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October 30, 2006

Mr. Jeffrey Gordon
Staff Accountant
Division of Corporation Finance
Securities and Exchange Commission
100 F Street N.E.
Washington, DC 20549

Re: United States Steel Corporation Form 10-K for year ended December 31, 2005
and Forms 10-Q for Quarters ended March 31 and June 30, 2006
File No. 1-16811

Dear Mr. Gordon:

In response to the letter from John Hartz dated October 18, 2006, U. S. Steel is pleased to voluntarily provide the following responses and information to the staff of the Securities and Exchange Commission (the "Commission"). For convenience, we have reproduced each of your comments below in italics in the order in which it appeared in your letter, and our response to each comment immediately follows it.

- (a) You say that you do not possess the detailed information necessary to estimate possible additional losses on a site-by-site basis because of the numerous uncertainties inherent in environmental remediation activities. We assume that your counsel separately evaluates each location, making specific judgments about many matters related to these uncertainties (similar to his practice regarding asbestos, a smaller risk contingency). You also state that based on your experience in dealing with remediation activities of this type (presumably the major material sites) you believe that additional liabilities could range in the aggregate up to 100 percent of the accrued liabilities. Explain to us why your counsel is unable to make estimates related to any other site, or for example tell us why the range of additional reasonably possible loss is not estimated at \$145 million, 100 percent of the entire accrual.

RESPONSE: U. S. Steel is involved in a number of sites, which we evaluate as we progress through each project's life cycle with the involvement of various parties including government agencies and outside contractors. While each site is unique, we have identified several projects with ongoing study and scope development for which material additional costs are viewed as reasonably possible and we will disclose an aggregate amount of reasonably possible additional losses for these sites.

For several major mature sites, such as the Grand Calumet River dredging, where we have significant knowledge, we are able to disclose that we do not expect material additional costs. There are also a number of very minor sites, sites where we have only recently been notified that we may have responsibility, and sites where U. S. Steel is one of multiple parties, including a number where we have been notified that we are a de minimis party. At multi-party sites we are generally not directly involved with the applicable agency or the contractors undertaking the work. As such, we may not possess the detailed information necessary to make projections about the overall costs that may be involved.

Based on our current evaluations and in order to better provide reasonably possible costs for all of our sites, we will provide an aggregate reasonably possible cost as a percent of our total accrued liability as of the most recent balance sheet date for the specified sites with ongoing study and scope development, for mature sites and for all other sites.

In response to your comments in this and the prior letter, the following are brief excerpts from the U. S. Steel Form 10-Q for the period ended September 30, 2006, that we expect to file on or about November 3, 2006. We believe these excerpts address reasonably possible losses for our environmental projects, and you will see in the attached selected draft sections of our Form 10-Q that we have classified our various projects to

provide a better understanding of the accrued liabilities and potential liabilities for projects that are in varying stages of development. The brief excerpts are:

Due to uncertainties inherent in remediation projects and the associated liabilities, it is possible that total remediation costs for active matters may exceed the accrued liabilities by as much as 25 percent. [Note: This sentence concludes our lead paragraph, which discloses that accrued liabilities as of September 30, 2006 were \$135 million.]

Additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects may prove insignificant or could range in the aggregate up to \$25 million. [Note: This sentence appears in a paragraph that identifies four specific projects with ongoing study and scope development.]

(b) Notwithstanding the disposition of this issue, as previously requested, you should disclose the range of reasonably possible losses related to these contingencies in your discussion of critical estimates. Companies should provide quantitative information as described in Release 33-8350, Commission Guidance Regarding Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESPONSE: U. S. Steel will incorporate this comment into the preparation of the Form 10-K for the year ended December 31, 2006.

As noted above, the estimate of reasonably possible losses related to these contingencies will be included in Note 16, "Contingencies and Commitments," of the Form 10-Q for the period ended September 30, 2006.

Please contact me, or, in my absence, Jack Moran, Senior Counsel - Corporate (412-433-2890) with any questions. With respect to any accounting issues, please contact Larry Schultz, Vice President and Controller (412-433-1139), Hayley Scott-Davis, Director - Financial Analysis & External Reporting (412-433-5556) or Colleen Darragh, Director - Financial Analysis & External Reporting (412-433-5606) directly.

