Purchasers, the Collateral Agent or the Funding Agents under this Agreement and (ii) if a Termination Event has occurred and USS or an Affiliate thereof is serving as the Servicer, USS or such Affiliate may make such extension or adjustment only upon the prior written approval of the Funding Agents. The Seller shall deliver to the Servicer and the Servicer shall hold for the benefit of the Seller and the Collateral Agent (individually and for the benefit of the Purchasers and the Funding Agents), in accordance with their

respective interests, all records and documents (including computer tapes or disks) with respect to each Pool Receivable. Notwithstanding anything to the contrary contained herein, the Funding Agents may direct the Servicer (whether the Servicer is USS or any other Person) to commence or settle any legal action to enforce collection of any Pool Receivable or to foreclose upon or repossess any Related Security; provided, however, that no such direction may be given unless either: (A) a Termination Event has occurred or (B) any Funding Agent believes in good faith that the failure to commence, settle or effect such legal action, foreclosure or repossession could adversely affect Receivables constituting a material portion of the Pool Receivables.

(b) The Servicer shall, as soon as practicable following actual receipt of collected funds, turn over the collections of any indebtedness that is not a Pool Receivable to the Person to whom such indebtedness is owed, less, if USS or an Affiliate thereof is not the Servicer, all reasonable and appropriate out-of-pocket costs and expenses of such Servicer of servicing, collecting and administering such collections. The Servicer, if other than USS or an Affiliate thereof, shall, as soon as practicable upon demand, deliver to the Seller all records in its possession that evidence or relate to any indebtedness that is

not a Pool Receivable, and copies of records in its possession that evidence or relate to any indebtedness that is a Pool Receivable.

(c) The Servicer's obligations hereunder shall terminate on the later of: (i) the Facility Termination Date and (ii) the date on which all amounts required to be paid to the Purchasers, the Funding Agents, the Collateral Agent, and any other Indemnified Party or Affected Person hereunder shall have been paid in full.

After such termination, if USS or an Affiliate thereof was not the Servicer on the date of such termination, the Servicer shall promptly deliver to the Seller all books, records and related materials that the Seller previously provided to the Servicer, or that have been obtained by the Servicer, in connection with this Agreement.

Section 4.3. Establishment and Use of Certain Accounts. (a) Within 15 Business Days from the Closing Date, the Seller shall execute and deliver to the relevant Lock-Box Banks and the Funding Agents the Lock-Box Letters with respect to the Lock-Box Accounts listed on Schedule II. The Lock-Box Accounts shall be the only accounts used to receive Collections with respect to the Pool Receivables from the related Obligors. The Servicer shall on each day on which Collections of Pool Receivables are received in the

Lock-Box Accounts cause such Collections to be transferred from the Lock-Box Accounts into the Concentration Account.

(b) Within 15 Business Days from the Closing Date, the Seller shall have entered into a Concentration Account Agreement with the Concentration Account Bank and deliver an original counterpart thereof to the Funding Agents. Any amount in the Concentration Account may be invested by the Seller (or Servicer on the Seller's behalf) in Permitted Investments; provided, however, that such investments shall mature not later than the Settlement Date immediately succeeding such Permitted Investments and any such Permitted Investments shall be credited to a securities account (as defined in the applicable UCC) over which the Collateral Agent for the benefit of the Purchasers shall have a first priority perfected Security interest. All income or other gain from investment of monies deposited in the Concentration Account shall be deposited in the Concentration Account immediately upon receipt thereof, and any loss resulting from Permitted Investments shall be charged to the Concentration Account.

(c) The Collateral Agent has established the Collection Account which shall be used to accept the transfer of Collections of Pool Receivables from the Concentration Account pursuant to Article I and for such other purposes described in the Transaction Documents and the Collateral Agent with the consent or at the direction of the Funding Agents shall have the exclusive right to withdraw funds therefrom. On the date of the initial purchase hereunder, the Seller (or the Servicer on its behalf) shall deposit into the Collection Account, for the benefit of the Purchasers, an amount equal to $2,500,000; it being understood that on each Settlement Date (until the day following the Facility Termination Date when all amounts payable by the Seller or Servicer hereunder have been paid in full), the Seller shall deposit into the Collection Account, the amount, if any, necessary to cause the amount on deposit therein (after giving effect to the transfers contemplated pursuant to Article I on such date) equal to, at least, $2,500,000.

So long as no Termination Event shall have occurred and be continuing, all or any portion of the amounts on deposit in the Collection Account shall be invested by the Collateral Agent at the Servicer's written direction in one or more Permitted Investments. All income or other gain from investment of monies deposited in the Collection Account shall be deposited in the Collection Account immediately upon receipt thereof, and any loss resulting from Permitted Investments shall be charged to the Collection Account. The maximum permissible maturity of any Permitted Investment shall

be not later than the Settlement Date immediately succeeding such Permitted Investment.

(d) Upon the occurrence and during the continuation of a Termination Event, the Collateral Agent with the consent or at the direction of the Funding Agents may at any time thereafter give notice to each Lock-Box Bank, the Concentration Account Bank and the Collection Account Bank that the Collateral Agent is exercising its rights under the Lock-Box Letters, the Concentration Account Agreement and the Collection Account Agreement, as applicable, to do any or all of the following: (i) to have the exclusive ownership and control of the Accounts transferred to the Collateral Agent and to exercise exclusive dominion and control over the funds deposited therein, (ii) to have the proceeds that are

sent to the respective Accounts redirected pursuant to the Collateral Agent's instructions, and (iii) to take any or all other actions permitted under the applicable Lock-Box Letter, the Concentration Account Agreement and the Collection Account Agreement, as applicable. The Seller hereby agrees that if the Collateral Agent at any time takes any action set forth in the preceding sentence, the Collateral Agent shall have exclusive control of the proceeds (including Collections) of all Pool Receivables and the Seller hereby further agrees to take any other action that the Collateral Agent or any Funding Agent may reasonably request to transfer such control. Any proceeds of Pool Receivables received by the Seller or the Servicer thereafter shall be sent immediately to the Collateral Agent.

Section 4.4. Enforcement Rights. (a) At any time following the occurrence and during the continuation of a Termination Event:

(i) the Funding Agents may direct the Obligors that payment of all amounts payable under any Pool Receivable is to be made directly to the Collateral Agent or its designee,

(ii) the Funding Agents may give notice of the Purchaser's interest in Pool Receivables to each Obligor, which notice shall direct that payments be made directly to the Collateral Agent or its designee, and

(iii) the Collateral Agent may request the Servicer to, and upon such request the Servicer shall: (A) assemble all of the records necessary or desirable to collect the Pool Receivables and the Related Security, and transfer or license to a successor Servicer the use of all software necessary or desirable to collect the Pool Receivables and the Related Security, and make the same available to the Collateral Agent or its designees at a place selected by the Collateral Agent

and (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner acceptable to the Funding Agents and, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Collateral Agent or its designee.

(b) The Seller hereby authorizes the Collateral Agent, and irrevocably appoints the Collateral Agent as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Seller, which appointment is coupled with an interest, to take any and all steps in the name of the Seller and on behalf of the Seller necessary or desirable, in the determination of the Collateral Agent, with the consent or at the direction of the Funding Agents, after the occurrence and during the continuation of a Termination Event, to collect any and all amounts or portions thereof due under any and all Pool Assets, including endorsing the name of the Seller on checks and other instruments representing Collections and enforcing such Pool Assets. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

Section 4.5. Responsibilities of the Seller. (a) Anything herein to the contrary notwithstanding, the Seller shall pay when due any taxes, including any sales taxes payable in connection with the Pool Receivables and their creation and satisfaction. None of the Collateral Agent, Funding Agents or any Purchaser shall have any obligation or liability with respect to any Pool Asset, nor shall any of them be obligated to perform any of the obligations of the Seller or Servicer.

(b) USS hereby agrees that if at any time it shall cease to be the Servicer hereunder, it shall act (if the then-current Servicer so requests) as the data-processing agent of the Servicer and, in such capacity, USS shall conduct the data-processing functions of the administration of the Receivables and the Collections thereon in substantially the same way that USS conducted such data-processing functions while it acted as the Servicer.

Section 4.6. Servicing Fee. (a) Subject to clause (b), the Servicer shall be paid a fee (the "Servicing Fee") equal to 1.0% per annum of the daily average Outstanding Balance of the Pool

Receivables. The Purchasers' share of such fee shall be paid through the distributions contemplated by Sections 1.4 and 1.5, and the Seller's share of such fee shall be paid by the Seller.

(b) If the Servicer ceases to be USS or an Affiliate thereof, the successor Servicer shall be paid a fee in the amount specified by such successor Servicer not to exceed 110% of the aggregate reasonable costs and expenses incurred by such successor Servicer in connection with the performance of its obligations as Servicer. The Purchasers' share of such fee shall be paid through the distributions contemplated by Sections 1.4 and 1.5,and the Seller's share of such fee shall be paid by the Seller.

ARTICLE V.
THE AGENTS

Section 5.1. Appointment and Authorization. (a) Each Purchaser and Funding Agent (including each Purchaser and Funding Agent that may from time to time become a party hereto) hereby irrevocably designates and appoints BNS as the "Collateral Agent" hereunder and authorizes the Collateral Agent to take such actions and to exercise such powers as are delegated to the Collateral Agent hereby and to exercise such other powers as are reasonably incidental thereto, including the execution and delivery on the date hereof by the Collateral Agent (on behalf of such Purchaser and/or Funding Agent) of the Intercreditor Agreement, and taking all such action by it thereunder for the benefit of the Purchasers and Funding Agents pursuant to the terms thereof. The Collateral Agent shall hold, in its name, for the benefit of each Purchaser, ratably, the Purchased Interest. The Collateral Agent shall not have any duties other than those expressly set forth herein or any fiduciary relationship with any Purchaser or Funding Agent, and no implied obligations or liabilities shall be read into this Agreement, any other Transaction Document or the Intercreditor Agreement, or otherwise exist, against the Collateral Agent. The Collateral Agent does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, the Seller or Servicer. Notwithstanding any provision of this Agreement, the Intercreditor Agreement or any other Transaction Document to the contrary, in no event shall the Collateral Agent ever be required to take any action which exposes the Collateral Agent to personal liability or which is contrary to the provision of any Transaction Document, the Intercreditor Agreement or applicable law.

(b) Each Purchaser hereby irrevocably designates and appoints the respective institution identified as the Funding Agent for such Purchaser on the signature pages hereto or in any agreement pursuant to which such Purchaser becomes a party hereto, and each authorizes such Funding Agent to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to such Funding Agent by the terms of this Agreement, if any, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Funding Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Purchaser or other Funding Agent or the Collateral Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of such Funding Agent shall be read into this Agreement or otherwise exist against such Funding Agent.

(c) Except as otherwise specifically provided in this Agreement, the provisions of this Article V are solely for the benefit of the Funding Agents, the Collateral Agent and the Purchasers, and none of the Seller or Servicer shall have any rights as a third-party beneficiary or otherwise under any of the provisions of this Article V, except that this Article V shall not affect any obligations which any Funding Agent, the Collateral Agent or any Purchaser may have to the Seller or the Servicer under the other provisions of this Agreement. Furthermore, no Purchaser shall have any rights as a third-party beneficiary or otherwise under any of the provisions hereof in respect of a Funding Agent which is not the Funding Agent for such Purchaser.

(d) In performing its functions and duties hereunder, the Collateral Agent shall act solely as the agent of the Purchasers and the Collateral Agent and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Seller or Servicer or any of their successors and assigns. In performing its functions and duties hereunder, each Funding Agent shall act solely as the agent of its respective Purchasers and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Seller, the Servicer, any other Purchaser, any other Funding Agent or the Collateral Agent, or any of their respective successors and assigns.

Section 5.2. Delegation of Duties. The Collateral Agent may, with the consent of the Funding Agents, execute any of its duties through agents or attorneys-in-fact and shall be entitled to

advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible to the Funding Agents or any Purchaser for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 5.3. Exculpatory Provisions. None of the Funding Agents, the Collateral Agent or any of their directors, officers, agents or employees shall be liable for any action taken or omitted (i) with the consent or at the direction of the Purchasers (or in the case of any Funding Agent, the Purchasers relating to such Funding Agent) that have a majority of the aggregate Commitment of the Purchasers or the Funding Agents or (ii) in the absence of such Person's gross negligence or willful misconduct. The Collateral Agent shall not be responsible to any Purchaser or Funding Agent for (i) any recitals, representations, warranties or other statements made by the Seller, Servicer, any Originator or any of their Affiliates, (ii) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Transaction Document or the Intercreditor Agreement, (iii) any failure of the Seller, the Servicer, any Originator or any of their Affiliates to perform any obligation it may have under any Transaction Document to which it is a party, (iv) the satisfaction of any condition specified in Exhibit II or (v) the failure of any party to the Intercreditor Agreement (other than the Collateral Agent acting in such capacity) to perform any obligation it may have thereunder. The Collateral Agent shall not have any obligation to any Purchaser or Funding Agent to ascertain or inquire about the observance or performance of any agreement contained in any Transaction Document or to inspect the properties, books or records of the Seller, Servicer, any Originator or any of their Affiliates.

Section 5.4. Reliance by Agents. (a) Each Funding Agent and the Collateral Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or other writing or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person and upon advice and statements of legal counsel (including counsel to the Seller), independent accountants and other experts selected by the Collateral Agent or any such Funding Agent. Each Funding Agent and the Collateral Agent shall in all cases be fully justified in failing or refusing to take any action under any Transaction Document unless it shall first receive such advice or concurrence of the Purchasers (or in the case of any Funding Agent, the Purchasers relating to such Funding Agent) that have a majority of the aggregate Commitment of all such Purchasers, and assurance of its indemnification, as it deems appropriate.

(b) With regard to the Purchasers and the Funding Agents, the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Purchasers or the Funding Agents, and such request and any action taken or failure to act pursuant thereto shall be binding upon all Purchasers, the Collateral Agent and Funding Agents.

(c) Related Purchasers within any group of Purchasers that have a common Funding Agent and that have a majority of the Commitment of all such related Purchasers shall be entitled to request or direct the related Funding Agent to take action, or refrain from taking action, under this Agreement on behalf of such Purchasers. With regard to the Purchasers and the Funding Agents, such Funding Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of such majority Purchasers, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of such Funding Agent's related Purchasers.

(d) Unless otherwise advised in writing by a Funding Agent or by any Purchaser on whose behalf such Funding Agent is purportedly acting, each party to this Agreement may assume that (i) such Funding Agent is acting for the benefit of each of the Purchasers for which such Funding Agent is identified herein (or in any Assumption Agreement or Transfer Supplement) as being the Funding Agent, as well as for the benefit of each assignee or other transferee from any such Person, and (ii) each action taken by such Funding Agent has been duly authorized and approved by all necessary action on the part of the Purchasers on whose behalf it is purportedly acting. Each Funding Agent and its Purchaser(s) shall agree amongst themselves as to the circumstances and procedures for removal, resignation and replacement of such Funding Agent.

Section 5.5. Notice of Termination Events. Neither any Funding Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Termination Event or Unmatured Termination Event unless such Person has received notice from any Purchaser, Funding Agent, the Servicer or the Seller stating that a Termination Event or Unmatured Termination Event has occurred hereunder and describing such Termination Event or Unmatured Termination Event. If the Collateral Agent receives such a notice, it shall promptly give notice thereof to each Funding Agent whereupon each such Funding Agent shall promptly give notice thereof to its Purchasers. If a Funding Agent

receives such a notice (other than from the Collateral Agent), it shall promptly

give notice thereof to the Collateral Agent. The Collateral Agent shall take such action concerning a Termination Event or Unmatured Termination Event as may be directed by the Funding Agents unless such action otherwise requires the consent of all Purchasers), but until the Collateral Agent receives such directions, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, as the Collateral Agent deems advisable and in the best interests of the Purchasers and Funding Agents.

Section 5.6. Non-Reliance on Collateral Agent, Funding Agents and Other Purchasers. Each Purchaser expressly acknowledges that none of the Collateral Agent, the Funding Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Collateral Agent, or any Funding Agent hereafter taken, including any review of the affairs of the Seller, Servicer or any Originator, shall be deemed to constitute any representation or warranty by the Collateral Agent or such Funding Agent, as applicable. Each Purchaser represents and warrants to the Collateral Agent and the Funding Agents that, independently and without reliance upon the Collateral Agent, Funding Agents or any other Purchaser and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Seller, Servicer or the Originators, and the Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items specifically required to be delivered hereunder, the Collateral Agent shall not have any duty or responsibility to provide any Funding Agent with any information concerning the Seller, Servicer or the Originators or any of their Affiliates that comes into the possession of the Collateral Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 5.7. Collateral Agent, Funding Agents and Purchasers. Each of the Purchasers, the Collateral Agent, the Funding Agents and their Affiliates may extend credit to, accept deposits from and generally engage in any kind of banking, trust, debt, entity or other business with the Seller, USS, Servicer or any Originator or any of their Affiliates. With respect to the acquisition of the Eligible Receivables pursuant to this Agreement, each of the Funding Agents and the Collateral Agent shall have the same rights and powers under this Agreement as any Purchaser and may exercise the same as though it were not such an agent, and the

terms "Purchaser" and "Purchasers" shall include each of the Funding Agents and the Collateral Agent in their individual capacities.

Section 5.8. Indemnification. Each Committed Purchaser shall indemnify and hold harmless the Collateral Agent (but solely in its capacity as Collateral Agent) and its officers, directors, employees, representatives and agents (to the extent not reimbursed by the Seller or Servicer and without limiting the obligation of the Seller or Servicer to do so), ratably in accordance with their respective Commitments from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, costs, expenses and disbursements of any kind whatsoever (including in connection with any investigative or threatened proceeding, whether or not the Collateral Agent or such Person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against the Collateral Agent or such Person as a result of, or related to, any of the transactions contemplated by the Transaction Documents or the execution, delivery or performance of the Transaction Documents or any other document furnished in connection therewith (but excluding any such liabilities, obligations, losses, damages, penalties, judgments, settlements, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of the Collateral Agent or such Person as finally determined by a court of competent jurisdiction); provided, that in the case of each Purchaser that is a commercial paper conduit, such indemnity shall be provided solely to the extent of amounts received by such Purchaser under this Agreement which exceed the amounts required to repay such Purchaser's outstanding Notes. Notwithstanding anything in this Section 5.8 to the contrary, each of the Collateral Agent, each Funding Agent and each Purchaser hereby covenants and agrees that it shall not institute against, or join any other Person in instituting against, any CP Conduit Purchaser any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law, for one year and a day after the latest maturing Note issued by such CP Conduit Purchaser is paid in full.

Section 5.9. Successor Collateral Agent. The Collateral Agent may, upon at least thirty (30) days notice to the Seller and each Purchaser and Funding Agent, resign as Collateral Agent. Such resignation shall not become effective until a successor Collateral Agent is appointed by the Funding Agents (and, unless such appointment is to an existing Funding Agent or Purchaser, such successor Collateral Agent has been consented to by the Seller, such consent not to be unreasonably withheld) and has accepted such

appointment. Upon such acceptance of its appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall succeed to and become vested with all the rights and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations under the Transaction Documents. After any retiring Collateral Agent's resignation hereunder, the provisions of Sections 3.1 and 3.2 and this Article V shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Collateral Agent.

ARTICLE VI.
MISCELLANEOUS

Section 6.1. Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Transaction Document, or consent to any departure by the Seller or the Servicer therefrom, shall be effective unless in a writing signed by each Funding Agent, and, in the case of any amendment, by the other parties thereto; and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that, if required pursuant to the terms of any CP Conduit Purchaser's securitization program, no such material amendment shall be effective until both Moody's and Standard & Poor's have notified the applicable Funding Agent in writing that such action will not result in a reduction or withdrawal of the rating of any Notes of such CP Conduit Purchaser. No failure on the part of the Purchasers or the Funding Agents to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The Collateral Agent shall provide each Rating Agency with a copy of each amendment to or waiver or consent under this Agreement promptly following the effective date thereof.

Section 6.2. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by express mail or courier or by certified mail, postage-prepaid, or by facsimile, to the intended party at the address or facsimile number of such party set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, (i) if personally

delivered or sent by express mail or courier or if sent by certified mail, when received, and (ii) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means.

Section 6.3. Assignability. (a) This Agreement shall be binding on the parties hereto and their respective successors and assigns; provided, however, that neither the Seller nor the Servicer may assign any of its rights or delegate any of its duties hereunder or under any of the other Transaction Documents to which it is a party without the prior written consent of the Funding Agents. Each CP Conduit Purchaser may assign, participate, grant security interests in or otherwise transfer all or any portion of the Purchased Interest held by it to any bank or other financial institution providing liquidity support to such CP Conduit Purchaser in connection with its commercial paper program (each, a "Liquidity Bank") or any other Program Support Provider with respect to such CP Conduit Purchaser without prior notice to or consent from the Seller, the Servicer, any Originator, any other party or any other condition or restriction of any kind.

(b) Conduit Assignees. Each CP Conduit Purchaser may, from time to time with prior or concurrent notice to the Seller, the Funding Agent for such CP Conduit Purchaser and the Collateral Agent, assign all or any portion of such CP Conduit Purchaser's interest in the Purchased Interest (and its related Committed Purchasers) and its rights and obligations under this Agreement and

any other Transaction Document to which it is a party to a Conduit Assignee with respect to such CP Conduit Purchaser. Upon such assignment by a CP Conduit Purchaser to a Conduit Assignee, (A) the related administrative or managing agent for such Conduit Assignee will act as the Funding Agent for such Conduit Assignee hereunder, (B) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to such CP Conduit Purchaser and its related Committed Purchasers herein and in the other Transaction Documents (including, without limitation, any limitation on recourse against such Conduit Assignee), (C) such Conduit Assignee shall assume all of such CP Conduit Purchaser's obligations hereunder or under any other Transaction Document (whenever created, whether before or after such assignment) with respect to the assigned portion of the CP Conduit Purchaser's interest in the Purchased Interest and such CP Conduit Purchaser shall be released from all such obligations, (D) all distributions to such CP Conduit Purchaser hereunder with respect to the assigned portion of the CP Conduit Purchaser's interest shall be made to such Conduit Assignee, (E) the definition of the term "CP Rate"

shall be determined on the basis of the interest rate or discount applicable to commercial paper issued by such Conduit Assignee (rather than such CP Conduit Purchaser), (F) the defined terms and other terms and provisions of this Agreement and other Transaction Documents shall be interpreted in accordance with the foregoing, and (G) if requested by any Funding Agent or administrative or managing agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents (including amendments to this Agreement) and take such other actions as the Funding Agents or such administrative agent may reasonably request to evidence and give effect to the foregoing.

