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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2015

Or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

United States Steel Corporation

(Exact name of registrant as specified in its charter)

Delaware	1-16811	25-1897152
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

600 Grant Street, Pittsburgh, PA	15219-2800
(Address of principal executive offices)	(Zip Code)

(412) 433-1121
(Registrant's telephone number, including area code)

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes P No__

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [P] No [__]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer P	Accelerated filer __	Non-accelerated filer __ (Do not check if a smaller reporting company)	Smaller reporting company __

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes__No P

Common stock outstanding at April 23, 2015 – 145,679,235 shares

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains information that may constitute "forward-looking statements" within the meaning of the *Private Securities Litigation Reform Act of 1995.* Generally, we have identified such forward-looking statements by using the words "believe," "expect," "intend," "estimate," "anticipate," "project," "target", "forecast", "aim," "will" and similar expressions or by using future dates in connection with any discussion of, among other things, operating performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to the risks and uncertainties described in this report and in "Item 1A. Risk Factors" and "Supplementary Data - Disclosures About Forward-Looking Statements" in our Annual Report on Form 10-K for the year ended December 31, 2014, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References in this Quarterly Report on Form 10-Q to "U. S. Steel", "the Company", "we", "us", and "our" refer to United States Steel Corporation and its consolidated subsidiaries unless otherwise indicated by the context.

UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

(Dollars in millions, except per share amounts)	Three Months Ended March 31, 2015	2014
Net sales:		
Net sales	**$ 2,946**	$ 4,169
Net sales to related parties (Note 17)	**326**	279
Total	**3,272**	4,448
Operating expenses (income):		
Cost of sales (excludes items shown below)	**3,066**	4,038
Selling, general and administrative expenses	**102**	138
Depreciation, depletion and amortization	**144**	166
(Earnings) loss from investees	**(6)**	4
Restructuring and other charges (Note 18)	**153**	—
Net gain on disposal of assets (Note 19)	**—**	(20)
Total	**3,459**	4,326
(Loss) earnings before interest and income taxes (EBIT)	**(187)**	122
Interest expense	**51**	61
Interest income	**—**	(1)
Other financial costs	**11**	9
Net interest and other financial costs (Note 6)	**62**	69
(Loss) earnings before income taxes	**(249)**	53
Income tax (benefit) provision (Note 8)	**(174)**	1
Net (loss) earnings	**(75)**	52
Less: Net earnings attributable to noncontrolling interests	**—**	—
Net (loss) earnings attributable to United States Steel Corporation	**$ (75)**	$ 52
Earnings (loss) per common share (Note 9):		
Earnings (loss) per share attributable to United States Steel Corporation stockholders:		
-Basic	**$ (0.52)**	$ 0.36
-Diluted	**$ (0.52)**	$ 0.34

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

UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(Dollars in millions)	Three Months Ended March 31, 2015	2014
Net (loss) earnings	$ **(75)**	$ 52
Other comprehensive (loss) income, net of tax:		
Changes in foreign currency translation adjustments	**(103)**	(2)
Changes in pension and other employee benefit accounts	**43**	50
Total other comprehensive (loss) income, net of tax	**(60)**	48
Comprehensive (loss) income including noncontrolling interest	**(135)**	100
Comprehensive income attributable to noncontrolling interest	**—**	—
Comprehensive (loss) income attributable to United States Steel Corporation	$ **(135)**	$ 100