Very truly yours,

/s/ Robert M. Stanton

Robert M. Stanton

16. Contingencies and Commitments

Environmental Matters - U. S. 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 activities totaled \$135 million at September 30, 2006, of which \$17 million was classified as current, and \$137 million at December 31, 2005, of which \$18 million was classified as current. Expenses related to remediation are recorded in cost of sales and totaled \$3 million and \$14 million for the quarter and nine months ended September 30, 2006, respectively and \$2 million and \$10 million for the quarter and nine months ended September 30, 2005, 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. Due to uncertainties inherent in remediation projects and the associated liabilities, it is possible that total remediation costs for active matters may exceed the accrued liabilities by as much as 25 percent.

Remediation Projects -----

U. S. Steel is involved in environmental remediation projects at or adjacent to several U. S. Steel current and former facilities and other locations, that are in various stages of completion ranging from initial characterization through post-closure monitoring. Based on the

anticipated scope and degree of uncertainty of projects, we categorize projects as follows:

- (1) Projects with Ongoing Study and Scope Development are those projects for which material additional costs are reasonably possible.
- (2) Significant Projects with Defined Scope are those projects with significant accrued liabilities, a defined scope and little likelihood of material additional costs.
- (3) Other Projects are those projects with relatively small accrued liabilities for which we believe that, while additional costs are possible, they are not likely to be material, and those projects for which we do not yet possess sufficient information to form a judgment about potential costs.

Projects with Ongoing Study and Scope Development - There are four environmental remediation projects where reasonably possible additional costs for completion are not currently estimable, but could be material. These projects are three Resource Conservation and Recovery Act (RCRA) programs, including two at Fairfield Works and one at the Fairless Plant, and one state Comprehensive Environmental Response, Conservation and Liability Act (CERCLA) program at the Duluth St. Louis Estuary and Upland Project. As of September 30, 2006, accrued liabilities for these projects totaled \$2 million for the costs of studies, investigations, interim measures, remediation and/or design. Additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects may prove insignificant or could range in the aggregate up to \$25 million. It is anticipated that the scope of one of the Fairfield Works RCRA projects will become defined during 2007 and may be removed from this category. The scope of the Duluth project, depending on agency negotiations, could also become defined in 2007.

Significant Projects with Defined Scope - As of September 30, 2006, a total of \$63 million was accrued for projects at or related to Gary Works, as well as the Municipal Industrial & Disposal Company (MIDC) CERCLA site in Elizabeth, PA, where the scope of the work required is well developed. The Gary Works projects include the RCRA program, Natural Resource Damages (NRD) claims, completion of projects for the Grand Calumet River and the related Corrective Action Management Unit (CAMU), and closure costs for three hazardous waste disposal sites and one solid waste disposal site. The RCRA program is in the final study stage and data currently indicates that any further required remediation, beyond that which has been accrued, should not be material. The NRD claims have been resolved by final settlement orders and payment schedules are determined. The Grand Calumet River and the related CAMU project are essentially complete, except for currently accrued liabilities for costs associated with additional dredging, CAMU maintenance and wastewater treatment. A Closure Permit application has been submitted for the hazardous waste sites, that also addresses the one solid waste site, and there has been no meaningful agency action on the application. Investigation and studies have been completed for the MIDC project as well as 90 percent of the remedial design. U. S. Steel does not expect any material additional costs related to these projects.

At U. S. Steel's former Geneva Works, liability for environmental remediation, including for the closure of three hazardous waste impoundments and facility-wide corrective action, has been allocated between U. S. Steel and Geneva Steel Company pursuant to an asset sales agreement and a permit issued by Utah Department of Environmental Quality. In December 2005, a third party purchased the Geneva site and assumed Geneva Steel's rights and obligations under the asset sales agreement and the permit pursuant to a bankruptcy court order. U. S.

Steel has reviewed environmental data concerning the project, has commenced the development of work plans that are necessary to begin field investigations and has begun remediation on some areas of the site for which U. S. Steel has responsibility. U. S. Steel had an accrued liability of \$24 million as of September 30, 2006 for its share of the remaining costs of remediation and does not expect additional costs to be material.

Other Projects - There are five other environmental remediation projects which each had an accrued liability of between \$1 million and \$5 million. The total accrued liability for these projects at September 30, 2006 was \$14 million. These projects have progressed through a significant portion of the design phase and material additional costs are not expected.

The remaining environmental remediation projects each had an accrued liability of less than \$1 million. The total accrued liability for these projects at September 30, 2006 was \$12 million. We do not foresee material additional liabilities for any of these sites.

Post-Closure Costs - Accrued liabilities for post-closure site monitoring and other costs at various closed landfills totaled \$15 million at September 30, 2006 and were based on a known scope of work.