(c) Participations. Any Committed Purchaser may, with the consent of the
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Funding Agents and in the ordinary course of its business and its accordance with applicable law, at any time sell to one or more Persons (each, a "Participant") participating interests in its rights and obligations hereunder
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and under the Transaction Documents. Notwithstanding any such sale by a Committed Purchaser of participating interests to a Participant, such Committed Purchaser's rights and obligations under this Agreement shall remain unchanged, such Committed Purchaser shall remain solely responsible for the performance hereof, and each CP Conduit Purchaser, the Collateral Agent and the Funding Agents shall continue to deal solely and directly with such Committed Purchaser in connection with such Committed Purchaser's rights and obligations under this Agreement and the other Transaction Documents. Each Committed Purchaser agrees that any agreement between such Committed Purchaser and any such Participant in respect of such participating interest shall not restrict such Committed Purchaser's right to agree to any amendment, supplement, waiver or modification to this Agreement.

(d) Assignments.

(i) Any Committed Purchaser may at any time and from time to time, upon the prior written consent of the related CP Conduit Purchaser and the Funding Agents, and, if the Purchaser is not an Affiliate of or otherwise related to the selling Committed Purchaser and is not an existing Committed Purchaser, the prior written consent of the Seller (which consent shall not be unreasonably withheld), assign to one or more accredited investors or other Persons all or any part of its rights and obligations under this Agreement and the other Transaction Documents pursuant to a supplement to this Agreement, substantially in the form of Exhibit VII hereto (each, a "Transfer Supplement"), executed by
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the Purchaser, such selling Committed Purchaser, the related CP Conduit Purchaser and, if applicable, the Seller; and provided, however,
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that (A) any such assignment cannot be for an amount less than the lesser of (1) $10,000,000 and (2) such selling Committed Purchaser's Commitment and (B) each Purchaser must be a financial institution with a short-term rating by the Rating Agencies at least equal to the rating by each such Rating Agency on the Notes of the related CP Conduit Purchaser.

(ii) Each of the Committed Purchasers agrees that if it ceases to have short-term debt ratings at least equal to the ratings then assigned to the Notes of the related CP Conduit Purchaser by the Rating Agencies, or, if such Committed Purchaser does not have short-term debt which is rated by the Rating Agencies, in the event that the parent corporation of such Committed Purchaser has rated short-term debt, such parent corporation ceases to have short-term debt ratings at least equal to the ratings then assigned to the Notes of the related CP Conduit Purchaser by the Rating Agencies (each, an "Affected
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Committed Purchaser"), such Affected Committed Purchaser shall be obliged, at

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the request of the related CP Conduit Purchaser and the related Funding Agent, to assign all of its rights and obligations hereunder to (x) one or more other Committed Purchasers selected by such CP Conduit Purchaser and the related Funding Agent which are willing to accept such assignment, or (y) another financial institution having short-term debt ratings at least equal to the ratings then assigned to the Notes of the related CP Conduit Purchaser by the Rating Agencies nominated by the related Funding Agent and consented to by such CP Conduit Purchaser (which consent shall not be unreasonably withheld) and the Collateral Agent, and willing to participate in this facility through the then current scheduled Facility Termination Date in the place of such Affected Committed Purchaser; provided that (i) the Affected Committed Purchaser receives
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payment in full of all outstanding Net Investment and accrued Discount, if any, of such Person and any other amounts due and owning to such Affected Committed Purchaser under this Agreement and the other Transaction Documents and (ii) such nominated financial institution, if not an existing Committed Purchaser, satisfies all the requirements of this Agreement.

(iii) Upon (A) execution of a Transfer Supplement, (B) delivery of an executed copy thereof to the related CP Conduit Purchaser, the Collateral Agent and the Seller, (C) payment, if applicable, by the Purchaser to such selling Committed Purchaser of an amount equal to the purchase price agreed between such selling Committed Purchaser and the Purchaser and (D) if required by the documents governing any applicable CP Conduit Purchaser's commercial paper program, receipt by such CP Conduit Purchaser of confirmation from each Rating Agency that such action will not

cause the downgrade or withdrawal of the then current rating on such CP Conduit Purchaser's Notes, such selling Committed Purchaser shall be released from its obligations hereunder to the extent of such assignment and the Purchasers shall, for all purposes, be a Committed Purchaser party to this Agreement and shall have all the rights and obligations of a Committed Purchaser under this Agreement to the same extent as if it were an original party hereto, and no further consent or action by the CP Conduit Purchasers, the Committed Purchasers or the Funding Agents shall be required. The amount of the assigned portion of the selling Committed Purchaser's share of the related Net Investment allocable to the Purchaser shall be equal to the transferred percentage (as set forth in the Transfer Supplement) of such selling Committed Purchaser's share of the related Net Investment which is transferred thereunder regardless of the purchase price paid therefor. Such Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of the Purchaser as a Committed Purchaser and the resulting adjustment of the selling Committed Purchaser's Commitment arising from the purchase by the Purchaser of all or a portion of the selling Committed Purchaser's rights, obligations and interest hereunder.

(e) Without limiting any other rights that may be available under applicable law, the rights of the Purchasers hereunder may be enforced through such Purchaser or by its agents.

Section 6.4. Costs, Expenses and Taxes. (a) In addition to the rights of
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indemnification granted under Section 3.1, the Seller agrees to pay on demand
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all reasonable costs and expenses in connection with the preparation, execution, delivery and administration (including the internal audits by any Funding Agent or their agents pursuant to Exhibit IV hereto) of this Agreement, the other
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Transaction Documents and the other documents and agreements to be delivered hereunder (and all reasonable costs and expenses in connection with any amendment, waiver or modification of any thereof), including: (i) Attorney Costs for the Collateral Agent, each Funding Agent, each Purchaser and their respective Affiliates and agents with respect thereto and with respect to advising each such Person and its respective Affiliates and agents as to their rights and remedies under this Agreement and the other Transaction Documents, and (ii) all reasonable costs and expenses (including Attorney Costs), if any, of the Collateral Agent, each Funding Agent, each Purchaser and their respective Affiliates and agents in connection with the enforcement of this Agreement and the other Transaction Documents.

(b) In addition, the Seller shall pay on demand any and all stamp and other taxes and fees payable in connection with the execution, delivery, filing and recording of this Agreement or the other documents or agreements to be delivered hereunder, if any, and agrees to save each Indemnified Party harmless from and against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

Section 6.5. No Proceedings; Limitation on Payments. (a) Each of the
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Seller, the Servicer, the Collateral Agent, each Funding Agent, each assignee of

the Purchased Interest or any interest therein, hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, any CP Conduit Purchaser any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and one day after the latest maturing Note issued by such CP Conduit Purchaser is paid in full. The provision of this Section 6.5 shall survive any termination of this Agreement.

(b) Notwithstanding any provisions contained in this Agreement to the contrary, no CP Conduit Purchaser shall, or shall be obligated to, pay any amount, if any, payable by it pursuant to this Agreement or any other Transaction Document unless (i) such CP Conduit Purchaser has received funds which may be used to make such payment and which funds are not required to repay Notes when due and (ii) after giving effect to such payment, either (x) such CP Conduit Purchaser could issue Notes to refinance all outstanding Notes (assuming such outstanding Notes matured at such time) in accordance with the program documents governing such CP Conduit Purchaser's securitization program or (y) all Notes of such CP Conduit Purchaser are paid in full. Any amount which such CP Conduit Purchaser does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the Bankruptcy Code) against or company obligation of such CP Conduit Purchaser for any such insufficiency unless and until such CP Conduit Purchaser satisfies the provisions of clauses (i) and (ii) above.

Section 6.6. GOVERNING LAW AND JURISDICTION. (a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF A SECURITY INTEREST OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK; AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, THAT IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH SERVICE MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

Section 6.7. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same agreement.

Section 6.8. Survival of Termination. The provisions of Sections 1.8, 1.9, 3.1, 3.2, 6.4, 6.5, 6.6, 6.9, 6.12 and 6.13 shall survive any termination of this Agreement.

Section 6.9. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH OF THE PARTIES HERETO FURTHER AGREES THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING THAT SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

Section 6.10. Entire Agreement. This Agreement and the other Transaction Documents embody the entire agreement and understanding between the parties hereto, and supersede all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

Section 6.11. Headings. The captions and headings of this Agreement and any Exhibit, Schedule or Annex hereto are for convenience of reference only and shall not affect the interpretation hereof or thereof.

Section 6.12. Purchaser's Liabilities. The obligations of each Purchaser and each Funding Agent under the Transaction Documents are solely the obligations of such Person. No recourse shall be had for any obligation or claim arising out of or based upon any Transaction Document against any stockholder, employee, officer, director or incorporator of such Person; provided, however, that this Section 6.12 shall not relieve any such Person of any liability it might otherwise have for its own gross negligence or willful misconduct.

Section 6.13. Confidentiality. Unless otherwise required by applicable law, each of the Seller and Servicer agrees to maintain the confidentiality of this Agreement and the other Transaction Documents (and all drafts hereof and thereof) in communications with third parties and otherwise; provided that this Agreement may be disclosed to: (a) third parties to the extent such disclosure is made pursuant to a written agreement of confidentiality in form and substance reasonably satisfactory to each Funding Agent, (b) the Seller's legal counsel and auditors if they agree to hold it confidential and (c) in filings made under securities laws. Unless otherwise required by applicable law, each of the Collateral Agent, each Purchaser, and each Funding Agent agrees to maintain the confidentiality of all information regarding the Seller, USS and its Subsidiaries; provided that such information may be disclosed to: (i) third parties to the extent such disclosure is made pursuant to a written agreement of confidentiality in form and substance reasonably satisfactory to USS, (ii) legal counsel and auditors of the Collateral Agent, each Purchaser, and each Funding Agent if they agree to hold it confidential, (iii) the rating agencies rating the Notes of each CP Conduit Purchaser to the extent such information relates to the Receivables Pool or the transactions contemplated by this Agreement, or if not so related, upon obtaining the prior consent of USS (such consent not to be unreasonably withheld), (iv) any Program Support Provider or potential Program Support Provider to the extent such information relates to the Receivables Pool or the transactions contemplated by this Agreement, or if not so related, upon obtaining the prior written consent of USS (such consent not to be unreasonably withheld), (v) any placement agent placing the Notes of any CP Conduit Purchaser, and (vi) any regulatory authorities having jurisdiction over the Collateral Agent, the Funding Agents, the Purchasers, any Program Support Provider or any Liquidity Bank.

Section 6.14. Agent Conflict Waiver. Each of the Collateral Agent and the Funding Agents, respectively, acts in various capacities with respect to the maintenance and administration of the commercial paper program of its related CP Conduit Purchaser (including, administrative agent for such CP Conduit Purchaser, as issuing and paying agent, as provider of other backup facilities, and may provide other services or facilities from time to time, the "Agent Roles"). Each of the parties hereto hereby acknowledges and consents to any and all Agent Roles, waives any objections it may have to any actual or potential conflict of interest caused by any such Funding Agent acting as the Funding Agent for its related CP Conduit Purchaser or as a related Committed Purchaser or as a liquidity or credit support provider under such Conduit Purchaser's commercial paper program and acting as or maintaining any of the Agent Roles, and agrees that in connection with any Agent Role, such Funding Agent may take, or refrain from taking, any action which it in its discretion deems appropriate.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written.

UNITED STATES STEEL LLC, as initial Servicer	UNITED STATES STEEL LLC, as initial Servicer
By:/s/ G. R. Haggerty	By: /s/ D.C. Greiner
Name: G. R. Haggerty	Name: D.C. Greiner
Title: Vice President Accounting & Finance	Title:Assistant Treasurer

Address:

United States Steel LLC
600 Grant Street
Pittsburgh, Pennsylvania 15219-4776
Attention: Assistant Treasurer -
Cash & Banking
Telephone No.: (412) 433-4759
Facsimile No.: (412) 433-4567

U.S. STEEL RECEIVABLES LLC,
as Seller

By: /s/ L.T. Brockway

Name: L.T. Brockway

Title:Vice President

Address:

U.S. Steel Receivables LLC
600 Grant Street
Pittsburgh, Pennsylvania 15219-4776
Attention: Assistant Treasurer -
Cash & Banking
Telephone No.: (412) 433-4759
Facsimile No.: (412) 433-4567

THE PURCHASER GROUPS:

LIBERTY STREET FUNDING CORP.,
as a CP Conduit Purchaser

By:

Name:

Title:

Address:

Liberty Street Funding Corp.
c/o Global Securitization Services,
LLC
114 West 47th Street
New York, New York 10036
Attention: Andrew L.Stidd
Telephone No.: (212) 302-5151
Facsimile No.: (212) 302-8767

With a copy to:

THE BANK OF NOVA SCOTIA
One Liberty Plaza
New York, New York 10036
Attention: Darren Ward
Telephone No.: (212) 506-2258
Facsimile No.: (212) 506-6994

THE BANK OF NOVA SCOTIA,
as a Committed Purchaser
for Liberty Street Funding Corp.

By: /s/ J. ALAN EDWARDS

Name: J. ALAN EDWARDS

Title: MANAGING DIRECTOR

Address:

The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10036

Attention: Darren Ward
Telephone No.: (212) 506-2258
Facsimile No.: (212) 506-6994
Commitment: $200,000,000

THE PURCHASER GROUPS:

LIBERTY STREET FUNDING CORP.,
as a CP Conduit Purchaser

By: /s/ Andrew L. Stidd

Name: Andrew L. Stidd

Title: President

Address:

Liberty Street Funding Corp.
c/o Global Securitization Services, LLC
114 West 47th Street
New York, New York 10036
Attention: Andrew L. Stidd
Telephone No.: (212) 302-5151
Facsimile No.: (212) 302-8767

With a copy to:

THE BANK OF NOVA SCOTIA
One Liberty Plaza
New York, New York 10036
Attention: Darren Ward
Telephone No.: (212) 506-2258
Facsimile No.: (212) 506-6994

THE BANK OF NOVA SCOTIA,
as a Committed Purchaser
for Liberty Street Funding Corp.

By:

Name:

Title:

Address:

The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10036
Attention: Darren Ward
Telephone No.: (212) 506-2258
Facsimile No.: (212) 506-6994
Commitment: $200,000,000

THE BANK OF NOVA SCOTIA,
as Funding Agent for Liberty
Street Funding Corp. and
The Bank of Nova Scotia
as Purchasers

By: /s/ J. ALAN EDWARDS

Name: J. ALAN EDWARDS

Title: MANAGING DIRECTOR

Address:

One Liberty Plaza
New York, New York 10036
Attention: Darren Ward
Telephone No.: (212) 506-2258
Facsimile No.: (212) 506-6994

JPMORGAN CHASE BANK, as attorney-in-fact
for DELAWARE FUNDING CORPORATION, as a CP
Conduit Purchaser

By: /s/ BRADLEY SCHWARTZ

Name: BRADLEY SCHWARTZ

Title: Managing Director

Address:

JPMorgan Chase Bank
Asset Finance Group
500 Stanton Christiana Road
Newark, Delaware 19713
Attention: Mark J. Connor
Telephone No.: (302) 634-4218
Facsimile No.: (302) 634-5510

JPMorgan Chase Bank
450 West 33rd Street
15th Floor
New York, New York 10001
Attention: Quintanna Parsons-Perry
Telephone No.: (212) 946-7194
Facsimile No.: (212) 946-8098

JPMORGAN CHASE BANK
as Committed Purchaser for
DELAWARE FUNDING CORPORATION

By: /s/ BRADLEY SCHWARTZ

Name: BRADLEY SCHWARTZ

Title: Managing Director

Address:

JPMorgan Chase Bank
Asset Finance Group
500 Stanton Christiana Road
Newark, Delaware 19713
Attention: Mark J. Connor
Telephone No.: (302) 634-4218
Facsimile No.: (302) 634-5510

With a copy to:

JPMorgan Chase Bank
450 West 33rd Street
15th Floor
New York, New York 10001
Attention: Quintanna Parsons-Perry
Telephone No.: (212) 946-7194
Facsimile No.: (212) 946-8098
Commitment:$200,000,000

JPMORGAN CHASE BANK
as Funding Agent for
Delaware Funding Corporation and
JPMorgan Chase Bank as Purchasers

By: /s/ BRADLEY SCHWARTZ

Name: BRADLEY SCHWARTZ

Title: Managing Director

Address:

JPMorgan Chase Bank
Asset Finance Group
500 Stanton Christiana Road
Newark, Delaware 19713
Attention: Mark J. Connor
Telephone No.: (302) 634-4218
Facsimile No.: (302) 634-5510

With a copy to:

JPMorgan Chase Bank
450 West 33rd Street
15th Floor
New York, New York 10001
Attention: Quintanna Parsons-Perry
Telephone No.: (212) 946-7194
Facsimile No.: (212) 946-8098

THE BANK OF NOVA SCOTIA,
as Collateral Agent

By: /s/ J. ALAN EDWARDS
Name: J. ALAN EDWARDS
Title: MANAGING DIRECTOR

Address:

One Liberty Plaza
New York, New York 10036
Attention: Darren Ward
Telephone No.: (212) 506-2258
Facsimile No.: (212) 506-6994

EXHIBIT I
DEFINITIONS

As used in the Agreement (including its Exhibits, Schedules and Annexes), the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined). Unless otherwise indicated, all Section, Annex, Exhibit and Schedule references in the Exhibits, Annexes and Schedules are to Sections of and Annexes, Exhibits and Schedules to the Agreement.

"Accounts" means, the Lock-Box Account(s), the Concentration Account and/or the Collection Account, as applicable.

"Adverse Claim" means a lien, security interest or other charge or encumbrance, or any other type of preferential arrangement; it being understood that any of the foregoing in favor of the Seller or the Collateral Agent (for the benefit of the Purchasers) shall not constitute an Adverse Claim.

"Affected Person" has the meaning set forth in Section 1.9 of the Agreement.

"Affiliate" means, as to any Person: (a) any Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person, or (b) who is a director or officer: (i) of such Person or (ii) of any Person described in clause (a), except that, with respect to any CP Conduit Purchaser, Affiliate shall mean the holder(s) of its capital stock. For purposes of this definition, control of a Person shall mean the power, direct or indirect: (x) to vote 25% or more of the securities having ordinary voting power for the election of directors of such Person, or (y) to direct or cause the direction of the management and policies of such Person, in either case whether by ownership of securities, contract, proxy or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Alternate Rate" for any Settlement Period for any Net Investment (or portion thereof) funded by any Purchaser other than through the issuance of Notes, means an interest rate per annum equal to: (a) 2.0% per annum above the

Eurodollar Rate for such Settlement Period, or, in the sole discretion of the applicable Funding Agent (b) the Base Rate for such Settlement Period; provided, however, that the "Alternate Rate" for any day while a Termination Event exists shall be an interest rate equal to 3.00%

per annum above the Eurodollar Rate (or if for any reason, the Eurodollar Rate is unavailable at such time, the Base Rate) in effect on such day.

"Assumption Agreement" has the meaning set forth in Section 1.14 of the Agreement.

"Attorney Costs" means and includes all reasonable fees and disbursements of any external counsel, which fees, disbursements and costs shall be set forth in reasonably detailed statements.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978 (11 U.S.C.Section.101, et seq.), as amended from time to time or any successor statute.

"Base Rate" means, with respect to any Purchaser, for any day, a fluctuating interest rate per annum as shall be in effect from time to time, which rate shall be at all times equal to the higher of:

(a) the rate of interest in effect for such day as publicly announced from time to time by the applicable Funding Agent as its "reference rate". Such "reference rate" is set by the applicable Funding Agent based upon various factors, including the applicable Funding Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate, and

(b) 0.50% per annum above the latest Federal Funds Rate.

"Benefit Plan" means any employee benefit pension plan as defined in Section 3(2) of ERISA in respect of which the Seller, any Originator or any ERISA Affiliate is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"Business Day" means any day (other than a Saturday or Sunday) on which: (a) banks are not authorized or required to close in New York, New York and (b) if this definition of "Business Day" is utilized in connection with the Eurodollar Rate, dealings are carried out in the London interbank market.

"Capital" means, at any time, the sum of the aggregate outstanding amount of the Net Investment of each Purchaser at such time.

"Change in Control" means that USS ceases to own, directly or indirectly, 100% of the capital stock of the Seller free and clear of all Adverse Claims.

"Closing Date" means November 28, 2001.

"Collateral Agent" has the meaning set forth in the preamble to the Agreement.

"Collection Account" means that certain bank account numbered 2520-18 maintained at The Bank of Nova Scotia which is (i) identified as the "USS Collection Account," (ii) pledged, on a first-priority basis, to the Collateral Agent pursuant to Section 1.2(d), and (iii) is governed by a Collection Account Agreement.

"Collection Account Agreement" means a letter agreement among the Seller, the Funding Agents and the Collection Account Bank, as the same may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with the Agreement.

"Collection Account Bank" means the bank maintaining the Collection Account.

"Collections" means, with respect to any Pool Receivable: (a) all funds that are received by the Seller, the Servicer or any Originator in payment of any amounts owed in respect of such Receivable (including purchase price, finance charges, interest and all other charges), or applied to amounts owed in respect of such Receivable (including insurance payments and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all Deemed Collections and (c) all other proceeds of such Pool Receivable.