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

UNITED STATES STEEL CORPORATION
CONSOLIDATED BALANCE SHEET

(Dollars in millions)		(Unaudited) March 31, 2015		December 31, 2014
Assets				
Current assets:				
Cash and cash equivalents	**$**	**1,266**	$	1,354
Receivables, less allowance of $37 and $45		**1,423**		1,632
Receivables from related parties, less allowance of $209 and $218 (Note 17)		**225**		310
Inventories (Note 10)		**2,418**		2,496
Deferred income tax benefits (Note 8)		**362**		602
Other current assets		**48**		37
Total current assets		**5,742**		6,431
Property, plant and equipment		**14,545**		15,139
Less accumulated depreciation and depletion		**10,191**		10,565
Total property, plant and equipment, net		**4,354**		4,574
Investments and long-term receivables, less allowance of $8 in both periods		**578**		577
Long-term receivables from related parties, less allowance of $1,130 and $1,188		**336**		362
Intangibles – net (Note 4)		**202**		204
Deferred income tax benefits (Note 8)		**216**		46
Other noncurrent assets		**116**		120
Total assets	**$**	**11,544**	$	12,314
Liabilities				
Current liabilities:				
Accounts payable and other accrued liabilities	**$**	**1,702**	$	1,870
Accounts payable to related parties (Note 17)		**135**		131
Bank checks outstanding		**32**		1
Payroll and benefits payable		**856**		1,003
Accrued taxes		**133**		134
Accrued interest		**73**		52
Short-term debt and current maturities of long-term debt (Note 12)		**378**		378
Total current liabilities		**3,309**		3,569
Long-term debt, less unamortized discount (Note 12)		**3,124**		3,120
Employee benefits		**1,033**		1,117
Deferred income tax liabilities (Note 8)		**7**		301
Deferred credits and other noncurrent liabilities		**403**		407
Total liabilities		**7,876**		8,514
Contingencies and commitments (Note 19)				
Stockholders' Equity (Note 15):				
Common stock (150,925,911 shares issued) (Note 9)		**151**		151
Treasury stock, at cost (5,255,341 and 5,270,872 shares)		**(395)**		(396)
Additional paid-in capital		**3,633**		3,623
Retained earnings		**1,779**		1,862
Accumulated other comprehensive loss (Note 16)		**(1,501)**		(1,441)
Total United States Steel Corporation stockholders' equity		**3,667**		3,799
Noncontrolling interests		**1**		1
Total liabilities and stockholders' equity	**$**	**11,544**	$	12,314

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

UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Dollars in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Increase (decrease) in cash and cash equivalents		
Operating activities:		
Net (loss) earnings	**$ (75)**	$ 52
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, depletion and amortization	**144**	166
Restructuring and other charges (Note 18)	**153**	—
Provision for doubtful accounts	**(6)**	2
Pensions and other postretirement benefits	**(17)**	(16)
Deferred income taxes	**(166)**	4
Net gain on disposal of assets (Note 19)	**—**	(20)
Distributions received, net of equity investees earnings	**(4)**	4
Changes in:		
Current receivables	**237**	(232)
Inventories	**33**	260
Current accounts payable and accrued expenses	**(192)**	335
Income taxes receivable/payable	**16**	2
Bank checks outstanding	**31**	26
All other, net	**(18)**	(13)
Net cash provided by operating activities	**136**	570
Investing activities:		
Capital expenditures	**(172)**	(90)
Disposal of assets	**—**	19
Change in restricted cash, net	**2**	6
Investments, net	**(1)**	(1)
Net cash used in investing activities	**(171)**	(66)
Financing activities:		
Dividends paid	**(7)**	(7)
Net cash used in financing activities	**(7)**	(7)
Effect of exchange rate changes on cash	**(46)**	(2)
Net increase in cash and cash equivalents	**(88)**	495
Cash and cash equivalents at beginning of year	**1,354**	604
Cash and cash equivalents at end of period	**$ 1,266**	$ 1,099

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

Notes to Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Significant Accounting Policies

United States Steel Corporation (U. S. Steel or the Company) produces and sells steel products, including flat-rolled and tubular products, in North America and Central Europe. Operations in North America also include iron ore and coke production facilities, railroad services and real estate operations. Operations in Europe also include coke production facilities.

The consolidated results for the three months ended March 31, 2015 do not reflect the results of U. S. Steel Canada Inc. (USSC) due to USSC's filing for creditor protection pursuant to Canada's Companies' Creditors Arrangement Act (CCAA) on September 16, 2014. The consolidated statement of operations, consolidated statement of comprehensive income (loss) and consolidated statement of cash flows for the three months ended March 31, 2014 include the results for USSC.

The year-end consolidated balance sheet data was derived from audited statements but does not include all disclosures required for complete financial statements by accounting principles generally accepted in the United States of America (U.S. GAAP). The other information in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair statement of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise. These financial statements, including notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission and do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. Additional information is contained in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which should be read in conjunction with these financial statements.

2. New Accounting Standards

On April 7, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). ASU 2015-03 changes the presentation of debt issuance costs in financial statements and requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. ASU 2015-03 is effective for public entities for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years; early application is permitted. An entity is required to apply the new guidance on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. U. S. Steel is evaluating the financial statement implications of adopting ASU 2015-03.