Administrative and Legal Costs - As of September 30, 2006, U. S. Steel had an accrued liability of \$5 million for administrative and legal costs related to environmental remediation projects. These accrued liabilities were based on annual administrative and legal cost projections and do not change significantly from year to year.

ENVIRONMENTAL PROCEEDINGS

Gary Works

On January 26, 1998, pursuant to an action filed by the U.S. Environmental Protection Agency (EPA) in the United States District Court for the Northern District of Indiana titled United States of America v. USX, U. S. Steel entered into a consent decree with EPA which resolved alleged violations of the Clean Water Act National Pollutant 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. As of September 30, 2006, project costs have amounted to \$52.7 million. U. S. Steel anticipates doing additional dredging at a cost of \$8.4 million. The Corrective Action Management Unit (CAMU) will remain available to receive dredged materials from the Grand Calumet River and could be used for containment of approved material from other corrective measures conducted at Gary Works pursuant to the Administrative Order on Consent for corrective action. CAMU maintenance and wastewater treatment costs are anticipated to be an additional \$2.1 million for the next five years. In 1998, U. S. Steel also entered into a consent decree with the public trustees, which resolves liability for natural resource damages on the same section of the Grand Calumet River. U. S. Steel will pay the public trustees \$1.0 million at the end of the remediation project for ecological monitoring costs. In addition, U. S. Steel is obligated to perform, and has initiated, ecological restoration in this section of the Grand Calumet River. The costs required to complete the ecological restoration work are estimated to be \$1.1 million. In total, the accrued liability for the above projects based on the estimated remaining costs was \$12.6 million at September 30, 2006.

At Gary Works, U. S. Steel has agreed to close three hazardous waste disposal sites and one solid waste disposal site located on plant property. The related accrued liability for the total estimated costs was \$19.2 million at September 30, 2006.

On October 23, 1998, EPA issued a final Administrative Order on Consent addressing Corrective Action for solid waste management units throughout Gary Works. This order requires U. S. Steel to perform a Resource Conservation and Recovery Act (RCRA) Facility Investigation (RFI) and a Corrective Measure Study (CMS) at Gary Works. Reports of field investigation findings for Phase I work plans have been submitted to EPA. Two Phase II RFI work plans have been submitted to EPA for approval. Four self-implementing interim measures have been completed. Through September 30, 2006, U. S. Steel has spent approximately \$22.7 million for the studies, work plans, field investigations and self-implementing interim measures. U. S. Steel is preparing a proposal to EPA seeking approval for perimeter groundwater monitoring and has begun an investigation of sediments in the West Grand Calumet Lagoon. The costs to complete the Phase I work and implement the field investigations for the submitted Phase II work plans, the anticipated perimeter groundwater monitoring and investigation of the West Grand Calumet Lagoon are estimated to be \$3.6 million. U. S. Steel is preparing a proposal to EPA seeking approval to implement Corrective Measures necessary to address soil contamination at Gary Works. Additionally, U. S. Steel has informed EPA that it will remove the abandoned drums recently discovered in the West Grand Calumet Lagoon and dispose of the materials at the CAMU. U. S. Steel estimates the minimum cost of the Corrective Measures for soil contamination and drum removal to be approximately \$3.5 million. Closure costs for the CAMU are estimated to be an additional \$4.9 million. Until the remaining Phase I work and Phase II field investigations are completed, it is impossible to assess what additional expenditures will be necessary for Corrective Action projects at Gary Works. In total, the accrued liability for the above projects was \$12.0 million at September 30, 2006, based on the estimated remaining costs.

In October 1996, U. S. 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. U. S. Steel agreed to pay to the public trustees \$20.5 million over a five-year period for restoration costs, plus \$1.0 million in assessment costs. A Consent Decree memorializing this settlement was entered on the record by the court and thereafter became effective April 1, 2005. U. S. Steel paid its entire share of the assessment costs and \$4.5 million of its share of the restoration costs to the public trustees in 2005. U. S. Steel paid an additional \$4.0 million of its share of restoration costs plus interest in 2006. A balance of \$12 million in restoration costs to complete our settlement obligations remains as an accrued liability as of September 30, 2006.