"Commitment" means, with respect to any Committed Purchaser, at any time, the amount set forth as such Committed Purchaser's maximum purchase Commitment below its signature to the Agreement or in any Assumption Agreement or Transfer Supplement pursuant to which it becomes a party to the Agreement as a Committed Purchaser, as such amount may be increased or reduced from time to time pursuant to the Agreement and the other Transaction Documents.

"Commitment Expiry Date" initially means, for any Committed Purchaser, November 27, 2002, as such date may be extended from

time to time in the sole discretion of such Purchaser pursuant to Section 1.13 of the Agreement.

"Committed Purchasers" has the meaning set forth in the preamble to the Agreement.

"Company Notes" has the meaning set forth in the Purchase and Sale Agreement.

"Concentration Account" means that certain bank account numbered 069-3695, maintained at Mellon Bank, N.A. which is (i) pledged on a first priority basis, to the Collateral Agent pursuant to Section 1.2(d), and (ii) governed by the Concentration Account Agreement.

"Concentration Account Agreement" means the blocked account agreement among the Seller, the Funding Agents and the Concentration Account Bank, as the same may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with the Agreement.

"Concentration Account Bank" means the bank maintaining the Concentration Account.

"Concentration Percentage" means: (a) for any Group A Obligor, 12%, (b) for any Group B Obligor, 6%, (c) for any Group C Obligor, 3%, (d) for any Group D Obligor, 3% and (e) if such Obligor is a Special Obligor, such percentage as has been so designated in writing by the Funding Agents to the Seller as the "Concentration Percentage" for such Obligor; provided, however, that the Funding Agents may, if the Rating Agency Condition is satisfied, approve higher Concentration Percentages for selected Obligors.

"Concentration Reserve" means, at any time the aggregate Capital at such time multiplied by (a) the Concentration Reserve Percentage divided by (b) 1, minus the Concentration Reserve Percentage at such time.

"Concentration Reserve Percentage" means, at any time, the largest of: (a) the sum of four largest Group D Obligor Percentages, (b) the sum of the two largest Group C Obligor Percentages and (c) the largest Group B Obligor Percentage.

"Conduit Assignee" shall mean, with respect to any CP Conduit Purchaser, any commercial paper conduit that issues commercial paper rated at least A-1 by Standard & Poor's and P-1 by Moody's administered by the Funding Agent with respect to such CP Conduit

Purchaser and designated by such Funding Agent to accept an assignment from such CP Conduit Purchaser of such CP Conduit Purchaser's rights and obligations pursuant to Section 5.3 of the Agreement.

"Contract" means, with respect to any Receivable, any and all contracts, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Receivable arises or that evidence such Receivable or under which an Obligor becomes or is obligated to make payment in respect of such Receivable.

"CP Rate" means, for any CP Conduit Purchaser and for any Settlement Period for any Portion of Capital (a) the per annum rate equivalent to the weighted average cost (as determined by the applicable Funding Agent and which shall include commissions of placement agents and dealers, incremental carrying costs incurred with respect to Notes of such Person maturing on dates other than those on which corresponding funds are received by such CP Conduit Purchaser, other borrowings by such CP Conduit Purchaser (other than under any Program Support Agreement) and any other costs associated with the issuance of Notes) of or related to the issuance of Notes that are allocated, in whole or in part, by the applicable Funding Agent to fund or maintain such Portion of Capital (and which may be also allocated in part to the funding of other assets of such CP Conduit Purchaser); provided, however, that if any component of such rate is a discount rate, in calculating the "CP Rate" for such Portion of Capital for such Settlement Period, the applicable Funding Agent shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum; provided, further, that notwithstanding anything in the Agreement or the other Transaction Documents to the contrary, the Seller agrees that any amounts payable to the Purchasers in respect of Discount for any Settlement Period with respect to any Portion of Capital funded by such Purchaser at the CP Rate shall include an amount equal to the portion of the face amount of the outstanding Notes issued to fund or maintain such Portion of Capital that corresponds to the portion of the proceeds of such Notes that was used to pay the interest component of maturing Notes issued to fund or maintain such Portion of Capital, to the extent that such Purchaser had not received payments of interest in respect of such interest component prior to the maturity date of such maturing Notes (for purposes of the foregoing, the "interest component" of Notes equals the excess of the face amount thereof over the net proceeds received by such Purchaser from the issuance of Notes, except that if such Notes are issued on an interest-bearing basis its "interest component" will equal the amount of interest accruing on such Notes through

maturity) or (b) or any other rate designated as the "CP Rate" for such CP Conduit Purchaser in an Assumption Agreement or Transfer Supplement pursuant to which such Person becomes a party as a CP Conduit Purchaser to the Agreement, or any other writing or agreement provided by such CP Conduit Purchaser to the Seller, the Servicer and Funding Agents from time to time.

"CP Conduit Purchaser" has the meaning set forth in the preamble to the Agreement.

"CP Conduit Purchaser Termination Event" means, with respect to any CP Conduit Purchaser, any of such CP Conduit Purchaser's Program Support Providers (or the entity administering or servicing such CP Conduit Purchaser's commercial paper program) shall have given it notice that an event of default has occurred and is continuing under their respective commercial paper program agreements with such CP Conduit Purchaser and/or that such event of default requires such CP Conduit Purchaser to stop issuing Notes (or otherwise obtaining funds from any such source) to fund or maintain its interest in the Purchased Interest.

"Credit and Collection Policy" means, as the context may require, those receivables credit and collection policies and practices of the Seller or any Originator in effect on the Closing Date and described in Schedule I to the Agreement, as modified in compliance with the Agreement.

"Daily Report" has the meaning set forth in Section 2(j)(vii) of Exhibit IV to the Agreement.

"Days' Sales Outstanding" means, for any calendar month, an amount computed as of the last day of such month equal to: (a) the Outstanding Balance of all

Pool Receivables as of the last day of such month, divided by (b) (i) the aggregate amount of new Receivables generated by the Originators during the three calendar months ended on or before the last day of such month, divided by (ii) 90.

"Debt" means, without duplication: (a) indebtedness for borrowed money, (b) obligations evidenced by bonds, debentures, notes or other similar instruments, (c) obligations to pay the deferred purchase price of property or services, (d) obligations as lessee under leases that shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, and (e) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor

against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (d).

"Deemed Collections" has the meaning set forth in Section 1.6 of the Agreement.

"Default Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each calendar month by dividing: (a) the aggregate Outstanding Balance (excluding credit balances) of all Pool Receivables that became Defaulted Receivables during such month, by (b) the aggregate amount of Receivables generated by the Originators during the calendar month that is three calendar months prior to such calendar month.

"Defaulted Receivable" means a Receivable:

(a) as to which any payment, or part thereof, remains unpaid for more than 60 days from the original due date for such payment, or

(b) without duplication (i) as to which an Event of Bankruptcy shall have occurred with respect to the Obligor thereof or any other Person obligated thereon or owning any Related Security with respect thereto, or (ii) which has been, or, consistent with the Credit and Collection Policy would be, written off the Seller's books as uncollectible.

"Delinquency Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each calendar month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that were Delinquent Receivables on such day by (b) the Net Receivables Pool Balance on such day.

"Delinquent Receivable" means a Receivable (other than a Defaulted Receivable) as to which any payment, or part thereof, remains unpaid for more than 30 days from the original due date for such payment.

"Dilution Horizon" means, for any calendar month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each calendar month by dividing: (a) the aggregate amount of Receivables generated by the Originators during the last calendar month by (b) the Net Receivable Pool Balance on such day.

"Dilution Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward), computed as of the last day of each calendar month by dividing: (a) the aggregate amount of payments made or owed by the Seller pursuant to Section 1.6(a)(i) of the Agreement during such calendar month by (b) the aggregate amount of Receivables generated by the Originators during the immediately preceding calendar month.

"Dilution Reserve" means, on any date, an amount equal to (a) the Capital at the close of business of the Servicer on such date multiplied by (b)(i) the Dilution Reserve Percentage on such date divided by (ii) 1.0 minus the Dilution Reserve Percentage on such date.

"Dilution Reserve Percentage" means on any date, the greater of: (a) 3% and (b) the product of (i) the Dilution Horizon multiplied by (ii) the sum of (x)

the Reserve Adjustment Factor times the average of the Dilution Ratios for the twelve most recent calendar months and (y) the Spike Factor.

"Discount" means:

(a) for the Portion of Capital for any Settlement Period to the extent the applicable Purchaser will be funding such Portion of Capital during such Settlement Period through the issuance of Notes:

CPR x C x ED/360

(b) for the Portion of Capital for any Settlement Period to the extent the Issuer will not be funding such Portion of Capital during such Settlement Period through the issuance of Notes:

AR x C x ED/Year + TF

where:

AR = the applicable Alternate Rate for the Portion of Capital for such Settlement Period,

C = the relevant Portion of Capital during such Settlement Period,

CPR = the applicable CP Rate for the Portion of Capital,

ED = the actual number of days during such Settlement Period,

Year = if such Portion of Capital is funded based upon: (i) the Eurodollar Rate, 360 days, and (ii) the Base Rate, 365 or 366 days, as applicable, and

TF = the Termination Fee, if any, for the Portion of Capital for such Settlement Period;

provided, however, that during the occurrence and continuance of a Termination Event, the CP Rate shall not available and Discount for the Portion of Capital shall be determined for each day in a Settlement Period using a rate equal to 2.00% per annum above the Eurodollar Rate (or, if for any reason, the Eurodollar Rate is not then available, the Base Rate) in effect on such day; provided, further, that no provision of the Agreement shall require the payment or permit the collection of Discount in excess of the maximum permitted by applicable law; and provided further, that Discount for the Portion of Capital shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

"Eligible Receivable" means, at any time, a Pool Receivable:

(a) the Obligor of which is (i) a United States resident,(ii) not a government or a governmental subdivision, affiliate or agency,(iii) not subject to any action of the type described in paragraph (f) of Exhibit V to the Agreement and (iv) not an Affiliate of the Seller or any Originator or any Affiliate of the Seller or any Originator (other than a Joint Venture Obligor),

(b) that is denominated and payable only in U.S. dollars in the United States,

(c) that does not have a stated maturity which is more than 30 days after the original invoice date of such Receivable; provided, however, that up to 15% of the aggregate Outstanding Balance of all Pool Receivables may consist of otherwise Eligible Receivables that have a stated maturity of greater than 30 days (but not more than 60 days) after the original invoice date,

(d) that arises under a duly authorized Contract for the sale and delivery of goods and services in the ordinary course of an Originator's business,

(e) that arises under a duly authorized Contract that is in full force and effect and that is a legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms,

(f) that conforms in all material respects with all applicable laws, rulings and regulations in effect,

(g) that is not the subject of any asserted dispute, offset, hold back defense, Adverse Claim or other claim,

(h) that satisfies all applicable requirements of the Credit and Collection Policy,

(i) that has not been modified, waived or restructured since its creation, except as permitted pursuant to Section 4.2 of the Agreement,

(j) in which the Seller owns good and marketable title, free and clear of any Adverse Claims, and that is freely assignable by the Seller (including without any consent of the related Obligor),

(k) for which the Collateral Agent (for the benefit of the Purchasers) shall have a valid and enforceable undivided percentage ownership or security interest, to the extent of the Purchased Interest, and a valid and enforceable first priority perfected security interest therein and in the Related Security and Collections with respect thereto, in each case free and clear of any Adverse Claim,

(l) that constitutes an account as defined in the UCC, and that is not evidenced by instruments or chattel paper,

(m) that is not a Defaulted Receivable,

(n) for which none of the Seller, the Servicer or any Originator thereof has established any offset arrangements with the related Obligor,

(o) for which Defaulted Receivables of the related Obligor do not exceed 25% of the Outstanding Balance of all such Obligor's Receivables, and

(p) that represents amounts earned and payable by the Obligor that are not subject to the performance of additional services by the Seller, the Servicer or any Originator.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA also refer to any successor sections.

"ERISA Affiliate" means: (a) any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as the Seller, any Originator or the Servicer, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with the Seller, any Originator or Servicer, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as the Seller, Servicer, any Originator or any corporation described in clause (a) or any trade or business described in clause (b).

"Eurodollar Rate" means, for any Purchaser and for any Settlement Period, (a) an interest rate per annum (rounded upward to the nearest 1/16th of 1%) determined pursuant to the following formula:

$$\frac{\text{LIBOR}}{100\% - \text{Eurodollar Rate Reserve Percentage}}$$

where "Eurodollar Rate Reserve Percentage" means, for any Settlement Period, the maximum reserve percentage (expressed as a decimal, rounded upward to the nearest 1/100th of 1%) in effect on the date LIBOR for such Settlement Period is determined under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to "Eurocurrency" funding (currently referred to as "Eurocurrency liabilities") having a term comparable to such Settlement Period, or (b) any other rate designated as the "Eurodollar Rate" for such Purchaser in an Assumption Agreement or Transfer Supplement pursuant to which such Person becomes a party to the Agreement as a Purchaser, or any other writing or agreement provided by such Purchaser to the Seller, the Servicer and the Funding Agents from time to time.

"Event of Bankruptcy" means (a) any case, action or proceeding before any court or other governmental authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors or (b) any general assignment for the benefit of creditors of a Person, composition, marshaling of assets for creditors of a Person, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each of cases (a) and (b) undertaken under U.S. Federal, state or foreign law, including the U.S. Bankruptcy Code.

"Excess Concentration" means the sum of the amounts by which the Outstanding Balance of Eligible Receivables of each Obligor then in the Receivables Pool exceeds an amount equal to: (a) the Concentration Percentage, for such Obligor, multiplied by (b) the Outstanding Balance of all Eligible Receivables then in the Receivables Pool.

"Excluded Obligor" means any of: (a) USS--POSCO Industries, (b) Metro Metals Corporation, (c) TPSS Acquisition Corporation, (d) Clairton 1314B Partnership, L.P. or (e) any other Person, if such Person is approved in writing as an "Excluded Obligor" by the Funding Agents.

"Facility Limit" means at any time, the aggregate of the Commitments of each Committed Purchaser at such time (which shall initially be $400,000,000), as such amount may be reduced pursuant to the Agreement. References to the unused portion of the Facility Limit shall mean, at any time, the Facility Limit minus the then outstanding Capital.

"Facility Termination Date" means the earliest to occur of: (a) November 28, 2006, (b) with respect to any Committed Purchaser (and the CP Conduit Purchasers related thereto), the then scheduled Commitment Expiry Date with respect to such Purchaser,(c) the date determined pursuant to Section 2.2 of the Agreement, (d) the date the Facility Limit reduces to zero pursuant to Section 1.1(b) of the Agreement and (e) with respect to any CP Conduit Purchaser and the related Committed Purchasers, the date that the commitments of all of such Purchaser's Liquidity Banks terminate under the applicable Liquidity Agreement (which date shall initially be November 27, 2002).

"Federal Funds Rate" means, with respect to any Purchaser, for any day, the per annum rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such

successor, "H.15(519)") for such day opposite the caption "Federal Funds (Effective)." If on any relevant day such rate is not yet published in H.15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotations") for such day under the caption "Federal Funds Effective Rate." If on any relevant day the appropriate rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the applicable Funding Agent of the rates for the last transaction in overnight Federal funds arranged before 9:00 a.m. (New York time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the applicable Funding Agent.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

"Fee Letter" has the meaning set forth in Section 1.7 of the Agreement.

"Fees" means the fees payable by the Seller pursuant to each Fee Letter.

"GAAP" means the generally accepted United States accounting principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors and successors from time to time.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Group A Obligor" means any Obligor with a short-term rating of at least: (a) "A-1" by Standard & Poor's, or if such Obligor does not have a short-term rating from Standard & Poor's, a rating of "A+" or better by Standard & Poor's on its long-term senior unsecured and uncredit-enhanced debt securities, and (b) "P-1" by Moody's, or if such Obligor does not have a short-term rating from

Moody's, "A1" or better by Moody's on its long-term senior unsecured and uncredit-enhanced debt securities.

"Group B Obligor" means an Obligor, not a Group A Obligor, with a short-term rating of at least: (a) "A-2" by Standard & Poor's, or if such Obligor does not have a short-term rating from Standard & Poor's, a rating of "BBB+" to "A" by Standard & Poor's on its long-term senior unsecured and uncredit-enhanced debt securities, and (b) "P-2" by Moody's, or if such Obligor does not have a short-term rating from Moody's, "Baa1" to "A2" by Moody's on its long-term senior unsecured and uncredit-enhanced debt securities.

"Group B Obligor Percentage" means, at any time, for each Group B Obligor, the percentage equivalent of: (a) the aggregate Outstanding Balance of the Eligible Receivables of such Group B Obligor less any Excess Concentrations of such Obligor, divided by (b) the aggregate Outstanding Balance of all Eligible Receivables at such time. "Group C Obligor" means an Obligor, not a Group A Obligor or Group B Obligor, with a short-term rating of at least: (a) "A-3" by Standard & Poor's, or if such Obligor does not have a short-term rating from Standard & Poor's, a rating of "BBB-" to "BBB" by Standard & Poor's on its long-term senior unsecured and uncreditenhanced debt securities, and (b) "P-3" by Moody's, or if such Obligor does not have a short-term rating from Moody's, "Baa3" to "Baa2" by Moody's on its long-term senior unsecured and uncreditenhanced debt securities."

"Group C Obligor Percentage" means, at any time, for each Group C Obligor, the percentage equivalent of: (a) the aggregate Outstanding Balance of the Eligible Receivables of such Group C Obligor less any Excess Concentrations of such Obligor, divided by (b) the aggregate Outstanding Balance of all Eligible Receivables at such time.

"Group D Obligor" means any Obligor that is not a Group A Obligor, Group B Obligor or Group C Obligor.

"Group D Obligor Percentage" means, at any time, for each Group D Obligor: (a) the aggregate Outstanding Balance of the Eligible Receivables of such Group D Obligor less any Excess Concentrations of such Obligor, divided by (b) the aggregate Outstanding Balance of all Eligible Receivables at such time.

"Incremental Transfer" has the meaning set forth in Section 1.2 of the Agreement.

"Indemnified Amounts" has the meaning set forth in Section 3.1 of the Agreement.

"Indemnified Party" has the meaning set forth in Section 3.1 of the Agreement.

"Intercreditor Agreement" means that certain Intercreditor Agreement dated as of the date hereof, among The Bank of Nova Scotia, as Receivables Collateral Agent and as a Funding Agent, JPMorgan Chase Bank, as Lender Agent and as a Funding Agent, U.S. Steel Receivables LLC and United States Steel LLC, as the same may be amended, supplemented or otherwise modified from time to time.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended

from time to time, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of the Internal Revenue Code also refer to any successor sections.

"Joint Venture Obligor" means: Pro-Tec Coating Company and each other Person notified from time to time by the Seller to the Funding Agents, if such Person is approved in writing as "Joint Venture Obligors" by the Funding Agents and the Rating Agency Condition is satisfied with respect thereto.

"Joint Venture Obligor Percentage" means, at any time, the lesser of (a) 5% and (b) the then-current percentage (as selected by the Seller as of the first day of each calendar month, but not to exceed 5%) of Receivables included in the aggregate Outstanding Balance of all Eligible Receivables at such time, the Obligor of which is Pro-Tec Coating Company.

"LIBOR" means, with respect to any Purchaser, the rate of interest per annum determined by the applicable Funding Agent to be the arithmetic mean (rounded upward to the nearest 1/16th of 1%) of the rates of interest per annum determined by the applicable Funding Agent as the rate of interest at which dollar deposits in the approximate amount of the Portion of Capital to be funded at the Eurodollar Rate during such Settlement Period would be offered by major banks in the London interbank market to such Funding Agent at its request at or about 11:00 a.m. (London time) on the second Business Day before the commencement of such Settlement Period.

"Liquidity Agreement" means, with respect to each CP Conduit Purchaser, an agreement pursuant to which certain Liquidity Banks agree to provide liquidity support to such CP Conduit Purchaser in connection with the Notes issued to fund or maintain its Net Investment hereunder, as the same may be amended, supplemented or otherwise modified from time to time.

"Liquidity Bank" has the meaning set forth in Section 5.3(b) of the Agreement.

"Lock-Box Account" means an account maintained at a bank or other financial institution for the purpose of receiving Collections.

"Lock-Box Bank" means any of the banks or other financial institutions holding one or more Lock-Box Accounts.

"Lock-Box Letter" means a letter, in form and substance reasonably acceptable to the Funding Agents, which provides the relevant Lock-Box Bank with notice of the Purchasers' interest in the amounts on deposit in the related Lock-Box Account and acknowledges control of such account by the Collateral Agent.

"Loss Reserve" means, on any date, an amount equal to (a) the Capital at the close of business of the Servicer on such date multiplied by (b)(i) the Loss Reserve Percentage on such date divided by (ii) 1 minus the Loss Reserve Percentage on such date.

"Loss Reserve Percentage" means, on any date, the greater of: (a) the sum of 12% and the Joint Venture Obligor Percentage at such time, and (b) (i) the product of (x) the Reserve Adjustment Factor times the highest average of the Default Ratios for any three consecutive calendar months during the twelve most recent calendar months multiplied by (y) the aggregate amount of Receivables generated by the Originators during (A) if, pursuant to Section 2(j) of Exhibit IV to the Agreement, the Servicer is only required to provide a Monthly Report, the four most recent calendar months, (B) if, pursuant to Section 2(j) of Exhibit IV to the Agreement, the Servicer is required to provide a Weekly Report, the sum of the three most recent calendar months, plus 0.25, times the fourth most recent calendar month and (C) if, pursuant to Section 2(j) of Exhibit IV to the Agreement, the Servicer is required to provide a Daily Report, the three most recent calendar months, multiplied by (z) the Payment Terms Factor at such time divided by (ii) the Net Receivables Pool Balance on such

date.