On August 27, 2014, the FASB issued Accounting Standards Update No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (ASU 2014-15). ASU 2014-15 explicitly requires management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. Currently, there is no guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. ASU 2014-15 is effective for all entities for interim and annual periods beginning after December 15, 2016; early application is permitted. U. S. Steel does not expect any financial statement impact relating to the adoption of this ASU.

On May 28, 2014, the FASB and the International Accounting Standards Board issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09). ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2016; early application is not permitted. On April 1, 2015, the FASB voted to propose a one year deferral of the effective date of ASU 2014-09, but to permit entities to adopt the standard on the original effective date if they choose. U. S. Steel is evaluating the financial statement implications of adopting ASU 2014-09.

3. Segment Information

U. S. Steel has three reportable segments: Flat-Rolled Products (Flat-Rolled), U. S. Steel Europe (USSE), and Tubular Products (Tubular). The results of our railroad and real estate businesses that do not constitute reportable segments are combined and disclosed in the Other Businesses category.

The Flat-Rolled segment information subsequent to September 16, 2014 does not include USSC. Transactions between U. S. Steel and USSC subsequent to USSC applying for relief from its creditors pursuant to CCAA (CCAA filing) are considered related party transactions.

Effective January 1, 2015, the Flat-Rolled segment has been realigned to better serve customer needs through the creation of commercial entities to specifically address customers in the automotive, consumer, industrial, service center and mining market sectors. This realignment did not affect the Company's reportable segments.

The chief operating decision maker evaluates performance and determines resource allocations based on a number of factors, the primary measure being earnings (loss) before interest and income taxes (EBIT). EBIT for reportable segments and Other Businesses does not include net interest and other financial costs (income), income taxes, postretirement benefit expenses (other than service cost and amortization of prior service cost for active employees) and certain other items that management believes are not indicative of future results. Information on segment assets is not disclosed, as it is not reviewed by the chief operating decision maker.

The accounting principles applied at the operating segment level in determining EBIT are generally the same as those applied at the consolidated financial statement level. The transfer value for steel rounds from Flat-Rolled to Tubular is based on cost. All other intersegment sales and transfers are accounted for at market-based prices and are eliminated at the corporate consolidation level. Corporate-level selling, general and administrative expenses and costs related to certain former businesses are allocated to the reportable segments and Other Businesses based on measures of activity that management believes are reasonable.

The results of segment operations for the three months ended March 31, 2015 and 2014 are:

(In millions) First Quarter 2015	Customer Sales	Intersegment Sales	Net Sales	Earnings (loss) from investees	EBIT
Flat-Rolled	**$ 2,194**	**$ 103**	**$ 2,297**	**$ 5**	**$ (67)**
USSE	**691**	**1**	**692**	**—**	**37**
Tubular	**371**	**—**	**371**	**3**	**1**
Total reportable segments	**3,256**	**104**	**3,360**	**8**	**(29)**
Other Businesses	**16**	**28**	**44**	**(2)**	**8**
Reconciling Items and Eliminations	**—**	**(132)**	**(132)**	**—**	**(166)**
Total	**$ 3,272**	**$ —**	**$ 3,272**	**$ 6**	**$ (187)**
First Quarter 2014					
Flat-Rolled	$ 3,027	$ 303	$ 3,330	$ (6)	$ 85
USSE	759	1	760	—	32
Tubular	643	1	644	2	24
Total reportable segments	4,429	305	4,734	(4)	141
Other Businesses	19	34	53	—	13
Reconciling Items and Eliminations	—	(339)	(339)	—	(32)
Total	$ 4,448	$ —	$ 4,448	$ (4)	$ 122

The following is a schedule of reconciling items to EBIT:

(In millions)	Three Months Ended March 31, 2015	2014
Items not allocated to segments:		
Postretirement benefit expense [a]	**$ (13)**	$ (32)
Other items not allocated to segments:		
Loss on shutdown of coke production facilities [b]	**(153)**	—
Total other items not allocated to segments	**(153)**	—
Total reconciling items	**$ (166)**	$ (32)

[a] Consists of the net periodic benefit cost elements, other than service cost and amortization of prior service cost for active employees, associated with our defined pension, retiree health care and life insurance benefit plans.
[b] Included in Restructuring and Other Charges on the Consolidated Statements of Operations. See Note 18 to the Consolidated Financial Statements.