On November 30, 1999, IDEM issued a notice of violation (NOV) alleging various air violations at Gary Works, including opacity violations at the No. 1 BOP and pushing violations at the four coke batteries. On August 21, 2002, IDEM issued a revised NOV, which supercedes the 1999 NOV and includes alleged violations at the blast furnaces, steel shops and coke batteries from 1998 to 2002. On December 27, 2005, IDEM issued a NOV which includes alleged violations at the No. 8 Blast Furnace and the Coke Batteries for the period of 2002 through 2005. The cost of the settlement of this matter is currently indeterminable. U. S. Steel received a draft Agreed Order from IDEM on June 27, 2006, which includes a proposed penalty of \$2.3 million. The Agreed Order also includes pushing compliance plans, a door work practice plan, a refractory repair plan, monitoring of flue caps, installation of two ambient monitors and compliance with all coke battery requirements by January 1, 2007. U. S. Steel responded with comments on the draft Order and is now in discussions with IDEM to resolve this matter. The \$2.3 million proposed penalty was recorded as an accrued liability as of September 30, 2006.

In March 2006, U. S. Steel met with Allegheny County Health Department (ACHD) to discuss entering into a Consent Order to address compliance with the stack opacity limit at the pushing emission control baghouse for B Battery. No penalty amount was discussed, but a penalty of an undetermined amount is anticipated. U. S. Steel had already submitted a compliance plan to ACHD committing to repair of 24 thru-walls. U. S. Steel received a draft Consent Order from ACHD on July 3, 2006, and is in discussions with ACHD to resolve this matter. A liability has not been recorded for this matter as the amount of the penalty it is not currently determinable.

Midwest Plant

A former disposal area located on the east side of the Midwest Plant was designated a solid waste management unit (East Side SWMU) by IDEM before U. S. Steel acquired this plant from National Steel Corporation. After its acquisition, U. S. Steel conducted further investigations of the East Side SWMU. As a result, U. S. Steel has submitted a Closure Plan to IDEM recommending an "in-place" closure of the East Side SWMU. The cost to close the East Side SWMU is expected to be \$4.1 million, and was recorded as an accrued liability as of September 30, 2006.

Fairless Plant

In January 1992, U. S. Steel commenced negotiations with EPA regarding the terms of an Administrative Order on consent, pursuant to RCRA, under which U. S. Steel would perform a RFI and a CMS at its Fairless Plant. 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. While the RFI/CMS will determine whether there is a need for, and the scope of, any remedial activities at the Fairless Plant, U. S. Steel continues to maintain interim measures at the Fairless Plant and has completed investigation activities on specific parcels. No remedial activities are contemplated as a result of the investigations of these parcels. The cost to U. S. Steel to continue to maintain the interim measures and develop a Phase II/III RFI Work Plan is estimated to be \$412,000, and was recorded as an accrued liability as of September 30, 2006. It is reasonably possible that additional costs of \$25 million may be incurred at a combination of this site in addition to the two RCRA projects at Fairfield Works and the project at the Duluth Works discussed elsewhere in this section.

Fairfield Works

A consent decree was signed by U. S. Steel, EPA and The U.S. Department of Justice and filed with the United States District Court for the Northern District of Alabama (United States of America v. USX Corporation) on December 11, 1997, under which U. S. Steel paid a civil penalty of \$1.0 million, completed two Supplemental Environmental Projects (SEPs) at a cost of \$1.75 million and initiated a RCRA corrective action program at the facility. The Alabama Department of Environmental Management (ADEM) assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works, with the approval of EPA. The first Phase I RFI work plan was approved and field sampling for the work plan was completed in 2004. U. S. Steel submitted a Phase I RFI Report to ADEM in February 2005. ADEM approved the Phase I RFI Report and requested a Phase II RFI work plan. The cost to develop and implement the Phase II RFI work plan is estimated to be \$819,000, and was recorded as an accrued liability as of September 30, 2006. In addition, U. S. Steel has implemented a final corrective measure for remediation of Upper Opossum Creek and has completed the fieldwork for this final measure and submitted a certification completion report to ADEM. U. S. Steel has an accrued liability for possible additional work on this remediation project of \$824,000 as of September 30, 2006, pending final approval by ADEM of the completed fieldwork. U. S. Steel has completed the investigation and remediation of Lower Opossum Creek under a joint agreement with Beazer, Inc. whereby U. S. Steel has

agreed to pay 30 percent of the costs. U. S. Steel's remaining share of the costs for sediment remediation is \$210,000. In January 1999, ADEM included the former Ensley facility site in Fairfield Corrective Action. Based on results from its Phase I facility investigation of Ensley, U. S. Steel has identified approximately 2.5 acres of land at the former coke plant for remediation. The estimated cost to remediate this area and close Ensley was recorded as an accrued liability of \$1.5 million as of September 30, 2006. While U. S. Steel does not possess information necessary to estimate reasonably possible additional costs at this site, they may range from insignificant to substantial. In total, the accrued liability for the projects described above was \$3.4 million at September 30, 2006, based on estimated remaining costs. It is reasonably possible that additional costs of \$25 million may be incurred at a combination of these sites in addition to the RCRA project at the Fairless Plant and the project at the Duluth Works discussed elsewhere in this section.