"Material Adverse Effect" means, relative to any Person with respect to any event or circumstance, a material adverse effect on:

(a) the ability of any such Person to perform its obligations under the Agreement or any other Transaction Document to which it is a party,

(b) the validity or enforceability of any other Transaction Document, or the validity, enforceability or collectability of a material portion of the Pool Receivables, or

(c) the status, perfection, enforceability or priority of the Collateral Agent's or the Seller's interest in the Pool Assets.

"Monthly Report" means a report, in substantially the form of Annex B to the Agreement, furnished to each Funding Agent pursuant to the Agreement.

"Moody's" means Moody's Investors Service, Inc.

"Net Investment" means, for each Purchaser, the amount paid to the Seller in respect of the Purchased Interest by such Purchaser pursuant to the Agreement, or such amount divided or combined in order to determine the Discount applicable to any Portion of Capital, in each case reduced from time to time by Collections distributed and applied on account of such Net Investment pursuant to Section 1.4, 1.5 or 1.6 of the Agreement; provided, that if such Net Investment shall have been reduced by any distribution, and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Net Investment shall be increased by the amount of such rescinded or returned distribution as though it had not been made.

"Net Receivables Pool Balance" means, at any time: (a) the Outstanding Balance of Eligible Receivables then in the Receivables Pool, minus (b) the Excess Concentration.

"Notes" means short-term promissory notes issued, or to be issued, by any CP Conduit Purchaser to fund its investments in accounts receivable or other financial assets.

"Obligor" means, with respect to any Receivable, the Person obligated to make payments pursuant to the Contract relating to such Receivable.

"Originators" has the meaning set forth in the Purchase and Sale Agreement.

"Outstanding Balance" of any Receivable at any time means the then outstanding principal balance thereof.

"Payment Terms Factor" means, at any time (as calculated by the Servicer on the last day of each calendar quarter) (a) the sum of (i) the weighted average payment terms (stated as the number of days from the respective original invoice dates therefor, for which payment, (as established by the terms of the relevant Contracts) of the outstanding Receivables at the time of such calculation, must be made), plus (ii) 60, divided by (b) 90; it being understood that for all purposes of the Agreement (including the calculation of the Loss Reserve Percentage) the "Payment Terms Factor" shall in no event be less than 1.0. The Payment Terms Factor shall remain constant from each quarterly date on which such factor is calculated until the next such quarterly calculation date.

"Permitted Investments" shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard & Poor's and Moody's; and

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, BNS or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $250,000,000.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Pool Assets" has the meaning set forth in Section 1.2(d) of the Agreement.

"Pool Receivable" means a Receivable in the Receivables Pool.

"Portion of Capital" means, with respect to any Purchaser, any separate portion of such Purchaser's Net Investment being funded or maintained by such Purchaser (or its successors or permitted assigns) by reference to a particular interest rate basis.

"Program Support Agreement" means and includes, with respect to any Purchaser, each Liquidity Agreement and any other agreement entered into by any Program Support Provider providing for: (a) the issuance of one or more letters of credit for the account of such Purchaser, (b) the issuance of one or more surety bonds for which such Purchaser is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, (c) the sale by such Purchaser to any Program Support Provider of the Purchased Interest (or portions thereof) and/or (d) the making of loans and/or other extensions of credit to such Purchaser in connection with such Purchaser's receivables-securitization program contemplated in the Agreement, together with any letter of credit, surety bond or other instrument issued thereunder (but excluding any discretionary advance facility provided by the applicable Funding Agent).

"Program Support Provider" means and includes any Liquidity Bank and any other Person (other than any customer of the applicable CP Conduit Purchaser) now or hereafter extending credit or having a commitment to extend credit to or for the account of, or to make purchases from, the Issuer pursuant to any Program Support Agreement.

"Purchase and Sale Agreement" means, that certain Purchase and Sale Agreement dated as of November 28, 2001, among the Seller, USS, as initial Servicer and each of the Originators from time to time party hereto, as such agreement may be amended, supplemented or otherwise modified from time to time.

"Purchased Interest" means, at any time, the undivided percentage ownership interest of the Purchasers in: (a) each and every Pool Receivable now existing or hereafter arising, (b) all Related Security with respect to such Pool Receivables and (c) all

Collections with respect to, and other proceeds of, such Pool Receivables and Related Security. Such undivided percentage interest shall be computed as:

$$\frac{\text{Capital + Total Reserves}}{\text{Net Receivables Pool Balance}}$$

The Purchased Interest shall be determined from time to time pursuant to Section 1.3 of the Agreement.

"Purchaser" means, whether singly or in the aggregate, the CP Conduit Purchasers and the Committed Purchasers.

"Rating Agency Condition" means, with respect to any event or occurrence, receipt by the applicable CP Conduit Purchaser (if required by the documents governing its commercial paper program) of written confirmation from Standard & Poor's and Moody's that such event or occurrence shall not cause the rating on the then outstanding Notes to be downgraded or withdrawn.

"Receivable" means any indebtedness and other obligations owed to the
Seller or any Originator by, or any right of the Seller or any Originator to payment from or on behalf of, an Obligor (other than an Excluded Obligor) whether constituting an account, chattel paper, instrument or general intangible arising in connection with the sale of goods or the rendering of services by any Originator or the Seller and includes the obligation to pay any finance charges, fees and other charges with respect thereto; provided, however, that the term "Receivable" shall not include any such indebtedness or right to payment arising in connection with the sale of goods by the Seller or any such Originator that are shipped by or on behalf of such Originator to or at the direction of the related Obligor to an ultimate destination that is not a State within the United States. Indebtedness and other obligations arising from any one transaction, including indebtedness and other obligations represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other obligations arising from any other transaction.

"Receivables Pool" means, at any time, all of the then outstanding Receivables purchased by the Seller or contributed to the Seller pursuant to the Purchase and Sale Agreement.

"Related Security" means, with respect to any Receivable:

(a) all of the Seller's and the applicable Originator's interest in any goods (including returned goods), and documentation of title evidencing the shipment or storage of any goods (including returned goods), relating to any sale giving rise to such Receivable,

(b) all instruments and chattel paper that may evidence such Receivable,

(c) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all UCC financing statements or similar filings relating thereto,

(d) all of the Seller's and the applicable Originator's rights, interests and claims under the Contracts and all guaranties, indemnities, insurance and other agreements (including the related Contract) or arrangements of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, and

(e) all of the Seller's rights, interests and claims under the Purchase and Sale Agreement.

"Reserve Adjustment Factor" means (i) if the long-term senior unsecured and uncredit-enhanced debt rating of USS is equal to at least BB- by Standard & Poor's and Ba3 by Moody's, 2 and (ii) if the long-term senior unsecured and uncredit-enhanced debt rating of USS is lower than BB- by Standard & Poor's or Ba3 by Moody's, 2.5.

"Seller" has the meaning set forth in the preamble to the Agreement.

"Servicer" has the meaning set forth in the preamble to the Agreement.

"Servicing Fee" shall mean the fee referred to in Section 4.6 of the Agreement.

"Servicing Fee Amount" at any time means the sum of (a) the then accrued and unpaid Servicing Fee plus (b) the product of (i) the Outstanding Balance of Pool Receivables at such time, times

(ii) the product of (x) the Servicing Fee Rate multiplied by (y) a fraction, the numerator of which is 1.5 times the Days' Sales Outstanding (calculated on the last day of the most recent preceding calendar month) and the denominator of which is 360.

"Servicing Fee Rate" shall mean the per annum rate payable pursuant to

Section 4.6 to any Servicer that becomes a successor Servicer hereunder.

"Settlement Date" means (a) prior to the Facility Termination Date, the last day of each calendar month (or if such day is not a Business Day, then the next following Business Day) and (b) on and after the Facility Termination Date, each day selected from time to time by the Funding Agents (it being understood that the Funding Agents may select such Settlement Date to occur as frequently as daily), or, in the absence of any such selection, the day which would be the Settlement Date pursuant to clause (a) of this definition.

"Settlement Period" for each Portion of Capital means: (a) before the Facility Termination Date: (i) initially the period commencing on (and including) the date of a purchase pursuant to Section 1.2 of the Agreement and ending on (but not including) the next Settlement Date, and (ii) thereafter, each period commencing on such Settlement Date and ending on (but not including) the next Settlement Date, and (b) on and after the Facility Termination Date, such period (including a period of one day) as shall be selected from time to time by the Funding Agents or, in the absence of any such selection, each period of 30 days from the last day of the preceding Settlement Period.

"Special Obligor" means an Obligor, so designated in writing by the Funding Agents and set forth on Schedule IV to the Agreement, and with respect to which each of Moody's and Standard & Poor's shall have provided a notice in writing to each Funding Agent (if required by the documents governing the commercial paper program of such Funding Agent's related CP Conduit Purchaser) to the effect that the inclusion of such Obligor as a Special Obligor with the proposed Concentration Percentage will not result in the downgrading or withdrawal of such rating agencies' current rating of such related CP Conduit Purchaser's Notes; it being understood that (i) if the short-term debt rating any such Special Obligor by either Moody's or Standard & Poor's shall cease to be at least equal to the rating assigned by such rating agency to such related CP Conduit Purchaser's Notes, such Obligor shall cease to be a Special Obligor under the Agreement, (ii) the Seller may request from time to time that the Funding Agents designate additional

Obligors as Special Obligors and (iii) if, at any time, the long-term debt rating of General Motors Corporation falls below BBB+ by Standard & Poor's or A3 by Moody's, General Motors Corporation shall cease to be a Special Obligor under the Agreement.

"Spike Factor" means on any date, the product of (i) the positive difference, if any, between: (a) the highest Dilution Ratio for any calendar month during the twelve most recent calendar months and (b) the arithmetic average of the Dilution Ratios for such twelve months, times (ii) (a) the highest Dilution Ratio for any calendar month during the twelve most recent calendar months, divided by (b) the arithmetic average of the Dilution Ratios for such twelve months.

"Standard & Poor's" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Subsidiary" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock of each class or other interests having ordinary voting power (other than stock or other interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors or other managers of such entity are at the time owned, or management of which is otherwise controlled: (a) by such Person, (b) by one or more Subsidiaries of such Person or (c) by such Person and one or more Subsidiaries of such Person.

"Termination Day" means: (a) each day on which the conditions set forth in Section 2 of Exhibit II to the Agreement are not satisfied or (b) each day that occurs on or after the Facility Termination Date.

"Termination Event" has the meaning specified in Exhibit V to the Agreement.

"Termination Fee" means, for any Settlement Period during which a Termination Day occurs, the amount, if any, by which: (a) the additional Discount (calculated without taking into account any Termination Fee or any shortened duration of such Settlement Period pursuant to the definition thereof) that would have accrued during such Settlement Period on the reductions of the Net Investment of any Purchaser relating to such Settlement Period had such reductions not been made, exceeds (b) the income, if any, received by the applicable Purchaser from investing the proceeds of such reductions of Capital, as determined by the applicable Funding

Agent, which determination shall be binding and conclusive for all purposes, absent manifest error.

"Total Reserve Factor" means (i) if the long-term senior unsecured and uncredit-enhanced debt rating of USS is equal to at least B+ by Standard & Poor's and B1 by Moody's, 1, (ii) if the long-term senior unsecured and uncredit-enhanced debt rating of USS is lower than B+ (but not lower than B) by Standard & Poor's or B1 (but not lower than B2) by Moody's, 1.5, and (ii) if the long-term senior unsecured and uncredit-enhanced debt rating of USS is lower than B by Standard & Poor's or B2 by Moody's, 2.

"Total Reserves" means, at any time, an amount equal to the product of (a) the Total Reserve Factor at such time, times (b) the sum of (i) the Yield Reserve, plus (ii) the Servicing Fee Amount, plus (iii) the greater of (x) the sum of the Loss Reserve plus Dilution Reserve and (y) the Concentration Reserve.

"Transaction Documents" means the Agreement, the Lock-Box Letter(s), the Concentration Account Agreement and the Collection Account Agreement, each Fee Letter, the Purchase and Sale Agreement, any applicable Company Notes and all other certificates, instruments, UCC financing statements, reports, notices, agreements and documents executed or delivered under or in connection with the Agreement, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Agreement.

"Transfer" means any Incremental Transfer or reinvestment under the terms of the Agreement.

"Transfer Price" the amount requested from the Purchasers by the Seller in connection with any Incremental Transfer.

"Transfer Supplement" has the meaning set forth in Section 6.3(d) of the Agreement.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

"Unmatured Termination Event" means an event that, with the giving of notice or lapse of time, or both, would constitute a Termination Event.

"USS Credit Agreement" means that certain Credit Agreement (as amended through the date hereof and as amended, supplemented or otherwise modified from time to time), among USS, as borrower

JPMorgan Chase Bank, as administrative agent and collateral agent and the various other agents and the lenders (including certain of the Purchasers and/or their Affiliates) from time to time party thereto.

"USS Security Agreement" means the Security Agreement (as amended through the date hereof and as amended, supplemented or otherwise modified from time to time), between USS and JPMorgan Chase Bank, as collateral agent, executed in connection with the USS Credit Agreement.

"USX Corporation" means USX Corporation, a Delaware corporation.

"Weekly Report" has the meaning set forth in Section 2(j)(vii) of Exhibit

IV to the Agreement.

"Yield Reserve" means, at any time:

$$\frac{(BR \times 1.5 (DSO) \times Capital)}{360}$$

where:

BR = the Base Rate in effect at such time, and

DSO = Days' Sales Outstanding.

Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9. Unless the context otherwise requires, "or" means "and/or," and "including" (and with correlative meaning "include" and "includes") means including without limiting the generality of any description preceding such term.

EXHIBIT II
CONDITIONS OF PURCHASES

1. Conditions Precedent to Initial Purchase. The Initial Purchase under this Agreement is subject to the following conditions precedent that the Funding Agents shall have received on or before the date of such purchase, each in form and substance (including the date thereof) satisfactory to the Funding Agents:

(a) A counterpart of the Agreement, the other Transaction Documents and the Intercreditor Agreement duly executed by the parties thereto.

(b) Certified copies of: (i) the resolutions of the Board of Directors of each of the Seller and Servicer authorizing the execution, delivery and performance by it, of the Agreement and the other Transaction Documents to which it is a party; (ii) all documents evidencing other necessary action and governmental approvals, if any, with respect to the Agreement and the other Transaction Documents and (iii) the organizational documents of such Person.

(c) A certificate of the Secretary or Assistant Secretary of each of the Seller and Servicer certifying the names and true signatures of its officers who are authorized to sign the Agreement and the other Transaction Documents. Until the Funding Agents receive a subsequent incumbency certificate from such Person, the Funding Agents shall be entitled to rely on the last such certificate delivered.

(d) Copies of proper financing statements, duly filed on or before the date of such initial purchase under the UCC of all jurisdictions that either Funding Agent may deem necessary or desirable in order to perfect the interests of the Collateral Agent contemplated by the Agreement.

(e) Copies of proper financing statements, if any, necessary to release all security interests and other rights of any Person in the Receivables, Contracts or Related Security previously granted by the Seller or any Originator.

(f) Completed UCC search reports, dated on or shortly before the date of the initial purchase hereunder, listing the financing statements filed in all applicable jurisdictions referred to in subsection (e) above that name the Seller or any Originator as debtor, together with copies of such other financing statements,

and similar search reports with respect to judgment liens, federal tax liens and liens of the Pension Benefit Guaranty Corporation in such jurisdictions, as any Funding Agent may reasonably request, showing no Adverse Claims on any Pool Assets (other than Adverse Claims created and existing, until the sale or contribution of Receivables and Related Rights to the Seller in accordance with the Purchase and Sale Agreement, pursuant to the USS Security Agreement).

(g) copies of the executed (i) Lock-Box Letter(s), (ii) the Concentration Account Agreement with the Concentration Account Bank and (iii) Collection Account Agreement with the Collection Account Bank.

(h) Opinions, in form and substance reasonably satisfactory to the Funding Agents, of (i) Skadden, Arps, Slate, Meagher & Flom LLP, as counsel to the

Seller, the Servicer and the Originators with respect to various UCC, enforceability and bankruptcy matters, (ii)in-house counsel to the Seller, the Servicer and the Originators as to various company matters with respect to each such Person and (iii) Berry & Associates, as special counsel to the Seller, the Servicer and the Originators with respect to various UCC perfection matters under Pennsylvania law.

(i) Satisfactory results of a review and audit (performed by representatives of the Funding Agents) of the Servicer's collection, operating and reporting systems, the Credit and Collection Policy of the Servicer, historical receivables data and accounts, including satisfactory results of a review of the Servicer's operating location(s) and satisfactory review and approval of the Eligible Receivables in existence on the date of the initial purchase under the Agreement.

(j) A pro forma Monthly Report representing the performance of the Receivables Pool for the calendar month before closing.

(k) Evidence of payment by the Seller of all accrued and unpaid fees (including those contemplated by each Fee Letter), costs and expenses to the extent then due and payable on the date thereof, including any such costs, fees and expenses arising under or referenced in Section 6.4 of the Agreement and each Fee Letter.

(l) Each Fee Letter duly executed by the Seller and Servicer.

(m) Good standing certificates with respect to the Seller, the Servicer and the Originators issued by the Secretary of State (or

similar official) of the state of each such Person's organization and principle place of business.

(n) To the extent required by each CP Conduit Purchaser's commercial paper program, letters from each of the rating agencies then rating the Notes of such CP Conduit Purchaser confirming the rating of its Notes after giving effect to the transaction contemplated by the Agreement.

(o) A file (computer generated or otherwise) containing all information with respect to the Receivables as the Funding Agents may reasonably request.

2. Conditions Precedent to All Purchases and Reinvestments. Each purchase (except as to clause (a), including the initial purchase) and each reinvestment shall be subject to the further conditions precedent that:

(a) in the case of each purchase, the Servicer shall have delivered to the Funding Agents on or before such purchase, in form and substance satisfactory to the Funding Agents, a completed pro forma Monthly Report (and/or a pro forma Weekly Report or Daily Report, if applicable) to reflect the level of Capital and related reserves after such subsequent purchase; and

(b) on the date of such purchase or reinvestment the following statements shall be true (and acceptance of the proceeds of such purchase or reinvestment shall be deemed a representation and warranty by the Seller that such statements are then true):

(i) the representations and warranties contained in Exhibit III to the Agreement are true and correct in all material respects on and as of the date of such purchase or reinvestment as though made on and as of such date; and

(ii) no event has occurred and is continuing, or would result from such purchase or reinvestment, that constitutes a Termination Event or an Unmatured Termination Event.

EXHIBIT III
REPRESENTATIONS AND WARRANTIES

1. Representations and Warranties of the Seller. The Seller represents and warrants as follows:

(a) Company Existence and Power. The Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all necessary powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as currently conducted in each applicable jurisdiction.

(b) Company and Governmental Authorization: Contravention. The execution, delivery and performance by the Seller of the Agreement and the other Transaction Documents to which it is a party (i) are within the Seller's company powers, (ii) have been duly authorized by all necessary action, (iii) require no action or authorization by or in respect of, or filing with, any governmental body, agency or official (other than the Uniform Commercial Code filings referred to in Exhibit II to the Agreement, all of which have been filed on or before the first purchase hereunder) and (iv) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the restated certificate of incorporation or by-laws of the Seller or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Seller or result in the creation or imposition of any Adverse Claim on any asset of the Seller or any of its Subsidiaries. The Agreement and the other Transaction Documents to which it is a party have been duly executed and delivered by the Seller.

(c) Enforceability. This Agreement and the other Transaction Documents to which it is a party are legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the extent that general equitable principles may limit the right to obtain the remedy of specific performance of the obligations hereunder and thereunder.

(d) Litigation. Except as set forth in USX Corporation's most recently distributed Form 10-K or 10-Q, there is no action, suit, arbitration or other proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body,

arbitrator or arbitrate body pending against the Seller or of which the Seller has otherwise received official notice or which to the knowledge of the Seller is threatened against the Seller, wherein there is a reasonable possibility of an unfavorable decision, ruling or finding that would reasonably be expected to have a Material Adverse Effect, and since the dates of the respective descriptions of proceedings contained in the reports identified above, there has been no change in the status of such proceedings that would reasonably be expected to have a Material Adverse Effect.

(e) No proceeds of any purchase or reinvestment will be used by the Seller to acquire any equity security of a class that is registered pursuant to Section 12 of the Securities Exchange Act of 1934.

(f) The Seller is the legal and beneficial owner of the Pool Receivables and Related Security, free and clear of any Adverse Claim, other than Adverse Claims created and existing, until the sale or contribution of Receivables and Related Rights to the Seller in accordance with the Purchase and Sale Agreement, pursuant to the USS Security Agreement. Upon each purchase or reinvestment, the Collateral Agent (for the benefit of the Purchasers) shall acquire a valid and enforceable perfected undivided percentage ownership or security interest, to the extent of the Purchased Interest, in each Pool Receivable then existing or thereafter arising and in the Related Security, Collections and other proceeds with respect thereto, free and clear of any Adverse Claim. The Agreement creates a security interest in favor of the Collateral Agent (for the benefit of the Purchasers) in the Pool Assets, and the Collateral Agent (for the benefit of the Purchasers) has a first priority perfected security interest in the Pool Assets, free and clear of any Adverse Claims. No effective financing statement or other instrument similar in effect covering any Pool Asset is on file in any recording office, except (x) those filed in favor of the Collateral Agent (for the benefit of the Purchasers) relating to the Agreement and (y) those financing statements filed pursuant to the USS Security Agreement, covering the Pool Assets prior to the time of the sale or contribution thereof to the Seller pursuant to the Purchase and Sale Agreement.

(g) Each Monthly Report (and/or Weekly Report or Daily Report, as applicable) (if prepared by the Seller or one of its Affiliates, or to the extent that information contained therein is supplied by the Seller or an Affiliate), information, exhibit, financial statement, document, book, record or report furnished or to be furnished at any time by or on behalf of the Seller to the Funding

Agents or any Purchaser in connection with the Agreement or any other Transaction Document to which it is a party is or will be complete and accurate in all material respects as of its date or as of the date so furnished.