4. Intangible Assets

Intangible assets are being amortized on a straight-line basis over their estimated useful lives and are detailed below:

		As of March 31, 2015			As of December 31, 2014		
(In millions)	Useful Lives	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22-23 Years	**$ 132**	**$ 48**	**$ 84**	$ 132	$ 46	$ 86
Other	2-20 Years	**23**	**13**	**10**	23	13	10
Total amortizable intangible assets		**$ 155**	**$ 61**	**$ 94**	$ 155	$ 59	$ 96

The carrying amount of acquired water rights with indefinite lives as of March 31, 2015 and December 31, 2014 totaled $75 million. The water rights are tested for impairment annually in the third quarter. U. S. Steel performed a qualitative impairment evaluation of its water rights for 2014. The 2014 and prior year tests indicated the water rights were not impaired.

During 2013, U. S. Steel acquired indefinite-lived intangible assets for $12 million and entered into an agreement to make future payments contingent upon certain factors. The aggregate purchase price was $36 million, and U. S. Steel allocated $33 million to indefinite-lived intangible assets, based upon their estimated fair value. The liability for contingent consideration is reassessed each quarter. The maximum potential liability for contingent consideration is $53 million. As of March 31, 2015, U. S. Steel has recorded a liability of $24 million to reflect the estimated fair value of the contingent consideration. Contingent consideration was valued using a probability weighted discounted cash flow using both Level 2 inputs based on 2013 Standard and Poor’s Bond Guide as well as Level 3, significant other unobservable inputs, based on internal forecasts and the weighted average cost of capital derived from market data.

Identifiable intangible assets with finite lives are reviewed for impairment whenever events or circumstances indicate that the carrying values may not be recoverable.

Amortization expense was $2 million in both the three months ended March 31, 2015 and March 31, 2014. The estimated future amortization expense of identifiable intangible assets during the next five years is $5 million for the remaining portion of 2015 and $7 million each year from 2016 to 2019.

5. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost for the three months ended March 31, 2015 and 2014:

	Pension Benefits		Other Benefits	
(In millions)	**2015**	**2014**	**2015**	**2014**
Service cost	**$ 26**	$ 27	**$ 5**	$ 6
Interest cost	**66**	109	**24**	36
Expected return on plan assets	**(110)**	(153)	**(38)**	(35)
Amortization of prior service cost	**4**	6	**(2)**	(3)
Amortization of actuarial net loss	**64**	70	**2**	(1)
Net periodic benefit cost, excluding below	**50**	59	**(9)**	3
Multiemployer plans	**18**	18	**—**	—
Settlement, termination and curtailment losses	**3**	7	**—**	—
Net periodic benefit cost	**$ 71**	$ 84	**$ (9)**	$ 3

Employer Contributions
During the first three months of 2015, U. S. Steel made cash payments of $21 million to the Steelworkers' Pension Trust and $8 million of pension payments not funded by trusts.

During the first three months of 2015, cash payments of $43 million were made for other postretirement benefit payments not funded by trusts. In addition, U. S. Steel made a required contribution of $10 million in the first three months of 2015 to our trust for represented retiree health care and life insurance benefits.

Company contributions to defined contribution plans totaled $10 million and $12 million for the three months ended March 31, 2015 and 2014, respectively.

Non-retirement postemployment benefits
U. S. Steel incurred costs of approximately $14 million for the three months ended March 31, 2015 related to the accrual of employee costs for supplemental unemployment benefits and the continuation of health care benefits and life insurance coverage for employees associated with the temporary idling of certain facilities and reduced production at others. Payments during the three months ended March 31, 2015 were insignificant. There were no significant similar costs incurred during the three months ended March 31, 2014.

Pension Funding
In November 2013, U. S. Steel's Board of Directors authorized voluntary contributions to U. S. Steel's trusts for pensions and other benefits of up to $300 million through the end of 2015. In August 2014, U. S. Steel made a voluntary contribution of $140 million to our main U.S. defined benefit plan.