Great Lakes Works

Effective February 14, 2005, U. S. Steel entered into a consent order with Michigan Department of Environmental Quality (MDEQ) related to Great Lakes Works that included the installation of a new bag house for B2 Blast Furnace, which has been completed; the installation of baffles at the Quench Tower, which has been completed; projects to reduce emissions from the steel-producing facilities; a civil penalty of \$950,000, which has been paid; and a SEP at a cost of \$200,000 for river bank improvements. Construction for the riverbank restoration SEP was completed in September 2005. Various construction projects were initiated at the steel-producing facilities to improve emission capture and control. On-site construction activities associated with these projects have been completed in compliance with the consent order schedule.

On January 6, 2006, Great Lakes Works received a proposed administrative consent order from MDEQ that alleged violations of NPDES permits at the facility. U. S. Steel is engaged in negotiations with MDEQ to resolve this matter and U. S. Steel has submitted to MDEQ a proposed revised consent order with a proposed civil penalty and SEP totaling \$300,000, which was recorded as an accrued liability as of September 30, 2006. The proposed order identifies certain corrective actions desired by MDEQ to address the alleged violations. Great Lakes Works had previously initiated work on some of these corrective actions and is committed to do others. One of the corrective actions addresses three river basins along the Detroit River and U. S. Steel has undertaken a project to remove historic basin sediments from these areas. As of September 30, 2006, \$1.1 million has been spent on the project, and an accrued liability of \$1.8 million has been recorded for estimated costs to complete the river basin project. Costs to complete the remaining corrective actions are presently not determinable.

Duluth Works

At the former Duluth Works in Minnesota, U. S. Steel spent a total of approximately \$13.1 million for cleanup and agency oversight costs through September 30, 2006. 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. EPA has consolidated and included the Duluth Works site with the St. Louis River and Interlake sites on EPA's National Priorities List. The Duluth Works cleanup has proceeded since 1989. U. S. Steel is conducting an engineering study of the estuary sediments. The method and extent of remediation at this site is presently unknown, therefore, future costs are indeterminable. Study and oversight costs are currently estimated at \$273,000, and were recorded as an accrued liability as of September 30, 2006. These costs include risk assessment, sampling, inspections and analytical work, and development of a work plan and cost estimate to implement EPA five-year review recommendations. It is reasonably possible that additional costs of \$25 million may be incurred at a combination of this site in addition to the two RCRA projects at Fairfield Works and the RCRA project

at the Fairless Plant discussed elsewhere in this section.

Granite City Works

Granite City Works received two NOVs, dated February 20, 2004 and March 25, 2004 for air violations at the coke batteries, the blast furnace and the steel shop. All of the issues have been resolved except for an issue relating to air emissions that occur when coke is pushed out of the ovens for which a compliance plan has been submitted to the Illinois Environmental Protection Agency (IEPA). IEPA referred the two NOVs to the Illinois Attorney General's Office for enforcement. We anticipate resolving this case by entering into a Consent Order, which will include a revised pushing compliance plan and a penalty. IEPA has proposed a civil penalty of \$175,000. On September 14, 2005, the Illinois Attorney General filed a complaint in the Madison County Circuit Court, titled People of the State of Illinois ex. rel. Lisa Madigan vs. United States Steel Corporation, which included the issues raised in the two NOVs. U. S. Steel submitted a counteroffer of \$125,000 for the civil penalty and will submit to IEPA an updated pushing compliance plan. U. S. Steel has recorded an accrued liability of \$175,000 for this matter as of September 30, 2006.

Geneva Works

At U. S. Steel's former Geneva Works, liability for environmental remediation, including the closure of three hazardous waste impoundments and facility-wide corrective action, has been allocated between U. S. Steel and Geneva Steel Company pursuant to an asset sales agreement and a permit issued by Utah Department of Environmental Quality. In December 2005, a third party purchased the Geneva site and assumed Geneva Steel Company's rights and obligations under the asset sales agreement and the permit pursuant to a bankruptcy court order. U. S. Steel has reviewed environmental data concerning the site gathered by itself and third parties, has commenced the development of work plans that are necessary to begin field investigations and has begun remediation on some areas of the site for which U. S. Steel has responsibility. U. S. Steel has recorded an accrued liability of \$24.3 million as of September 30, 2006, for its estimated share of the remaining costs of remediation of three hazardous waste impoundments.