(h) The Seller's location (as such term is used in the UCC) and the office

where it keeps its records concerning the Receivables are located at the address referred to in Section 1(b) of Exhibit IV to the Agreement.

(i) The names and addresses of all the Lock-Box Banks, together with the account numbers of the Lock-Box Accounts at such Lock-Box Banks, are specified in Schedule II to the Agreement (or at such other Lock-Box Banks and/or with such other Lock-Box Accounts as have been notified to the Funding Agents in accordance with the Agreement) and all Lock-Box Banks have received a Lock-Box Letter.

(j) No proceeds of any purchase or reinvestment will be used for any purpose that violates any applicable law, rule or regulation, including Regulations T, U or X of the Federal Reserve Board.

(k) Each Pool Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance is an Eligible Receivable.

(l) No event has occurred and is continuing, or would result from a purchase in respect of, or reinvestment in respect of, the Purchased Interest or from the application of the proceeds therefrom, that constitutes a Termination Event or an Unmatured Termination Event.

(m) The Seller has complied in all material respects with the Credit and Collection Policy of each Originator with regard to each Receivable originated by such Originator.

(n) The Seller has complied in all material respects with all of the terms, covenants and agreements contained in the Agreement and the other Transaction Documents that are applicable to it.

(o) The Seller's complete company name is set forth in the preamble to the Agreement, and it does not use and has not during the last five years used any other company name, trade name, doing business name or fictitious name, except as set forth on Schedule III to the Agreement and except for names first used after the date of the Agreement and set forth in a notice delivered to the Funding

Agents pursuant to Section 1(k)(iii) of Exhibit IV to the Agreement.

(p) The Seller is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. In addition, the Seller is not a "holding company," a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(q) Each Pool Receivable of an Obligor, that is not a resident of the United States, is not (and shall not at any time be) subject to any currency controls imposed by any Governmental Authority under the laws of which such Obligor is organized or a political subdivision thereof, which currency controls restrict the ability of such Obligor to pay its obligations in connection with such Pool Receivable.

2. Representations and Warranties of the Servicer. The Servicer represents and warrants as follows:

(a) Company Existence and Power. The Servicer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all necessary powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as currently conducted in each applicable jurisdiction, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

(b) Company and Governmental Authorization: Contravention. The execution, delivery and performance by the Servicer of this Agreement and the other Transaction Documents to which it is a party (i) are within the Servicer's company powers, (ii) have been duly authorized by all necessary action, (iii) require no action or authorization by or in respect of, or filing with, any governmental body, agency or official and (iv) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the restated certificate of incorporation or by-laws of the Servicer or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Servicer or result in the creation or imposition of any Adverse Claim on any asset of the Servicer or any of its Subsidiaries. The Agreement and the other Transaction Documents to which it is a party have been duly executed and

delivered by the Servicer.

(c) Enforceability. This Agreement and the other Transaction Documents to which it is a party are legal, valid and binding obligations of the Servicer, enforceable against the Servicer in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the extent that general equitable principles may limit the right to obtain the remedy of specific performance of the obligations hereunder and thereunder.

(d) Financial Information.

(i) The consolidated balance sheet of USX Corporation and its Subsidiaries as of December 31, 2000 and the related consolidated statements of changes in financial position, income and cash flows for the fiscal year then ended, reported on by PricewaterhouseCoopers and included in USX Corporation's Annual Report on Form 10-K for the year ended December 31, 2000 (the "2000 Form 10-K"), as filed with the Securities and Exchange Commission, copies of which have been delivered to the Funding Agents, fairly present, in conformity with GAAP, the consolidated financial position of the Servicer and its Subsidiaries as of such date and its consolidated results of operations and changes in financial position for such fiscal year.

(ii) The unaudited consolidated balance sheet of USX Corporation and its Subsidiaries as of June 30, 2001 and the related unaudited consolidated statements of changes in financial position, income and cash flows for the three months then ended, set forth in USX Corporation's quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2001 (the "Second Quarter 2001 10-Q"), as filed with the Securities and Exchange Commission, copies of which have been delivered to the Funding Agents, fairly present, in conformity with GAAP, the consolidated financial position of USX Corporation and its Subsidiaries as of such date and its consolidated results of operations and changes in financial position for such three month period (subject to normal year-end adjustments).

(iii) Since December 31, 2000, there has been no change in the consolidated financial position or operations of the Servicer and its Subsidiaries, considered as a whole, which would reasonably be expected to have a Material Adverse Effect.

(e) Litigation. Except as set forth in USX Corporation's most recently distributed Form 10-K or 10-Q, there is no action, suit, arbitration or other proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, arbitrator or arbitrate body pending against the Servicer or of which the Servicer has otherwise received official notice or which to the knowledge of the Servicer is threatened against the Servicer, wherein there is a reasonable possibility of an unfavorable decision, ruling or finding that would reasonably be expected to have a Material Adverse Effect, and since the dates of the respective descriptions of proceedings contained in the reports identified above, there has been no change in the status of such proceedings that would reasonably be expected to have a Material Adverse Effect.

(f) Each Monthly Report (and/or Weekly Report or Daily Report, as applicable)(if prepared by the Servicer or one of its Affiliates, or to the extent that information contained therein is supplied by the Servicer or an Affiliate), information, exhibit, financial statement, document, book, record or report furnished or to be furnished at any time by or on behalf of the Servicer to the Funding Agents or any Purchaser in connection with the Agreement or any other Transaction Document to which it is a party is or will be complete and accurate in all material respects as of its date or as of the date so furnished.

(g) Each Pool Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance is an Eligible Receivable.

(h) No event has occurred and is continuing, or would result from a purchase in respect of, or reinvestment in respect of, the Purchased Interest or from the application of the proceeds therefrom, that constitutes a Termination Event or an Unmatured Termination Event.

(i) The Servicer has complied in all material respects with the Credit and Collection Policy of each Originator with regard to each Receivable originated by such Originator.

(j) The Servicer has complied in all material respects with all of the terms, covenants and agreements contained in the Agreement and the other Transaction Documents that are applicable to it.

(k) The Servicer is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the

Investment Company Act of 1940, as amended. In addition, the Servicer is not a "holding company," a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

EXHIBIT IV COVENANTS

1. Covenants of the Seller. Until the latest of the Facility Termination Date, the date on which no Capital or Net Investment of or Discount in respect of the Purchased Interest shall be outstanding or the date all other amounts owed by the Seller under the Agreement to the Collateral Agent, the Funding Agents, the Purchasers and any other Indemnified Party or Affected Person shall be paid in full:

(a) Compliance with Laws, Etc. The Seller shall comply in all material respects with all applicable laws, rules, regulations and orders, and preserve and maintain its existence, rights, franchises, qualifications and privileges, except to the extent that the failure to do so would not be reasonably expected to have a Material Adverse Effect.

(b) Offices, Records and Books of Account, Etc. The Seller: (i) shall keep its location (as such terms or similar terms are used in the UCC) and the office where it keeps its records concerning the Receivables at the address of the Seller set forth under its name on the signature page to the Agreement or, upon thirty days prior written notice to the Funding Agents, at any other locations in jurisdictions where all actions reasonably requested by the Funding Agents to protect and perfect the interest of the Collateral Agent in the Receivables and related items (including the Pool Assets) have been taken and completed and (ii) shall provide the Funding Agents with at least 30 days' written notice before making any change in the Seller's name or making any other change in the Seller's identity or organizational status that could render any UCC financing statement filed in connection with the Agreement "seriously misleading" as such term (or similar term) is used in the UCC; each notice to the Funding Agents pursuant to this sentence shall set forth the applicable change and the effective date thereof. The Seller will also maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Receivables (including records adequate to permit the daily identification of each Receivable and all Collections of and adjustments to each existing Receivable).

(c) Performance and Compliance with Contracts and Credit and Collection Policy. The Seller shall comply in all material respects with the applicable Credit and Collection Policies with regard to each Receivable and the related Contract.

(d) Ownership Interest, Etc. The Seller shall, at its expense, take all action necessary or desirable to establish and maintain a valid and enforceable undivided percentage ownership or security interest, to the extent of the Purchased Interest, in the Pool Receivables, the Related Security and Collections with respect thereto, and a first priority perfected security interest in the Pool Assets, in each case free and clear of any Adverse Claim, in favor of the Collateral Agent (for the benefit of the Purchasers), including taking such action to perfect, protect or more fully evidence the interest of the Collateral Agent (for the benefit of the Purchasers) as either Funding Agent may reasonably request.

(e) Sales, Liens, Etc. The Seller shall not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any or all of its right, title or interest in, to or under any Pool Assets (including the Seller's undivided interest in any Receivable, Related Security or Collections, or upon or with

respect to any account to which any Collections of any Receivables are sent), or assign any right to receive income in respect of any items contemplated by this paragraph.

(f) Extension or Amendment of Receivables. Except as provided in the Agreement, the Seller shall not extend the maturity or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable, or amend, modify or waive any term or condition of any related Contract.

(g) Change in Credit and Collection Policy. The Seller shall not make any material change in the character of its business or in the Credit and Collection Policy, or any change in the Credit and Collection Policy that would materially and adversely affect the collectability of the Receivables Pool or the enforceability of any related Contract or the ability of the Seller to perform its obligations under any related Contract or under the Agreement.

(h) Audits. The Seller shall from time to time during regular business hours but no more frequently than annually unless a Termination Event or Unmatured Termination Event has occurred and is continuing, as reasonably requested in advance (unless a Termination Event or Unmatured Termination Event exists) by any Funding Agent permit such Funding Agent, or its agents or

representatives: (i) to examine and make copies of and abstracts from all books, records and documents (including computer tapes and disks) in the possession or under the control of the Seller relating to Receivables and the Related Security, including the related Contracts, and (ii) to visit the offices and properties of the Seller for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to Receivables and the Related Security or the Seller's or performance under the Transaction Documents or under the Contracts with any of the officers, employees, agents or contractors of the Seller having knowledge of such matters.

(i) Change in Lock-Box Banks, Lock-Box Accounts and Payment Instructions to Obligors. The Seller shall not add or terminate any bank as a Lock-Box Bank or any account as a Lock-Box Account from those listed in Schedule II to the Agreement, or make any change in its instructions to Obligors regarding payments to be made to the Seller or any Lock-Box Account (or related post office box), unless the Funding Agents shall have consented thereto in writing and the Funding Agents shall have received copies of all agreements and documents (including Lock-Box Letters) that they may request in connection therewith.

(j) Deposits to Lock-Box Accounts, the Concentration Account and the Collection Account. The Seller (or the Servicer on its behalf) shall: (i) instruct all Obligors to make payments of all Receivables to one or more Lock-Box Accounts or to post office boxes to which only Lock-Box Banks have access (and shall instruct the Lock-Box Banks to cause all items and amounts relating to such Receivables received in such post office boxes to be removed and deposited into a Lock-Box Account on a daily basis), and (ii) deposit, or cause to be deposited, any Collections received by it into the Concentration Account not later than one Business Day after receipt thereof. Each Lock-Box Account shall be subject to a Lock-Box Letter and each of the Concentration Account and the Collection Account shall at all times be subject to a Concentration Account Agreement and a Collection Account Agreement, respectively. The Seller will not deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lock-Box Account, the Concentration Account or the Collection Account cash or cash proceeds other than Collections.

(k) Reporting Requirements. The Seller shall provide the following to each Funding Agent:

(i) as soon as available and in any event within 120 days after the end of each fiscal year of the Seller, (a) a copy of

the annual report for such year for the Seller containing unaudited financial statements for such year certified as to accuracy by the chief financial officer or treasurer of the Seller; and (b) a letter from a financial officer, treasurer or accounting officer of the Seller certifying to the best knowledge of such officer, that neither a Termination Event nor an Unmatured Termination Event has occurred and is continuing at such time;

(ii) as soon as possible and in any event within five Business Days after the Seller becomes aware of the occurrence of each Termination Event or Unmatured Termination Event, a statement of a financial officer of the Seller setting forth details of such Termination Event or Unmatured Termination Event and the action that the Seller has taken and proposes to take with respect thereto;

(iii) at least thirty days before any change in the Seller's name or any other change requiring the amendment of UCC financing statements, a notice setting forth such changes and the effective date thereof;

(iv) promptly after the filing or receiving thereof, copies of all reports and notices that the Seller or any Affiliate files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or that the Seller or any Affiliate receives from any of the foregoing or from any multiemployer plan (within the meaning of Section 4001(a)(3) of ERISA) to which the Seller or any of its Affiliates is or was, within the preceding five years, a contributing employer, in each case in respect of the assessment of withdrawal liability or an event or condition that could, in the aggregate, result in the imposition of liability on the Seller and/or any such Affiliate;

(v) promptly after the Seller obtains knowledge thereof, notice of any: (A) material litigation, investigation or proceeding that may exist at any time between the Seller and any Person or (B) material litigation or proceeding relating to any Transaction Document; and

(vi) such other information respecting the Receivables or the condition or operations, financial or otherwise, of the Seller or any of its Affiliates as any Funding Agent may from time to time reasonably request.

(l) Certain Agreements. Without the prior written consent of the Funding Agents, the Seller will not (and will not permit any Originator to) amend, modify, waive, revoke or terminate any Transaction Document (including the Purchase and Sale Agreement) to which it is a party or any provision of Seller's certificate of incorporation or by-laws.

(m) Reserved.

(n) Other Business. The Seller will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents; (ii) create, incur or permit to exist any indebtedness of any kind (or cause or permit to be issued for its account any letters of credit or bankers' acceptances) other than pursuant to the Agreement or any applicable Company Notes; or (iii) form any Subsidiary or make any investments in any other Person; provided, however, that the Seller shall be permitted to incur minimal obligations to the extent necessary for the day-to-day operations of the Seller (such as expenses for stationery, audits, maintenance of legal status, etc.).

(o) Use of Seller's Share of Collections. The Seller shall apply its share of Collections to make payments in the following order of priority: (i) the payment of its expenses (including all obligations payable to the Purchasers, the Funding Agents and the Collateral Agent under the Agreement and under the Fee Letters); (ii) the payment of accrued and unpaid interest on any applicable Company Notes; and (iii) other legal and valid purposes.

(p) Tangible Net Worth. The Seller will not permit its tangible net worth, at any time, to be less than $10,000,000.

2. Covenants of the Servicer. Until the latest of the Facility Termination Date, the date on which no Capital or Net Investment of or Discount in respect of the Purchased Interest shall be outstanding or the date all other amounts owed by the Servicer under the Agreement to the Collateral Agent, the Funding Agents, the Purchasers and any other Indemnified Party or Affected Person shall be paid in full:

(a) Compliance with Laws, Etc. The Servicer shall comply in all material respects with all applicable laws, rules, regulations and orders, and preserve and maintain its existence, rights, franchises, qualifications and privileges, except to the extent that the failure to do so would not be reasonably expected to have a Material Adverse Effect.

(b) Offices, Records and Books of Account, Etc. The Servicer: (i) shall

keep the office where it keeps its records concerning the Receivables at the address of the Servicer set forth under its name on the signature page to the Agreement or, upon thirty days prior written notice to the Funding Agents, at any other locations in jurisdictions where all actions reasonably requested by the Funding Agents to protect and perfect the interest of the Collateral Agent in the Receivables and related items (including the Pool Assets) have been taken and completed and (ii) shall provide the Funding Agents with at least 30 days' written notice before making any change in the Servicer's name or making any other change in the Servicer's identity or organizational status; each notice to the Funding Agents pursuant to this sentence shall set forth the applicable change and the effective date thereof. The Servicer will also maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Receivables (including records adequate to permit the daily identification of each Receivable and all Collections of and adjustments to each existing Receivable).

(c) Performance and Compliance with Contracts and Credit and Collection Policy. The Servicer shall comply in all material respects with the applicable Credit and Collection Policies with regard to each Receivable and the related Contract.

(d) Ownership Interest, Etc. The Servicer shall, at its expense, take all action necessary or desirable to establish and maintain a valid and enforceable undivided percentage ownership or security interest, to the extent of the Purchased Interest, in the Pool Receivables, the Related Security and Collections with respect thereto, and a first priority perfected security interest in the Pool Assets, in each case free and clear of any Adverse Claim, in favor of the Collateral Agent for the benefit of the Purchasers, including taking such action to perfect, protect or more fully evidence the interest of the Collateral Agent for the benefit of the Purchasers as either Funding Agent, may reasonably request.

(e) Extension or Amendment of Receivables. Except as provided in the Agreement, the Servicer shall not extend the maturity or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable, or amend, modify or waive any term or condition of any related Contract.

(f) Change in Credit and Collection Policy. The Servicer shall not make any material change in the character of its business or in the Credit and Collection Policy, or any change in the Credit and Collection Policy that would materially and adversely affect the collectability of the Receivables Pool or the enforceability of any related Contract or the ability of the Servicer to perform its obligations under any related Contract or under the Agreement.

(g) Audits. The Servicer shall from time to time during regular business hours but no more frequently than annually unless a Termination Event or Unmatured Termination Event has occurred and is continuing, as reasonably requested in advance (unless a Termination Event or Unmatured Termination Event exists) by the any Funding Agent permit such Funding Agent, or its agents or representatives: (i) to examine and make copies of and abstracts from all books, records and documents (including computer tapes and disks) in the possession or under the control of the Servicer relating to Receivables and the Related Security, including the related Contracts, and (ii) to visit the offices and properties of the Servicer for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to Receivables and the Related Security or the Servicer's or performance under the Transaction Documents or under the Contracts with any of the officers, employees, agents or contractors of the Servicer having knowledge of such matters.

(h) Change in Lock-Box Banks, Lock-Box Accounts and Payment Instructions to Obligors. The Servicer shall not add or terminate any bank as a Lock-Box Bank or any account as a Lock-Box Account from those listed in Schedule II to the Agreement, or make any change in its instructions to Obligors regarding payments to be made to the Servicer or any Lock-Box Account (or related post office box), unless the Funding Agents shall have consented thereto in writing and the Funding Agents shall have received copies of all agreements and documents (including Lock-Box Letters) that they may request in connection therewith.

(i) Deposits to Lock-Box Accounts, the Concentration Account and the

Collection Account. The Servicer shall: (i) instruct all Obligors to make payments of all Receivables to one or more Lock-Box Accounts or to post office boxes to which only Lock-Box Banks have access (and shall instruct the Lock-Box Banks to cause all items and amounts relating to such Receivables received in such post office boxes to be removed and deposited into a Lock-Box Account on a daily basis), and (ii) deposit, or cause to be deposited, any Collections received by it into the Concentration Account not later than one Business Day after receipt thereof. Each

Lock-Box Account shall be subject to a Lock-Box Letter and each of the Concentration Account and the Collection Account shall at all times be subject to a Concentration Account Agreement and a Collection Account Agreement, respectively. USS will not deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lock-Box Account, the Concentration Account or the Collection Account cash or cash proceeds other than Collections.

(j) Reporting Requirements. The Servicer shall provide the following to each Funding Agent:

(i) as soon as available and in any event within 120 days after the end of each fiscal year of the Servicer, (a) a consolidated balance sheet of USS and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of income and changes in financial position for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on and certified by PricewaterhouseCoopers or other independent public accountants of nationally recognized standing; and (b) a letter from a financial officer, treasurer or accounting officer of USS certifying to the best knowledge of such officer, that neither a Termination Event nor an Unmatured Termination Event has occurred and is continuing at such time;

(ii) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of USS, a consolidated balance sheet of USS and its Subsidiaries as of the end of such quarter and the related consolidated statements of income and changes in financial position for such quarter and for the portion of USS's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of USS's previous fiscal year;

(iii) as soon as available and in any event not later than 5 Business Days after the last day of each calendar month a Monthly Report as of the last day of such calendar month in the form attached hereto as Annex B-1 or, following the occurrence of a Termination Event, within five Business Days of a request by any Funding Agent, a Monthly Report for such periods as is specified by such Funding Agent (including on a semi-monthly, weekly or daily basis);

(iv) as soon as possible and in any event within five Business Days after the Servicer becomes aware of the

occurrence of each Termination Event or Unmatured Termination Event, a statement of a financial officer of the Servicer setting forth details of such Termination Event or Unmatured Termination Event and the action that the Servicer has taken and proposes to take with respect thereto;

(v) at least thirty days before any change in Servicer's name, a notice setting forth such changes and the effective date thereof;

(vi) as soon as available and in any event within 90 days after the end of each fiscal year of the Servicer, the Servicer shall, at the Servicer's expense, cause a firm of independent public accountants (who may be the independent public accountants who verify the Servicer's annual audited financial statements), reasonably acceptable to the Funding Agents, to furnish a report to the Funding Agents, to the effect that such firm has (i) compared the information (required to be entered by the Seller) in two randomly sampled Monthly Reports (as selected by the independent public accountants) delivered during such fiscal year then ended with the information contained in the Servicer's records and computer systems and (ii) conducted a "negative confirmation" of a sample of Receivables in one month during such fiscal year and verified that the Servicer's records and computer systems used in servicing the Receivables contained correct information with regard to due dates and outstanding invoice balances, except in each case for such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated);

(vii) if USS's senior unsecured debt rating is at BB+ or below by Standard & Poor's or at Ba1 or below by Moody's, a report (each, a "Weekly

Report") in the form attached hereto as Annex B-2 on each Thursday (or if such day is not a Business Day the next succeeding Business Day) for each calendar week commencing on (and including) the immediately preceding Thursday and ending on (and including) the immediately preceding Wednesday;

(viii) if USS's senior unsecured debt rating is downgraded to either B+ or below by Standard & Poor's or B1 or below by Moody's, a report (each, a "Daily Report") in the form attached hereto as Annex B-3 on each Business Day during each calendar week, for the Business Day (or period) since the last such report; and

(ix) such other information respecting the Receivables or the condition or operations, financial or otherwise, of the Servicer or any of its Affiliates as any Funding Agent may from time to time reasonably request.