6. Net Interest and Other Financial Costs

Net interest and other financial costs includes interest expense (net of capitalized interest), interest income, financing costs, derivatives gains and losses and foreign currency remeasurement gains and losses. Foreign currency gains and losses are primarily a result of foreign currency denominated assets and liabilities that require remeasurement and the impacts of euro-U.S. dollar derivatives activity. During the three months ended March 31, 2015 and 2014, there was an insignificant amount of net foreign currency effects recorded in other financial costs.

See Note 11 for additional information on U. S. Steel's use of derivatives to mitigate its foreign currency exchange rate exposure.

7. Stock-Based Compensation Plans

U. S. Steel has outstanding stock-based compensation awards that were granted by the Compensation & Organization Committee of the Board of Directors (the Committee) under the 2005 Stock Incentive Plan (the

Plan), which is more fully described in Note 13 of the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2014. An aggregate of 21,250,000 shares of U. S. Steel common stock may be issued under the Plan. As of March 31, 2015, 1,262,031 shares were available for future grants.

During the first quarter of 2014, the Committee added return on capital employed (ROCE) as a second performance measure for the Performance Awards as permitted under the terms of the Plan. Prior to the addition of the ROCE awards, performance awards were based solely on a total shareholder return (TSR) metric. ROCE awards granted are measured on a weighted average basis of the Company's consolidated worldwide EBIT, as adjusted, divided by consolidated worldwide capital employed, as adjusted, over a three year period.

Weighted average ROCE is calculated based on the ROCE achieved in the first, second and third years of the performance period, weighted at 20 percent, 30 percent and 50 percent, respectively. The ROCE awards will payout at approximately 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level. Amounts in between the threshold percentages are interpolated.

Compensation expense associated with the ROCE awards will be contingent based upon the achievement of the specified ROCE metric as outlined in the Plan and will be adjusted on a quarterly basis to reflect the probability of achieving the ROCE metric.

Recent grants of stock-based compensation consist of stock options, restricted stock units, and TSR and ROCE performance awards. Stock options are generally issued at the market price of the underlying stock on the date of the grant. Upon exercise of stock options, shares of U. S. Steel common stock are issued from treasury stock. The following table is a general summary of the awards made under the Plan. There were no issuances of stock options or restricted stock units during the first quarter of 2014.

	2015		2014	
Grant Details	**Shares[a]**	**Fair Value[b]**	**Shares[a]**	**Fair Value[b]**
Stock Options	**1,067,190**	**$ 10.04**	—	$ —
Restricted Stock Units	**765,750**	**$ 24.75**	—	$ —
Performance Awards:[c]				
TSR	**273,560**	**$ 24.95**	279,570	$ 21.99
ROCE [d]	**—**	**$ —**	259,280	$ 23.71

[a] The share amounts shown in this table do not reflect an adjustment for estimated forfeitures.
[b] Represents the per share weighted-average for all grants during the quarter.
[c] The number of performance awards shown represents the target value of the award.
[d] In lieu of ROCE equity awards being granted in 2015, the Company granted cash settled ROCE incentives to certain members of executive management.

U. S. Steel recognized pretax stock-based compensation expense in the amount of $11 million and $9 million in the three month periods ended March 31, 2015 and 2014, respectively.

As of March 31, 2015, total future compensation expense related to nonvested stock-based compensation arrangements was $62 million, and the weighted average period over which this expense is expected to be recognized is approximately 1.2 years.

Compensation expense for stock options is recorded over the vesting period based on the fair value on the date of grant, as calculated by U. S. Steel using the Black-Scholes model and the assumptions listed below. The stock options vest ratably over a three-year service period and have a term of ten years.

Black-Scholes Assumptions		2015 Grants
Grant date price per share of option award	$	24.78
Exercise price per share of option award	$	24.78
Expected annual dividends per share, at grant date	$	0.20
Expected life in years		5.0
Expected volatility		47%
Risk-free interest rate		1.6%
Grant date fair value per share of unvested option awards as calculated from above	$	10.04

The expected annual dividends per share are based on the latest annualized dividend rate at the date of grant; the expected life in years is determined primarily from historical stock option exercise data; the expected volatility is based on the historical volatility of U. S. Steel stock; and the risk-free interest rate is based on the U.S. Treasury strip rate for the expected life of the option.

Restricted stock units generally vest ratably over three years. The fair value of the restricted stock units is the average market price of the underlying common stock on the date of the grant.