(k) Waivers and Amendments to USS Credit Agreement. For so long as USS is the Servicer, if each Funding Agent (as an agent or lender thereunder) agrees to any amendment, supplement or other modification or waiver of or to the USS Credit Agreement in order to cure a default or event of default under the USS Credit Agreement in consideration for any additional fees, charges or increased rates of interest thereunder, then the Servicer and the Seller each hereby agrees that comparable fees, charges and increased rates of interest shall be paid to the Purchasers and Funding Agents hereunder in connection with each Transfer or otherwise.

3. Separate Existence. Each of the Seller and USS hereby acknowledges that the Purchasers and the Funding Agents are entering into the transactions contemplated by the Agreement and the other Transaction Documents in reliance upon the Seller's identity as a legal entity separate from USS and its Affiliates. Therefore, from and after the date hereof, each of the Seller and USS shall take all steps specifically required by the Agreement or reasonably requested by any Funding Agent to continue the Seller's identity as a separate legal entity and to make it apparent to third persons that the Seller is an entity with assets and liabilities distinct from those of USS and any other Person, and is not a division of USS, its Affiliates or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, each of the Seller and USS shall take such actions as shall be required in order that:

(a) The Seller will be a limited purpose limited liability company whose primary activities are restricted in its certificate of incorporation to: (i) purchasing or otherwise acquiring from the Originators, owning, holding, granting security interests or selling interests in Pool Assets, (ii) entering into agreements for the selling and servicing of the Receivables Pool, and (iii) conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(b) The Seller shall not engage in any business or activity, or incur any indebtedness or liability, other than as expressly permitted by the Transaction Documents;

(c) Not less than one member of the Seller's Board of Directors (the "Independent Director") shall be an individual who is not a direct, indirect or beneficial stockholder, officer, director, employee, affiliate, associate or supplier of USS or any of its Affiliates. The certificate of incorporation of the Seller shall provide that: (i) the Seller's Board of Directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Seller unless the Independent Director shall approve the taking of such action in writing before the taking of such action, and (ii) such provision cannot be amended without the prior written consent of the Independent Director;

(d) The Independent Director shall not at any time serve as a trustee in bankruptcy for the Seller, USS or any Affiliate thereof;

(e) Any employee, consultant or agent of the Seller will be compensated from the Seller's funds for services provided to the Seller. The Seller will not engage any agents other than its attorneys, auditors and other professionals, and a servicer and any other agent contemplated by the Transaction Documents for the Receivables Pool, which servicer will be fully compensated for its services by payment of the Servicing Fee, and a manager, which manager will be fully compensated from the Seller's funds;

(f) The Seller will contract with the Servicer to perform for the Seller

all operations required on a daily basis to service the Receivables Pool. The Seller will pay the Servicer the Servicing Fee pursuant to the Agreement. The Seller will not incur any material indirect or overhead expenses for items shared with USS (or any other Affiliate thereof) that are not reflected in the Servicing Fee. To the extent, if any, that the Seller (or any Affiliate thereof) shares items of expenses not reflected in the Servicing Fee or the manager's fee, such as legal, auditing and other professional services, such expenses will be allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered; it being understood that USS shall pay all expenses relating to the preparation, negotiation, execution and delivery of the Transaction Documents, including legal, agency and other fees;

(g) The Seller's operating expenses will not be paid by USS or any other Affiliate thereof;

(h) All of the Seller's business correspondence and other communications shall be conducted in the Seller's own name and on its own separate stationery;

(i) The Seller's books and records will be maintained separately from those of USS and any other Affiliate thereof;

(j) All financial statements of USS or any Affiliate thereof that are consolidated to include Seller will contain detailed notes clearly stating that: (i) a special purpose corporation exists as a Subsidiary of USS, and (ii) the Originators have sold receivables and other related assets to such special purpose Subsidiary that, in turn, has sold undivided interests therein to certain financial institutions and other entities;

(k) The Seller's assets will be maintained in a manner that facilitates their identification and segregation from those of USS or any Affiliate thereof;

(l) The Seller will observe all company formalities in its dealings with USS or any Affiliate thereof, and funds or other assets of the Seller will not be commingled with those of USS or any Affiliate thereof except as permitted by the Agreement in connection with servicing the Pool Receivables. The Seller shall not maintain joint bank accounts or other depository accounts to which USS or any Affiliate thereof (other than USS in its capacity as initial Servicer) has independent access. The Seller is not named, and has not entered into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy with respect to any loss relating to the property of USS or any Subsidiary or other Affiliate of USS. The Seller will pay to the appropriate Affiliate the marginal increase or, in the absence of such increase, the market amount of its portion of the premium payable with respect to any insurance policy that covers the Seller and such Affiliate;

(m) The Seller will maintain arm's-length relationships with USS (and any Affiliate thereof). Any Person that renders or otherwise furnishes services to the Seller will be compensated by the Seller at market rates for such services it renders or otherwise furnishes to the Seller. Neither the Seller nor USS will be or will hold itself out to be responsible for the debts of the other or the decisions or actions respecting the daily business and affairs of the other. The Seller and USS will promptly correct any known misrepresentation with respect to the foregoing, and they will not operate or purport to operate as an integrated single

economic unit with respect to each other or in their dealing with any other entity; and

(n) USS shall not pay the salaries of Seller's employees, if any.

EXHIBIT V
TERMINATION EVENTS

Each of the following shall be a "Termination Event":

(a)(i) the Seller or the Servicer shall fail to make when due any payment or deposit to be made by it under the Agreement and such failure shall continue unremedied for one Business Day or (ii) the Seller, the Servicer or any Originator shall fail to perform or observe any other term, covenant or agreement under the Agreement or any other Transaction Document and such failure shall continue for 30 days after notice thereof from any Purchaser or Funding Agent;

(b) The Servicer (or any Affiliate thereof) shall fail to transfer to any successor Servicer when required any rights pursuant to the Agreement that the Servicer (or such Affiliate) then has as Servicer;

(c) any representation or warranty made or deemed made by the Seller, the Servicer or any Originator (or any of their respective officers) under or in connection with the Agreement or any other Transaction Document, or any information or report delivered by the Seller, the Servicer or any Originator pursuant to the Agreement or any other Transaction Document, shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered;

(d) (i) the Seller or the Servicer shall fail to deliver the Monthly Report pursuant to the Agreement, and such failure shall remain unremedied for 3 Business Days after notice thereof from any Purchaser or Funding Agent or (ii) the Servicer shall fail to deliver any Weekly Report or Daily Report when due pursuant to the Agreement;

(e) the Agreement or any purchase or reinvestment pursuant to the Agreement shall for any reason: (i) cease to create, or the Purchased Interest shall for any reason cease to be, a valid and enforceable perfected undivided percentage ownership or security interest to the extent of the Purchased Interest in the Pool Receivables, the Related Security and Collections with respect thereto, free and clear of any Adverse Claim, or (ii) cease to create, or the interest of the Collateral Agent for the benefit of the Purchasers with respect to such Pool Assets shall cease to be, a valid and enforceable first priority perfected security interest, free and clear of any Adverse Claim;

(f) the Seller, USS or any Originator shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Seller, USS or any Originator seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Seller shall take any action to authorize any of the actions set forth above in this paragraph;

(g) (i) the (A) Default Ratio shall exceed 4.0%, (B) the Dilution Ratio shall exceed 5.0%, or (C) the Delinquency Ratio shall exceed 6.0% or (ii) the average for three consecutive calendar months of: (A) the Default Ratio shall exceed 3.0%, (B) the Dilution Ratio shall exceed 4.0%, or (C) the Delinquency Ratio shall exceed 5.0%;

(h) the Purchased Interest shall exceed 100% and such condition shall continue unremedied for 1 (one) Business Day following the date that the Seller (or the Servicer on its behalf) is required to deliver any applicable Monthly Report, Weekly Report or Daily Report, as the case may be;

(i) either: (i) the Internal Revenue Service shall file a notice of lien asserting a claim or claims of $100,000 or more in the aggregate (or any lesser amount, if in the opinion of any Funding Agent such claim or claims could be reasonably expected to materially and adversely affect the Collateral Agent's interest in the Pool Receivables or any other Pool Assets) pursuant to the Internal Revenue Code with regard to any of the assets of the Seller or any Originator, or (ii) the Pension Benefit Guaranty Corporation shall file a notice of lien asserting a claim pursuant to ERISA with regard to any assets of the Seller or any Originator;

(j) a Change in Control shall occur;

(k) (i) USS or any of its Subsidiaries (other than the Seller) shall fail to pay any principal of or premium or interest on any of its Debt that is outstanding in a principal amount of at least $20,000,000 in the aggregate when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement, mortgage, indenture or instrument relating to such Debt (and, solely to the extent that each Committed Purchaser or any Affiliate of such Committed Purchaser is an agent or lender under such agreement or other documents, such failure shall have not been waived in accordance with the terms of such agreement or other document); or (ii) or any breach or default with respect to any financial covenant shall occur under the USS Credit Agreement and shall continue after the applicable grace period, if any, specified therein (and, solely to the extent that each Committed Purchaser or any Affiliate of such Committed Purchaser is an agent or lender thereunder, such failure shall have not been waived in

accordance with the terms thereof); and

(l) any other event or circumstance shall occur (i) which could reasonably be expected to have a Material Adverse Effect on the collectability of the Pool Receivables or (ii) which could reasonably be expected to have a Material Adverse Effect on the Seller's or the Servicer's ability to collect the Receivables or otherwise perform their respective obligations under the Agreement and the other Transaction Documents to which each is a party.

EXHIBIT VI

FORM OF ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (this "Agreement"), dated as of [,], is among U.S. STEEL RECEIVABLES LLC (the "Seller"), [ ], as purchaser (the "[ ] CP Conduit Purchaser"), [ ], as the related committed purchaser (the "[ ] Committed Purchaser" and together with the Conduit Purchaser, the "[ ] Purchasers"), and [ ], as agent for the Purchasers (the "[ ] Funding Agent" and together with the Purchasers, the "[ ] Purchaser Group").

BACKGROUND

The Seller and various others are parties to a certain Amended and Restated Receivables Purchase Agreement dated as of November , 2001 (as amended through the date hereof, the "Receivables Purchase Agreement"). Capitalized terms used and not otherwise defined herein have the respective meaning assigned to such terms in the Receivables Purchase Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. This letter constitutes an Assumption Agreement pursuant to Section 1.14 of the Receivables Purchase Agreement. The Seller desires [the [ ] Purchasers] [the [ ] Committed Purchaser] to [become Purchasers under] [increase its existing Commitment under] the Receivables Purchase Agreement and upon the terms and subject to the conditions set forth in the Receivables Purchase Agreement, the [ ] Purchasers agree to [become Purchasers thereunder] [increase its Commitment in an amount equal to the amount set forth as the "Commitment" under the signature of such [ ] Committed Purchaser hereto].

Seller hereby represents and warrants to the [ ] Purchasers as of the date hereof, as follows:

(i) the representations and warranties of the Seller contained in Exhibit III of the Receivables Purchase Agreement are correct on and as of such dates as though made on and as of such dates and shall be deemed to have been made on such dates;

(ii) no Termination Event or Unmatured Termination Event has occurred and is continuing, or would result from such transfer; and

(iii) the Facility Termination Date shall not have occurred.

SECTION 2. Upon execution and delivery of this Agreement by the Seller and each member of the [ ] Purchaser Group, satisfaction of the other conditions to assignment specified in Section 1.14 of the Receivables Purchase Agreement (including the consent of the Funding Agents) and receipt by the Funding Agents of counterparts of this Agreement (whether by facsimile or otherwise) executed by each of the parties hereto, [the [ ] Purchasers shall become a party to, and have the rights and obligations of Purchasers under, the Receivables Purchase Agreement] [the [ ] Committed Purchaser shall increase

its Commitment in the amount set forth as the "Commitment" under the signature of the [ ] Committed Purchaser, hereto].

SECTION 3. Each party hereto hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, any CP Conduit Purchaser, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and one day after the latest maturing Notes issued by such CP Conduit Purchaser is paid in full. The covenant contained in this paragraph shall survive any termination of the Receivables Purchase Agreement.

SECTION 4. THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK. This Agreement may not be amended, supplemented or waived except pursuant to a writing signed by the party to be charged. This Agreement may be executed in counterparts, and by the different parties on different counterparts, each of which shall constitute an original, but all together shall constitute one and the same agreement.

(continued on following page)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date first above written.

[ ], as a Conduit Purchaser

By: _____

Name Printed: _____

Title: _____

[Address]

[ ], as a Committed Purchaser

By: _____

Name Printed: _____

Title: _____

[Address]
[Commitment]

[ ], as Funding Agent
for [ ]

By: _____

Name Printed: _____

Title: _____

[Address]

U.S. STEEL RECEIVABLES LLC, as Seller

By: _____

Name Printed: _____

Title: _____

Consented and Agreed:

[THE FUNDING AGENTS]

EXHIBIT VII

FORM OF TRANSFER SUPPLEMENT
with respect to
U.S. Steel Receivables LLC
Amended and Restated Receivables Purchase Agreement

Dated as of [, 20]

Section 1.

Commitment assigned:	$
Assignor's remaining Commitment:	$
Net Investment allocable to Commitment assigned:	$
Assignor's remaining Net Investment:	$
Discount (if any) allocable to Net Investment assigned:	$
Discount(if any) allocable to Assignor's remaining Net Investment:	$

Section 2.

Effective Date of this Transfer Supplement: [ ]

Upon execution and delivery of this Transfer Supplement by transferee and transferor and the satisfaction of the other conditions to assignment specified in Section 6.3(d) of the Amended and Receivables Purchase Agreement, from and after the effective date specified above, the transferee shall become a party to, and have the rights and obligations of a Committed Purchaser under, the Amended and Restated Receivables Purchase Agreement dated as of November , 2001 (as amended through the date hereof, the Receivables Purchase Agreement), among U.S. Steel Receivables LLC, as Seller, United States Steel LLC, as initial Servicer, The Bank of Nova Scotia, as Collateral Agent, and various other parties.

ASSIGNOR: [ ], as a Committed Purchaser

By: _____
Name: _____
Title: _____

ASSIGNEE: [ ], as a Committed Purchaser

By: _____
Name: _____
Title: _____

[Address]

Accepted as of date first above written:

[ ], as Funding Agent for the [ ] Purchaser Group

By: _____
Name: _____
Title: _____

SCHEDULE I
CREDIT AND COLLECTION POLICY

Schedule I-1

SCHEDULE II
LOCK-BOX BANKS AND LOCK-BOX ACCOUNTS

Lock-Box Bank	Lock-Box Accounts
1. Harris Trust and Savings Bank	434-070-9
2. National City Bank of Cleveland	20-00-07-1
3. Chase Manhattan Bank	174-3566
4. Bank One, N.A.	05607-13
5. Bank of America, N.A.	375-025-7715

Schedule II-1

SCHEDULE III
TRADE NAMES

1. UNITED STATES STEEL LLC

2. United States Steel Corporation

3. U.S. Steel

4. U.S. Steel Group

5. USS

Schedule III-1

SCHEDULE IV
SPECIAL OBLIGORS

Special Obligor	Concentration Percentage
1. General Motors Corporation	10%
2. Pro-Tec Coating Company	5%

Schedule IV-1

ANNEX A

FORM OF PURCHASE NOTICE

Annex A-1

ANNEX B-1/B-2/B-3
to Receivables Purchase Agreement

FORM OF MONTHLY REPORT/WEEKLY REPORT/DAILY REPORT

Annex B-1

Exhibit 10(o)

PURCHASE AND SALE AGREEMENT

Dated as of November 28, 2001

among

THE ORIGINATORS NAMED HEREIN,

U.S. STEEL RECEIVABLES LLC

and

UNITED STATES STEEL LLC,
as the initial Servicer

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of November 28, 2001, is among UNITED STATES STEEL LLC ("USS"), a Delaware limited liability company, as initial Servicer (in such capacity, the "Servicer") and as an Originator (USS, and together with each other Person that is or from time to time becomes an Originator pursuant to Section 4.3 hereof, collectively, the "Originators" and each, individually, an "Originator") and U.S. STEEL RECEIVABLES LLC, a Delaware limited liability company (the "Company"), as purchaser and contributee.

Definitions

Unless otherwise indicated, certain terms that are capitalized and used throughout this Agreement are defined in Exhibit I to the Amended and Restated Receivables Purchase Agreement of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement"), among the Company, USS, as initial Servicer, the various CP Conduit Purchasers and Funding Agents from time to time party thereto and The Bank of Nova Scotia, as Collateral Agent.

Background

1. The Company is a special purpose limited liability company, all of the membership interests of which are wholly-owned by USS.

2. In order to finance their respective businesses, the Originators wish to sell certain Receivables and Related Rights from time to time to the Company, and the Company is willing, on the terms and subject to the conditions set forth herein, to purchase such Receivables and Related Rights from such Originators.

3. The Company intends to sell to Collateral Agent (for the benefit of the Purchasers) an undivided variable percentage interest in its Receivables and Related Rights pursuant to the Receivables Purchase Agreement in order to finance its purchases of certain Receivables and Related Rights hereunder.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

AGREEMENT TO PURCHASE AND SELL

1.1. Agreement to Purchase and Sell. On the terms and subject to the conditions set forth in this Agreement (including Article IV), and in consideration of the Purchase Price, each Originator agrees to sell to the Company, and does hereby sell to the Company (subject to the interest created in favor of Liberty Street Funding Corp., as issuer under the terms of the Original Agreement (as defined in the Receivables Purchase Agreement) until the Original Agreement Outstanding Amounts (as defined in the Receivables Purchase Agreement) have been paid in full), and the Company agrees to purchase from such Originator, and does hereby purchase from such Originator, without recourse (except as otherwise provided herein) and without regard to collectibility, all of such Originator's right, title and interest in and to:

(a) each Receivable of such Originator that existed and was owing to such Originator as of the close of such Originator's business on November 28, 2001 (the "Closing Date") (other than the Receivables and Related Rights contributed by USS to the Company pursuant to Sections 3.1, 3.2 and 3.3 (the "Contributed Receivables"));

(b) each Receivable created or originated by such Originator from the close of such Originator's business on the Closing Date to and including the Purchase and Sale Termination Date;

(c) all rights to, but not the obligations under, all Related Security;

(d) all monies due or to become due with respect to any of the foregoing;

(e) all books and records related to any of the foregoing;

(f) all proceeds thereof (as defined in the applicable UCC) received on or after the date hereof including, without limitation, all funds which either are received by such Originator, the Company or the Servicer from or on behalf of the Obligors in payment of any amounts owed (including, without limitation, finance charges, interest and all other charges) in respect of Receivables, or are applied to such amounts owed by the Obligors (including, without limitation, insurance payments, if any, that such Originator or the Servicer (if other than Originator) applies in the ordinary course of its business to amounts owed in respect of any Receivable); and

(g) all right, title and interest (but not obligations) in and to any deposit accounts or securities accounts (as such terms are defined in the applicable UCC) into which any Collections or other proceeds with respect to such Receivables may be deposited, and any related investment property

(as such term is defined in the applicable UCC).

All purchases and contributions hereunder shall be made without recourse, but shall be made pursuant to and in reliance upon the representations, warranties and covenants of each Originator set forth in this Agreement and each other Transaction Document. The Company's foregoing commitment to purchase such Receivables and the proceeds and rights described in subsections (c) through (g) of this Section 1.1 (collectively, the "Related Rights") is herein called the "Purchase Facility."

1.2. Timing of Purchases.

(a) Closing Date Purchases. Each Originator's entire right, title and interest in (A) (i) each Receivable that existed and was owing to Originator as of the close of such Originator's business on the Closing Date (other than the Contributed Receivables), and (ii) all Receivables hereafter existing or coming into existence, and (B) all Related Rights with respect thereto shall be deemed to have been sold to the Company on the Closing Date.

(b) Regular Purchases. After the Closing Date, each Receivable created or originated by each Originator and described in Section 1.1(b) hereof and all Related Rights shall be purchased and owned by the Company (without any further action) upon the creation or origination of such Receivable.

1.3. Consideration for Purchases. On the terms and subject to the conditions set forth in this Agreement, the Company agrees to make all Purchase Price payments to the respective Originators, and to reflect all contributions, in accordance with Article III.

1.4. Purchase and Sale Termination Date. The "Purchase and Sale Termination Date" shall be the earlier to occur of (a) the date of the termination of this Agreement pursuant to Section 8.2 and (b) the Payment Date which is thirty (30) days following the day on which the Servicer shall have given notice to the Company that the Originators desire to terminate this Agreement.

As used herein, "Payment Date" means (i) the Closing Date and (ii) each Business Day thereafter that the Originators are open for business.

1.5. Intention of the Parties. It is the express intent of the parties hereto that the transfers of the Receivables and Related Rights by each Originator to the Company, as contemplated by this Agreement be, and be treated as, sales or contributions, as applicable, and not as loans secured by the Receivables and Related Rights. If, however, notwithstanding the intent of the parties, such transfers are deemed to be loans, such Originator hereby grants to the Company a security interest in all of such Originator's right, title and interest in and to the Receivables and the Related Rights now existing and hereafter created, all monies due or to become due and all amounts received with respect thereto, and all proceeds thereof, to secure all of such Originator's obligations hereunder.

ARTICLE II

CALCULATION OF PURCHASE PRICE

2.1. Calculation of Purchase Price. On the fifth Business Day after the last day of each calendar month (the "Servicer Report Date"), the Servicer shall deliver to the Company, each Funding Agent and each Originator a report in substantially the form of Exhibit A (each such report being herein called a "Purchase Report") with respect to the matters set forth therein relating to purchased Receivables:

(a) in existence on the Closing Date (in the case of the Purchase Report to be delivered on the Closing Date), or

(b) coming into existence during the period commencing on the Servicer Report Date immediately preceding such Servicer Report Date to (but not including) such Servicer Report Date (in the case of each subsequent Purchase Report).

The "Purchase Price" (to be paid to each Originator in accordance with the terms of Article III) for the Receivables and the Related Rights that are purchased hereunder shall be determined in accordance with the following formula:

PP = OB X FMVD

where:

PP = Purchase Price for each Receivable as calculated on the relevant Payment Date.

OB = the Outstanding Balance of such Receivable.

FMVD =Fair Market Value Discount, as measured on such Payment Date, which is equal to the quotient (expressed as percentage) of (a) one divided by (b) the sum of (i) one, plus (ii) the product of(A) the Prime Rate on such Payment Date, and (B) a fraction, the numerator of which is the Days' Sales Outstanding (calculated as of the last day of the calendar month next preceding such Payment Date) and the denominator of which is 365.

"Prime Rate" means a per annum rate equal to the "prime rate" as published in the "Money Rates" section of The Wall Street Journal or such other publication as determined by the Funding Agents in their discretion.

ARTICLE III

CONTRIBUTION OF RECEIVABLES;
PAYMENT OF PURCHASE PRICE

3.1. Contribution of Receivables. On the Closing Date, USS shall, and hereby does, contribute to the capital of the Company, Receivables and Related Rights with respect thereto consisting of each Receivable of USS that existed and was owing to USS on the Closing Date, beginning with the oldest of such Receivables and continuing chronologically thereafter, and all or an undivided interest in the most recent of such contributed Receivables such that the aggregate Outstanding Balance of all such contributed Receivables shall be equal to $10,000,000.

3.2. Initial Purchase Price Payment. On the terms and subject to the conditions set forth in this Agreement, the Company agrees to pay to each Originator the Purchase Price for the purchase of Receivables to be made on the Closing Date (other than Contributed Receivables), (i) partially in cash in the amount of the proceeds of the purchase made by the Purchasers on the Closing Date under the Receivables Purchase Agreement, and (ii) partially (A) in the case of USS, as an Originator, by automatically accepting (and USS, without further action, other than any applicable company formalities in connection therewith, shall make and shall be deemed to have made) a capital contribution from USS to the Company of any Receivables and Related Rights transferred by USS to the Company on such date in excess of the portion of the Purchase Price for which the Company has available cash, and (B) in the case of all other Originators, if any, by issuing a promissory note in the form of Exhibit B to such Originator with an initial principal balance equal to the remaining Purchase Price (as each such promissory note may be amended, supplemented, indorsed or otherwise modified from time to time, together with all promissory notes issued from time to time in substitution therefor or renewal thereof in accordance with the Transaction Documents, being herein called the "Company Note").

3.3. Subsequent Purchase Price Payments. On each Business Day falling after the Closing Date and on or prior to the Purchase and Sale Termination Date, on the terms and subject to the conditions set forth in this Agreement, the Company shall pay to each Originator the Purchase Price for the Receivables coming into existence on such Business Day, in cash, to the extent provided under the terms of the Receivables Purchase Agreement, and to the extent any of such Purchase Price remains unpaid, such remaining portion of such Purchase Price shall be paid by means of (i) in the case of USS, as an Originator, an automatic contribution to the capital (or in respect of membership interests) of the Company as described in clause (A) of Section 3.2(ii), above and (ii) in the

case of all other Originators, if any, an automatic increase to the outstanding principal amount of the Company Note issued to such Originator.

Servicer shall make all appropriate record keeping entries with respect to the Company Notes or otherwise to reflect the foregoing payments and to reflect adjustments pursuant to Section 3.4, and Servicer's books and records shall constitute rebuttable presumptive evidence of the principal amount of and accrued interest on any Company Note at any time. Furthermore,

Servicer shall hold the Company Notes for the benefit of the applicable Originators, and all payments under the Company Notes shall be made to the Servicer for the account of the applicable payee thereof. Each applicable Originator hereby irrevocably authorizes Servicer to mark the Company Notes "CANCELLED" and to return such Company Notes to the Company upon the final payment thereof after the occurrence of the Purchase and Sale Termination Date.

3.4. Settlement as to Specific Receivables and Dilution.

(a) If on the day of purchase or contribution of any Receivable from any Originator hereunder, any of the representations or warranties set forth in Section 5.3, 5.4 or 5.11 of such Originator is not true with respect to such Receivable or as a result of any action or inaction of such Originator, on any day any of such representations or warranties set forth in Section 5.3, 5.4 or 5.11 is no longer true with respect to such a Receivable (other than a representation or warranty set forth in Section 5.11(c) or (d) which is no longer true as a result of an Obligor's payment obligation being discharged in bankruptcy), then the Purchase Price (or in the case of a Contributed Receivable, the Outstanding Balance of such Receivable (the "Contributed Value")) with respect to such Receivables shall be reduced by an amount equal to the Outstanding Balance of such Receivable and shall be accounted to such Originator as provided in subsection (c) below; provided, that if the Company thereafter receives payment on account of Collections due with respect to such Receivable, the Company promptly shall deliver such funds to such Originator.

(b) If, on any day, the Outstanding Balance of any Receivable (including any Contributed Receivable) purchased (or contributed) hereunder is reduced or adjusted as a result of any defective, rejected, returned goods or services, or any discount or other adjustment made by any Originator, the Company or the Servicer or any offset, setoff or dispute between such Originator or the Servicer and an Obligor as indicated on the books of the Company (or, for periods prior to the Closing Date, the books of such Originator), then the Purchase Price or the Contributed Value, as the case may be, with respect to such Receivable shall be reduced by the amount of such net reduction and shall be accounted to Originator as provided in subsection (c) below.

(c) Any reduction in the Purchase Price (or Contributed Value) of any Receivable pursuant to subsection (a) or (b) above shall be applied as a credit for the account of the Company against the Purchase Price of Receivables subsequently purchased by the Company from such Originator hereunder; provided, however if there are no purchases of Receivables from such Originator (or insufficiently large purchases of Receivables) to create a Purchase Price sufficient to so apply such credit against, the amount of such credit:

(i) shall be paid in cash to the Company by such Originator in the manner and for application as described in the following proviso, or

(ii) shall be deemed to be a payment under, and shall be deducted from the principal amount outstanding under, the Company Note, if applicable, payable to such Originator to the extent permitted under Section 1(m) of Exhibit IV of the Receivables Purchase Agreement;

provided, further, that at any time (x) when a Termination Event or Unmatured Termination Event exists under the Receivables Purchase Agreement or (y) on or after the Purchase and Sale Termination Date, the amount of any such credit shall be paid by such Originator to the Company by deposit in immediately available funds into the Collection Account for application to the same extent

as if Collections of the applicable Receivable in such amount had actually been received on such date.

(d) Each Purchase Report (other than the Purchase Report delivered on the Closing Date) shall include, in respect of the Receivables previously generated by each Originator (including the Contributed Receivables), a calculation of the aggregate reductions described in subsection (a) or (b) relating to such Receivables since the last Purchase Report delivered hereunder, as indicated on the books of the Company (or, for such period prior to the Closing Date, the books of the Originators).

3.5. Reconveyance of Receivables. In the event that an Originator has paid to the Company the full Outstanding Balance of any Receivable pursuant to Section 3.4, the Company shall reconvey such Receivable to such Originator, without representation or warranty, but free and clear of all liens created by the Company.

ARTICLE IV

CONDITIONS OF PURCHASES

4.1. Conditions Precedent to Initial Purchase. The initial purchase hereunder is subject to the condition precedent that the Company shall have received, on or before the Closing Date, the following, each (unless otherwise indicated) dated the Closing Date, and each in form, substance and date satisfactory to the Company:

(a) A copy of the resolutions of the Board of Directors of each Originator approving the Transaction Documents to be delivered by it and the transactions contemplated hereby and thereby, certified by the Secretary or Assistant Secretary of such Originator;

(b) Good standing certificates for each Originator issued as of a recent date acceptable to Servicer by the Secretary of State of the jurisdiction of such Originator's incorporation and the jurisdiction where such Originator's chief executive office is located;

(c) A certificate of the Secretary or Assistant Secretary of each Originator certifying the names and true signatures of the officers authorized on such Originator's behalf to sign the Transaction Documents to be delivered by it (on which certificate the Company and Servicer (if other than such Originator) may conclusively rely until such time as the Company and the Servicer shall receive from such Originator a revised certificate meeting the requirements of this subsection (c));

(d) The articles of incorporation of each Originator, duly certified by the Secretary of State of the jurisdiction of such Originator's incorporation as of a recent date acceptable to Servicer, together with a copy of the by-laws of such Originator, each duly certified by the Secretary or an Assistant Secretary of such Originator;

(e) Copies of the proper financing statements (Form UCC-1) that have been duly executed or authorized, as applicable, and name each Originator as the debtor/seller and the Company as the secured party/purchaser (and the Collateral Agent as assignee of the Company) of the Receivables generated by such Originator and Related Rights or other, similar instruments or documents, as may be necessary or, in Servicer's or any Funding Agent's opinion, desirable under the UCC of all appropriate jurisdictions or any comparable law of all appropriate jurisdictions to perfect the Company's ownership interest in all Receivables and Related Rights in which an ownership interest may be assigned to it hereunder;

(f) A written search report from a Person satisfactory to Servicer and the Funding Agents listing all effective financing statements that name any Originator as debtor or assignor and that are filed in the jurisdictions in which filings were made pursuant to the foregoing subsection (e), together with copies of such financing statements (none of which, except for those described in the foregoing subsection (e), shall cover any Receivable or any Related Right), and tax and judgment lien search reports from a Person satisfactory to Servicer and the Funding Agents showing no evidence of any liens filed against any Originator with respect to the Receivables or Related Rights;

(g) Favorable opinions of counsel to the Originators, in form and substance satisfactory to the Company and the Funding Agents;

(h) Evidence (i) of the execution and delivery by each of the parties

thereto of each of the other Transaction Documents to be executed and delivered in connection herewith and (ii) that each of the conditions precedent to the execution, delivery and effectiveness of such other Transaction Documents has been satisfied to the Company's satisfaction; and

(i) A certificate from an officer of each Originator to the effect that Servicer and Originator have placed on the most recent, and have taken all steps reasonably

necessary to ensure that there shall be placed on subsequent, summary master control data processing reports the following legend (or the substantive equivalent thereof): "THE RECEIVABLES DESCRIBED HEREIN HAVE BEEN SOLD TO U.S. STEEL RECEIVABLES LLC PURSUANT TO A PURCHASE AND SALE AGREEMENT, DATED AS OF NOVEMBER 28, 2001, AMONG UNITED STATES STEEL LLC, THE ORIGINATORS NAMED THEREIN AND U.S. STEEL RECEIVABLES LLC; AND AN INTEREST IN THE RECEIVABLES DESCRIBED HEREIN HAS BEEN GRANTED TO THE BANK OF NOVA SCOTIA, AS COLLATERAL AGENT, PURSUANT TO AN AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT, DATED AS OF NOVEMBER 28, 2001, AMONG UNITED STATES STEEL LLC, U.S. STEEL RECEIVABLES LLC, THE VARIOUS CP CONDUIT PURCHASERS, COMMITTED PURCHASERS AND FUNDING AGENTS FROM TIME TO TIME PARTY THERETO AND THE BANK OF NOVA SCOTIA, AS COLLATERAL AGENT."

4.2. Certification as to Representations and Warranties. Each Originator, by accepting the Purchase Price related to the Receivables (and Related Rights) generated by such Originator, shall be deemed to have certified that the representations and warranties contained in Article V are true and correct on and as of such day, with the same effect as though made on and as of such day.

4.3. Addition of Originators. Additional Persons may be added as Originators hereunder, with the consent of the Company and the Funding Agents; provided that the following conditions are satisfied on or before the date of such addition:

(i) The Servicer shall have given each Funding Agent and the Company at least thirty (30) days prior written notice of such proposed addition and the identity of the proposed additional Originator and shall have provided such information with respect to the receivables of such additional Originator as any Funding Agent shall have reasonably requested;

(ii) such proposed additional Originator has executed and delivered to the Company and the Funding Agents an agreement substantially in the form attached hereto as Exhibit C (each, a "Joinder Agreement");

(iii) such proposed additional Originator has delivered to the Company and the Funding Agents each of the documents with respect to such Originator described in Section 4.1;

(iv) unless the receivables intended to be sold by such Originator to the Company hereunder are Receivables, the related underlying goods of which, are and will continue to be generated by an already existing Originator, the Funding Agents shall (if required by the documents governing the commercial paper program of the CP Conduit

Purchasers related to any such Funding Agent) have received a written statement from each of Moody's and Standard & Poor's confirming that the addition of such Originator will not result in a downgrade or withdrawal of the current ratings of the Notes of such Funding Agent's related CP Conduit Purchaser(s); and

(v) the Purchase and Sale Termination Date shall not have occurred.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE ORIGINATORS

In order to induce the Company to enter into this Agreement and to make purchases and accept contributions hereunder, each Originator, hereby makes with respect to itself the representations and warranties set forth in this Article V.

5.1. Company Existence and Power. Such Originator is an entity duly organized, validly existing and in good standing under the laws of the state of its organization and has all necessary powers and all material governmental

licenses, authorizations, consents and approvals required to carry on its business as currently conducted in each applicable jurisdiction.

5.2. Company and Governmental Authorization: Contravention. The execution, delivery and performance by such Originator of this Agreement and the other Transaction Documents to which it is a party (i) are within the its organizational powers, (ii) have been duly authorized by all necessary organizational action, (iii) require no action or authorization by or in respect of, or filing with, any governmental body, agency or official (other than the UCC filings referred to in Section 4.1, all of which have been filed on or before the first purchase or contribution hereunder) and (iv) do not contravene, or constitute a default under, any provision of applicable law or regulation or of its certificate of incorporation or by-laws (or applicable organizational documents) or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Originator or result in the creation or imposition of any Adverse Claim on any asset of such Originator or any of its Subsidiaries. This Agreement and the other Transaction Documents to which it is a party have been duly executed and delivered by such Originator.

5.3. Enforceability. This Agreement and the other Transaction Documents to which it is a party are legal, valid and binding obligations of such Originator, enforceable against such Originator in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the extent that general equitable principles may limit the right to obtain the remedy of specific performance of the obligations hereunder and thereunder.

5.4. Valid Sale or Contribution. Each sale or contribution, as the case may be, of Receivables and Related Rights made by such Originator pursuant to this Agreement shall constitute a valid sale or contribution, as the case may be, transfer, and assignment thereof to the Company, enforceable against creditors of, and purchasers from, such Originator.

5.5. Litigation. Except as set forth in either USX Corporation's or in such Originator's most recently distributed Form 10-K or 10-Q (or as otherwise identified by such Originator to each Funding Agent and the Company in writing), there is no action, suit, arbitration or other proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, arbitrator or arbitrate body pending against such Originator or of which such Originator has otherwise received official notice or which to the knowledge of such Originator is threatened against such Originator, wherein there is a reasonable possibility of an unfavorable decision, ruling or finding that would reasonably be expected to have a Material Adverse Effect, and since the dates of the respective descriptions of proceedings contained in the reports identified above, there has been no change in the status of such proceedings that would reasonably be expected to have a Material Adverse Effect.

5.6. Accuracy of Information. All reports (if prepared by such Originator or one of its Affiliates, or to the extent that information contained therein is supplied by such Originators or an Affiliate), information, exhibit, financial statement, document, book, record or report furnished or to be furnished at any time by or on behalf of such Originator to the Company, any Funding Agent or any Purchaser in connection with this Agreement or any other Transaction Document to which it is a party is or will be complete and accurate in all material respects as of its date or as of the date so furnished.

5.7. Location. Such Originator's location (as such term is used in the applicable UCC) and the office where it keeps its records concerning the Receivables are located at the address set forth for such Originator below its signature to this Agreement or in the Joinder Agreement pursuant to which it became a party thereto.

5.8. Bulk Sales Act. No transaction contemplated hereby requires compliance with any bulk sales act or similar law.

5.9. Financial Condition.

(a) On the date hereof, and on the date of each sale of Receivables by each Originator to the Company (both before and after giving effect to such sale), such Originator shall be Solvent.

(b) The consolidated balance sheets of USS and its Subsidiaries as of December 31, 2000 and the related statements of operations and cash flows for

the fiscal year then ended, copies of which have been furnished to the Company, present fairly the consolidated financial position of USS and its Subsidiaries at such date and the consolidated results of their operations

for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied; and since such date no event has occurred that has had, or would have, a Material Adverse Effect.

5.10. Margin Regulations. No use of any funds acquired by such Originator under this Agreement will conflict with or contravene any of Regulations T, U and X promulgated by the Board of Governors of the Federal Reserve System from time to time.

5.11. Quality of Title.

(a) Each Receivable (together with the Related Rights) which is to be sold or contributed to the Company hereunder is or shall be owned by such Originator, free and clear of any Adverse Claim (other than any Adverse Claim arising solely as a result of any action taken by the Company). Whenever the Company makes a purchase, or accepts a contribution, hereunder, it shall have acquired a valid and perfected ownership interest (free and clear of any Adverse Claim) in all Receivables generated by such Originator and all Collections related thereto, and in such Originator's entire right, title and interest in and to the other Related Rights with respect thereto.

(b) No effective financing statement or other instrument similar in effect covering any Receivable generated by such Originator or any right related to any such Receivable is on file in any recording office except such as may be filed in favor of the Company or the Originators, as the case may be, in accordance with this Agreement or in favor of the Collateral Agent in accordance with the Receivables Purchase Agreement.

(c) Each Receivable purchased or contributed hereunder and included, at any time, in the calculation of the Net Receivables Pool Balance, was on the date of such purchase or contribution, an Eligible Receivable.

(d) Each Receivable purchased or contributed hereunder, and of an Obligor that is not a resident of the United States, is not (and shall not at any time be) subject to any currency controls imposed by any Governmental Authority under the laws of which such Obligor is organized or a political subdivision thereof, which currency controls restrict the ability of such Obligor to pay its obligations in connection with such Pool Receivable.

5.12. Trade Names. From and after the date that fell five (5) years before the date hereof, such Originator has not been known by any legal name other than its company name as of the date hereof, nor has such Originator been the subject of any merger or other reorganization except as disclosed on Schedule 5.12.

5.13. Taxes. Such Originator has filed all material tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except (i) any such taxes which are not yet delinquent or are being diligently contested in

good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books and (ii) any such taxes that are not reasonably likely to result in a Material Adverse Effect.

5.14. Licenses and Labor Controversies.

(a) Such Originator has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain could reasonably be expected to have a Material Adverse Effect; and

(b) There are no labor controversies pending against such Originator that have had or could reasonably be expected to have a Material Adverse Effect.

5.15. Reliance on Separate Legal Identity. Such Originator is aware that Purchasers and the Funding Agents are entering into the Transaction Documents to which they are parties in reliance upon the Company's identity as a legal entity separate from any Originator.

5.16. Purchase Price. The purchase price payable by the Company to such

Originator hereunder is intended by such Originator and Company to be consistent with the terms that would be obtained in an arm's length sale.

5.17. Investment Company Act. Such Originator is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. In addition, such Originator is not a "holding company," a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

ARTICLE VI

COVENANTS OF THE ORIGINATORS

6.1. Affirmative Covenants. From the date hereof until the first day following the Purchase and Sale Termination Date, each Originator will, unless the Company and the Funding Agents shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders (including those with respect to the Receivables generated by it and the related Contracts and other agreements), and preserve and maintain its organizational existence, rights, franchises, qualifications (including to remain qualified as a foreign organization in good standing in each jurisdiction where the nature of its business so requires)

and privileges, except to the extent that the failure to do so would not be reasonably expected to have a Material Adverse Effect.

(b) Offices, Records and Books of Account, Etc. (i) Keep its location (as such terms or similar terms are used in the UCC) and the office where it keeps its records concerning the Receivables at the address of such Originator set forth under its name on the signature page hereto (or in the Joinder Agreement pursuant to which it became a party hereto) or, upon thirty days prior written notice to the Company and the Funding Agents, at any other locations in jurisdictions where all actions reasonably requested by the Company and the Funding Agents to protect and perfect the interest of the Company and the Collateral Agent in the Receivables and related items have been taken and completed and (ii) shall provide the Company and the Funding Agents with at least 30 days' written notice before making any change in its name or making any other change in its identity or organizational status that could render any UCC financing statement filed in connection with this Agreement (or other Transaction Documents) "seriously misleading" as such term (or similar term) is used in the UCC; each notice to the Company and the Funding Agents pursuant to this sentence shall set forth the applicable change and the effective date thereof. Such Originator will also maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Receivables (including records adequate to permit the daily identification of each Receivable and all Collections of and adjustments to each existing Receivable).

(c) Performance and Compliance with Contracts and Credit and Collection Policy. At its expense, comply in all material respects with the applicable Credit and Collection Policies with regard to each Receivable and the related Contract, and timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the related Contracts and all other agreements related to the Receivables and Related Rights.

(d) Ownership Interest, Etc. At its expense, take all action necessary or desirable to establish and maintain a valid and enforceable ownership or security interest, in the Receivables, the Related Rights and Collections with respect thereto, free and clear of any Adverse Claim, in favor of the Company and the Collateral Agent (for the benefit of the Purchasers), including taking such action to perfect, protect or more fully evidence the interest of the Company and the Collateral Agent (for the benefit of the Purchasers) as the Company or any Funding Agent may reasonably request.

(e) Audits. From time to time during regular business hours but no more frequently than annually unless a Purchase and Sale Termination Event or Unmatured Purchase and Sale Termination Event has occurred and is continuing, as reasonably requested in advance (unless a Purchase and Sale Termination Event or Unmatured Purchase and Sale Termination Event exists) by the Company or any

Funding Agent permit the Company or such Funding Agent, or its agents

or representatives: (i) to examine and make copies of and abstracts from all books, records and documents (including computer tapes and disks) in the possession or under the control of such Originator relating to Receivables and the Related Rights, including the related Contracts, and (ii) to visit the offices and properties of such Originator for the purpose of examining and copying such materials described in clause (i) above, and to discuss matters relating to Receivables and the Related Rights or such Originator's or performance under the Transaction Documents or under the Contracts with any of the officers, employees, agents or contractors of such Originator having knowledge of such matters.

(f) Deposits to Lock-Box Accounts, the Concentration Account and the Collection Account. Shall: (i) instruct all Obligors to make payments of all Receivables to one or more Lock-Box Accounts or to post office boxes to which only Lock-Box Banks have access (and shall instruct the Lock-Box Banks to cause all items and amounts relating to such Receivables received in such post office boxes to be removed and deposited into a Lock-Box Account on a daily basis), and (ii) deposit, or cause to be deposited, any Collections received by it into the Concentration Account not later than one Business Day after receipt thereof. Each Lock-Box Account shall be subject to a Lock-Box Letter and each of the Concentration Account and the Collection Account shall at all times be subject to a Concentration Account Agreement and a Collection Account Agreement, respectively. Such Originator will not deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lock-Box Account, the Concentration Account or the Collection Account cash or cash proceeds other than Collections.

(g) Separate Existence of the Company. Take such actions as shall be required in order that:

(i) the Company's operating expenses (other than certain organization expenses and expenses incurred in connection with the preparation, negotiation and delivery of the Transaction Documents) will not be paid by such Originator;

(ii) the Company's books and records will be maintained separately from those of such Originator;

(iii) all financial statements of such Originator that are consolidated to include the Company will contain a disclosure describing this transaction and will indicate that (A) all of the Company's assets are owned by the Company, and (B) the Company is a separate entity with creditors who have received interests in the Company's assets;

(iv) such Originator will, at all times, observe all formalities in its dealing with the Company;

(v) except as otherwise provided in the Receivables Purchase Agreement in connection with the servicing of Receivables, such Originator shall not commingle its funds with any funds of the Company;

(vi) such Originator will maintain arm's length relationships with the Company, and such Originator will be compensated at market rates for any services it renders or otherwise furnishes to the Company; and

(vii) such Originator will not be, and will not hold itself out to be, responsible for the debts of the Company or the decisions or actions in respect of the daily business and affairs of the Company.

6.2. Reporting Requirements. From the date hereof until the first day following the Purchase and Sale Termination Date, each Originator shall, unless the Funding Agents and the Company shall otherwise consent in writing, furnish to the Company and the Funding Agents:

(a) Proceedings. Promptly after such Originator has knowledge thereof, written notice to the Company and the Funding Agents of (i) all pending proceedings and investigations of the type described in Section 5.5 not previously disclosed to the Company and the Funding Agents and (ii) all material adverse developments that have occurred with respect to any previously disclosed proceedings and investigations.

(b) Other. Promptly, from time to time, such other information,

documents, records or reports respecting the Receivables, the Related Rights or such Originator's performance hereunder that the Company or any Funding Agent may from time to time reasonably request in order to protect the interests of the Company, the Purchasers, the Collateral Agent or any other Affected Person under or as contemplated by the Transaction Documents.

6.3. Negative Covenants. From the date hereof until the first day following the Purchase and Sale Termination Date, each Originator agrees that, unless the Funding Agents and the Company shall otherwise consent in writing (which consent shall not be unreasonably withheld), it shall not:

(a) Sales, Liens, Etc. Sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any or all of its right, title or interest in, to or under any Receivable, Related Right or Collections, or upon or with respect to any account to which any Collections of any Receivables are sent, or assign any right to receive income in respect of any items contemplated by this paragraph.

(b) Extension or Amendment of Receivables. Except as provided in the Receivables Purchase Agreement, extend the maturity or adjust the Outstanding Balance or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any related Contract.

(c) Change in Credit and Collection Policy. Make any material change in the character of its business or in the Credit and Collection Policy, or any change in the Credit and Collection Policy that would materially and adversely affect the collectibility of the Receivables or the enforceability of any related Contract or the ability of such Originator to perform its obligations under any related Contract or under this Agreement.

(d) Change in Lock-Box Banks, Lock-Box Accounts and Payment Instructions to Obligors. Add or terminate any bank as a Lock-Box Bank or any account as a Lock- Box Account from those listed in Schedule II to the Receivables Purchase Agreement, or make any change in its instructions to Obligors regarding payments to be made to such Originator, the Company or any Lock-Box Account (or related post office box), unless the Funding Agents shall have consented thereto in writing and the Funding Agents shall have received copies of all agreements and documents (including Lock-Box Letters) that they may request in connection therewith.

(e) Receivables Not to be Evidenced by Promissory Notes or Chattel Paper. Take any action to cause or permit any Receivable generated by it to become evidenced by any "instrument" or "chattel paper" (as defined in the applicable UCC) unless such "instrument" or "chattel paper" shall be delivered to the Company (which in turn shall deliver the same to the Collateral Agent for the benefit of the Purchasers).

(f) Mergers, Acquisitions, Sales, etc. (i) Be a party to any merger or consolidation, except (A) a merger or consolidation where such Originator is the surviving corporation or (B) any other merger or consolidation consented to in writing by each Funding Agent (which consent, solely in the case of a merger or consolidation of such Originator into an Affiliate of USS, shall not be unreasonably withheld), prior to the occurrence thereof and pursuant to which all actions requested by any Funding Agent to protect or perfect the interests of the Company and/or the Collateral Agent in the Receivables and Related Rights have been taken or otherwise performed to the satisfaction of each such Funding Agent (including the receipt by such Funding Agents of an opinion of counsel as to any UCC or other company matters relating to such merger or consolidation as either Funding Agent may request) or (ii) directly or indirectly sell, transfer, assign, convey or lease (A) whether in one or a series of transactions, all or substantially all of its assets or (B) any Receivables or any interest therein (other than pursuant to this Agreement).

(g) Accounting for Purchases. Account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby in any manner other than as sales of the Receivables and Related Security by such Originator to the Company.

(h) Transaction Documents. Enter into, execute, deliver or otherwise

become bound by any agreement, instrument, document or other arrangement that restricts the right of such Originator to amend, supplement, amend and restate or otherwise modify, or

to extend or renew, or to waive any right under, this Agreement or any other Transaction Documents.

ARTICLE VII

ADDITIONAL RIGHTS AND OBLIGATIONS IN RESPECT OF THE RECEIVABLES

7.1. Rights of the Company. Each Originator hereby authorizes the Company and the Servicer or their respective designees to take any and all steps in such Originator's name necessary or desirable, in their respective determination, after the occurrence and during the continuation of a Purchase and Sale Termination Event, to collect all amounts due under any and all Receivables and Related Rights, including, without limitation, endorsing such Originator's name on checks and other instruments representing Collections and enforcing such Receivables and the provisions of the related Contracts that concern payment and/or enforcement of rights to payment.

7.2. Responsibilities of Each Originator. Anything herein to the contrary notwithstanding:

(a) Each Originator agrees to (A) direct, and hereby grants to each of the Company and the Collateral Agent (with the consent or at the direction of the Funding Agents) the authority to, after the occurrence and during the continuation of a Purchase and Sale Termination Event, direct, all Obligors of Receivables originated by such Originator to make payments of such Receivables directly to a Lock-Box Account at a Lock-Box Bank, and (B) to transfer any Collections that it receives directly, to Servicer (for deposit to such a Lock-Box Account) within one Business Day of receipt thereof, and agrees that all such Collections shall be deemed to be received in trust for the Company.

(b) Each Originator shall perform its obligations hereunder, and the exercise by the Company or its designee of its rights hereunder shall not relieve such Originator from such obligations.

(c) None of the Company, Servicer, the Purchasers, the Funding Agents or the Collateral Agent shall have any obligation or liability to any Obligor or any other third Person with respect to any Receivables, Contracts related thereto or any other related agreements, nor shall the Company, Servicer, the Purchasers, the Funding Agents or the Collateral Agent be obligated to perform any of the obligations of any Originator thereunder.

(d) Each Originator hereby grants to Collateral Agent (for the benefit of the Purchasers) an irrevocable power of attorney, with full power of substitution, coupled

with an interest, to take in the name of such Originator all steps necessary or advisable, after the occurrence and during the continuation of a Purchase and Sale Termination Event, to indorse, negotiate or otherwise realize on any writing or other right of any kind held or transmitted by such Originator or transmitted or received by the Company (whether or not from such Originator) in connection with any Receivable or Related Right.

7.3. Further Action Evidencing Purchases. Each Originator agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action that the Company, Servicer or any Funding Agent may reasonably request in order to perfect, protect or more fully evidence the Receivables (and the Related Rights) purchased by, or contributed to, the Company hereunder, or to enable the Company to exercise or enforce any of its rights hereunder or under any other Transaction Document. Without limiting the generality of the foregoing, upon the request of the Company or any Funding Agent, each Originator will:

(a) execute and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate; and

(b) mark the summary master control data processing records with the legend set forth in Section 4.1(i).

Each Originator hereby authorizes the Company or its designee to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Receivables (and the Related Rights) now existing or hereafter generated by such Originator. If any Originator fails to perform any of its agreements or obligations under this Agreement, the Company or its designee may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the expenses of the Company or its designee incurred in connection therewith shall be payable by such non-performing Originator as provided in Section 9.1.

7.4. Application of Collections. Any payment by an Obligor in respect of any indebtedness owed by it to any Originator shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Company or the Funding Agents, be applied first, as a Collection of any Receivables of such Obligor, in the order of the age of such Receivables, starting with the oldest of such Receivables, and second, to any other indebtedness of such Obligor.

ARTICLE VIII

PURCHASE AND SALE TERMINATION EVENTS

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8.1. Purchase and Sale Termination Events. Each of the following events or occurrences described in this Section 8.1 shall constitute a "Purchase and Sale Termination Event":

(a) The Facility Termination Date (as defined in the Receivables Purchase Agreement) shall have occurred; or

(b) Any Originator shall fail to make any payment or deposit to be made by it hereunder when due; or

(c) Any representation or warranty made or deemed to be made by any Originator (or any of its officers) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered pursuant hereto or thereto shall prove to have been false or incorrect in any material respect when made or deemed made; or

(d) Any Originator shall fail to perform or observe in any material respect any agreement contained in any of Sections 6.1(g) or 6.3; or

(e) Except as otherwise specifically provided in this Section 8.1, any Originator shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed and such failure shall continue unremedied for a period of 30 days; or

(f) (i) Any Originator shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Originator seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for all or any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), such proceeding shall remain undismissed or unstayed for a period of 60 days; or (ii) any Originator shall take any action to authorize any of the actions set forth in clause (i) above in this Section 8.1(f); or

(g) A contribution failure shall occur with respect to any benefit plan sufficient to give rise to a lien under Section 302(f) of ERISA, or the Internal Revenue Service shall, or shall indicate its intention in writing to any Originator to, file notice of a lien asserting a claim or claims pursuant to the Code with regard to any of the assets of such Originator, or the Pension Benefit Guaranty Corporation shall, or shall indicate its intention in writing to such Originator or an ERISA Affiliate to, either file notice of a lien

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asserting a claim pursuant to ERISA with regard to any assets of such

Originator or an ERISA Affiliate or terminate any benefit plan that has unfunded benefit liabilities.

8.2. Remedies.

(a) Optional Termination. Upon the occurrence of a Purchase and Sale Termination Event, the Company shall have the option by written notice to the Originators (with a copy to each Funding Agent) to declare the Purchase and Sale Termination Date to have occurred.

(b) Remedies Cumulative. Upon any termination of the Purchase Facility pursuant to this Section 8.2, the Company shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided under the UCC of each applicable jurisdiction and other applicable laws, which rights shall be cumulative.

ARTICLE IX

INDEMNIFICATION

9.1. Indemnities by the Originators. Without limiting any other rights which the Company may have hereunder or under applicable law, each Originator, severally and for itself alone, and USS, jointly and severally with each Originator, hereby agrees to indemnify the Company and each of its assigns, officers, directors, employees and agents (each of the foregoing Persons being individually called a "Purchase and Sale Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, judgments, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively called "Purchase and Sale Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of the following:

(a) the transfer by such Originator of an interest in any Receivable or Related Right to any Person other than the Company;

(b) the breach of any representation or warranty made or deemed made by such Originator under this Agreement or any other Transaction Document, or any information or report delivered by such Originator pursuant hereto or thereto which shall have been false or incorrect in any respect when made or deemed made;

(c) the failure by such Originator to comply with any applicable law, rule or regulation with respect to any Receivable or the related Contract, or the nonconformity of any Receivable or the related Contract with any such applicable law, rule or regulation;

(d) the failure to vest in the Company an ownership interest in the Receivables generated by such Originator and the Related Rights free and clear of any Adverse Claim;

(e) the failure of such Originator to file with respect to itself, or any delay by such Originator in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivables or purported Receivables generated by such Originator or any Related Rights, whether at the time of any purchase or contribution or at any subsequent time;

(f) any dispute, claim, offset or defense (other than discharge in bankruptcy) of the Obligor to the payment of any Receivable or purported Receivable generated by such Originator (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the goods or services related to any such Receivable or the furnishing of or failure to furnish such goods or services;

(g) any litigation, proceeding or investigation against such Originator;

(h) any tax or governmental fee or charge (other than any tax excluded pursuant to the proviso below), all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of the purchase, contribution or ownership of the

Receivables or any Related Right connected with any such Receivables;

(i) any failure of such Originator to perform its duties or obligations in accordance with the provisions of this Agreement or any other Transaction Document; and

(j) the commingling of Collections on Receivables of such Originator, at any time with other funds;

excluding, however, (i) Purchase and Sale Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Purchase and Sale Indemnified Party, (ii) any indemnification which has the effect of recourse for non-payment of the Receivables due to credit reasons of the related Obligor to any indemnitor and (iii) any overall net income taxes or franchise taxes imposed on such Purchase and Sale Indemnified Party by the jurisdiction under the laws of which such Purchase and Sale Indemnified Party is organized or any political subdivision thereof.

If for any reason the indemnification provided above in this Section 9.1 is unavailable to a Purchase and Sale Indemnified Party or is insufficient to hold such Purchase and Sale Indemnified Party harmless, then each of the Originators, severally and for itself alone, and USS, jointly and severally with each Originator, shall contribute to the amount paid or payable by such

Purchase and Sale Indemnified Party as a result of such loss, claim, damage or liability to the maximum extent permitted under applicable law.

ARTICLE X

MISCELLANEOUS

10.1. Amendments, etc.

(a) The provisions of this Agreement may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by the Company, the Funding Agents and the Originators (with respect to an amendment) or by the Company (with respect to a waiver or consent by it); provided, however, that no such material amendment shall be effective unless the Rating Agency Condition shall have been satisfied with respect thereto.

(b) No failure or delay on the part of the Company, Servicer, any Originator or any third party beneficiary in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on the Company, Servicer, or any Originator in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by the Company or Servicer under this Agreement shall, except as may otherwise be stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval under this Agreement shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

10.2. Notices, etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by express mail or courier or by certified mail, postage-prepaid, or by facsimile, to the intended party at the address or facsimile number of such party set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, (i) if personally delivered or sent by express mail or courier or if sent by certified mail, when received, and (ii) if transmitted by facsimile, when sent, receipt confirmed by telephone.

10.3. No Waiver; Cumulative Remedies. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10.4. Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Company and each Originator and their respective successors and permitted assigns; provided, however, that no Originator may assign its rights hereunder or any interest

herein or delegate its duties hereunder without the prior consent of the Company and the Funding Agents. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the date after the Purchase and Sale Termination Date on which the Originators have received payment in full for all Receivables and Related Rights purchased pursuant to Section 1.1 hereof. The rights and remedies with respect to any breach of any representation and warranty made by any Originator pursuant to Article V and the indemnification and payment provisions of Article IX and Section 10.6 shall be continuing and shall survive any termination of this Agreement.

10.5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

10.6. Costs, Expenses and Taxes. In addition to the obligations of the Originators under Article IX, each Originator agrees to pay on demand:

(a) all reasonable costs and expenses in connection with the enforcement of this Agreement and the other Transaction Documents; and

(b) all stamp and other similar taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement or the other Transaction Documents, and agrees to indemnify each Purchase and Sale Indemnified Party against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

10.7. Submission to Jurisdiction. EACH PARTY HERETO HEREBY IRREVOCABLY (a) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY COURT OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY TRANSACTION DOCUMENT; (b) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR UNITED STATES FEDERAL COURT; (c) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING; (d) CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO SUCH PERSON AT ITS ADDRESS SPECIFIED IN SECTION 10.2; AND (e) TO THE EXTENT ALLOWED BY LAW, AGREES THAT A NONAPPEALABLE FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS SECTION 10.7 SHALL AFFECT THE COMPANY'S RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING ANY ACTION OR PROCEEDING

AGAINST ANY ORIGINATOR OR ITS RESPECTIVE PROPERTY IN THE COURTS OF ANY OTHER JURISDICTIONS.

10.8. Waiver of Jury Trial. EACH PARTY HERETO EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR UNDER ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

10.9. Captions and Cross References; Incorporation by Reference. The various captions (including, without limitation, the table of contents) in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. References in this Agreement to any underscored Section or Exhibit are to such Section or Exhibit of this Agreement, as the case may be. The Exhibits hereto are hereby incorporated by reference into and made a part of this Agreement.

10.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

10.11. Acknowledgment and Agreement. By execution below, each Originator expressly acknowledges and agrees that all of the Company's rights, title, and

interests in, to, and under this Agreement shall be assigned by the Company to the Collateral Agent (for the benefit of the Purchasers) pursuant to the Receivables Purchase Agreement, and such Originator consents to such assignment. Each of the parties hereto acknowledges and agrees and hereby intends that the Collateral Agent, the Funding Agents and the Purchasers are third party beneficiaries of the rights of the Company arising hereunder and under the other Transaction Documents to which such Originator is a party.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

U.S. STEEL RECEIVABLES LLC

By: /s/ L.T. Brockway

Name: L.T. Brockway
Title: Vice President

Address: 600 Grant Street
Pittsburgh, PA 15219
Attention: Assistant Treausurer-
Cash & Banking
Telephone: (412) 433-4759
Facsimile: (412) 433-4567

UNITED STATES STEEL LLC,
as initial Servicer

By: /s/ D.C. Greiner

Name: D.C. Greiner
Title: Assistant Treasurer

Address: 600 Grant Street
Pittsburgh, PA 15219
Attention: Assistant Treausurer-
Cash & Banking
Telephone: (412) 433-4759
Facsimile: (412) 433-4567

UNITED STATES STEEL LLC,
as initial Servicer

By: /s/ G.R. Haggerty

Name: G.R. Haggerty
Title: Vice President
Accounting & Finance

THE ORIGINATORS:

UNITED STATES STEEL LLC,
as an Originator

By: /s/ D.C. Greiner

Name: D.C. Greiner
Title: Assistant Treasurer

Address: 600 Grant Street
Pittsburgh, PA 15219
Attention: Assistant Treausurer-
Cash & Banking
Telephone: (412) 433-4759
Facsimile: (412) 433-4567

UNITED STATES STEEL LLC,
as an Originator

By: /s/ G.R. Haggerty

Name: G.R. Haggerty

Title: Vice President
Accounting & Finance

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SCHEDULE 5.12

TRADE NAMES

EXHIBIT A

FORM OF PURCHASE REPORT

EXHIBIT B

FORM OF COMPANY NOTE

EXHIBIT C

FORM OF JOINDER AGREEMENT

Exhibit 12.1

United States Steel Corporation
Computation of Ratio of Earnings to Combined Fixed Charges
and Preferred Stock Dividends
Unaudited
Continuing Operations
(Dollars in Millions)

<TABLE>
<CAPTION>

	Year Ended December 31				
	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>
Portion of rentals representing interest ..	$ 45	$ 48	$ 46	$ 52	$ 47
Capitalized interest	1	3	6	6	7
Other interest and fixed charges	153	115	75	47	91
Pretax earnings which would be required to cover preferred stock dividend requirements of parent	12	12	14	15	20
Combined fixed charges and preferred stock dividends (A)	$ 211	$178	$141	$120	$165
Earnings-pretax income with applicable adjustments (B)	$(387)	$187	$295	$618	$781
Ratio of (B) to (A)	***(a)	1.05	2.10	5.15	4.72

</TABLE>

(a) Earnings did not cover fixed charges by $598 million in 2001.

Exhibit 12.2

United States Steel Corporation
Computation of Ratio of Earnings to Fixed Charges
Unaudited
Continuing Operations
(Dollars in Millions)

<TABLE>
<CAPTION>

	Year Ended December 31				
	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>
Portion of rentals representing interest ..	$ 45	$ 48	$ 46	$ 52	$ 47
Capitalized interest	1	3	7	6	7
Other interest and fixed charges	153	115	74	47	91
Total fixed charges (A)	$ 199	$166	$127	$105	$145
Earnings-pretax income with applicable adjustments (B)	$(387)	$187	$295	$618	$781
Ratio of (B) to (A)	***(a)	1.13	2.33	5.89	5.39

</TABLE>

(a) Earnings did not cover fixed charges by $586 million in 2001.

Exhibit 21. List of Significant Subsidiaries

The following subsidiaries were 100 percent owned, either directly or indirectly, and were consolidated by the Corporation at December 31, 2001:

Name of Subsidiary	State of jurisdiction in which incorporated
U. S. Steel Kosice, s.r.o.	Slovak Republic
U. S. Steel Mining Company, LLC	Delaware

Exhibit 23.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the registration statements listed below of our reports dated February 15, 2002, relating to the financial statements and financial statement schedule, which appear in this Annual Report on Form 10-K.

On Form S-3:	Relating to:
File No. 333-75148	United States Steel Corporation Dividend Reinvestment and Stock Purchase Plan
333-84200	United States Steel Corporation debt securities, preferred stock, depositary shares, common stock and warrants

On Form S-8:	Relating to:
File No. 033-60667	United States Steel Corporation Parity Investment Bonus
333-00429	United States Steel Corporation Savings Fund Plan for Salaried Employees
333-36840	United States Steel Corporation Savings Fund Plan for Salaried Employees
333-76392	United States Steel Corporation Non-Officer Restricted Stock Plan
333-76394	United States Steel Corporation 2002 Stock Plan

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
March 19, 2002