TSR performance awards vest at the end of a three-year performance period as a function of U. S. Steel's total shareholder return compared to the total shareholder return of a group of peer companies over the three-year performance period. TSR performance awards can vest at between zero and 200 percent of the target award. The fair value of the TSR performance awards is calculated using a Monte-Carlo simulation.

ROCE performance awards vest at the end of a three-year performance period contingent upon meeting the specified ROCE metric. ROCE performance awards can vest at between zero and 200 percent of the target award. The fair value of the ROCE performance awards is the average market price of the underlying common stock on the date of grant.

8. Income Taxes

Tax provision

For the three months ended March 31, 2015 and 2014, we recorded a tax benefit of $174 million on our pretax loss of $249 million and a tax provision of $1 million on our pretax income of $53 million, respectively. The tax provision reflects a benefit for percentage depletion in excess of cost depletion for iron ore that we produce and consume or sell. Included in the tax provision is a net benefit of $31 million relating to the adjustment of certain tax reserves in the first three months of 2015. The tax provision does not reflect any tax benefit for pretax losses in Canada, prior to the deconsolidation on September 16, 2014, which is a jurisdiction where we had recorded a full valuation allowance on deferred tax assets.

The tax benefit for the first three months of 2015 is based on an estimated annual effective rate, which requires management to make its best estimate of annual pretax income or loss. During the year, management regularly updates forecasted annual pretax results for the various countries in which we operate based on changes in factors such as prices, shipments, product mix, plant operating performance and cost estimates. To the extent that actual 2015 pretax results for U.S. and foreign income or loss vary from estimates applied herein, the actual tax provision or benefit recognized in 2015 could be materially different from the forecasted amount used to estimate the tax provision for the three months ended March 31, 2015.

Unrecognized tax benefits

Unrecognized tax benefits are the differences between a tax position taken, or expected to be taken, in a tax return and the benefit recognized for accounting purposes pursuant to the guidance in Accounting Standards Codification (ASC) Topic 740 on income taxes. The total amount of gross unrecognized tax benefits was $83 million at March 31, 2015 and $112 million at December 31, 2014. The change in unrecognized tax benefits reflects a net decrease primarily due to the conclusion of certain tax examinations. The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was $24 million as of March 31, 2015 and $59 million as of December 31, 2014.

U. S. Steel records interest related to uncertain tax positions as a part of net interest and other financial costs in the consolidated statement of operations. Any penalties are recognized as part of selling, general and administrative expenses. As of March 31, 2015 and December 31, 2014, U. S. Steel had accrued liabilities of $2 million and $7 million, respectively, for interest related to uncertain tax positions. U. S. Steel currently does not have a liability for tax penalties.

Deferred taxes

As of March 31, 2015, the net domestic deferred tax asset was $557 million compared to $318 million at December 31, 2014. A substantial amount of U. S. Steel's domestic deferred tax assets relates to employee benefits that will become deductible for tax purposes over an extended period of time as cash contributions are made to employee benefit plans and retiree benefits are paid in the future. We continue to believe it is more likely than not that the net domestic deferred tax asset will be realized.

As of March 31, 2015, the net foreign deferred tax asset was $14 million, net of an established valuation allowance of $5 million. At December 31, 2014, the net foreign deferred tax asset was $29 million, net of an established valuation allowance of $5 million. The net foreign deferred tax asset will fluctuate as the value of the U.S. dollar changes with respect to the euro.

9. Earnings and Dividends Per Common Share

Earnings Per Share Attributable to United States Steel Corporation Stockholders

Basic earnings per common share is based on the weighted average number of common shares outstanding during the period.

Diluted earnings per common share assumes the exercise of stock options, the vesting of restricted stock units and performance awards and the conversion of convertible notes, provided in each case the effect is dilutive. The “treasury stock” method is used to calculate the dilutive effect of the Senior Convertible Notes due in 2019 (2019 Senior Convertible Notes) due to our current intent and policy, among other factors, to settle the principal amount of the 2019 Senior Convertible Notes in cash upon conversion. The "if-converted" method was used to calculate the dilutive effect of the 2014 Senior Convertible Notes due May 2014 (2014 Senior Convertible Notes).

The computations for basic and diluted earnings per common share from continuing operations are as follows:

	Three Months Ended March 31,	
(Dollars in millions, except per share amounts)	**2015**	**2014**
Net (loss) earnings attributable to United States Steel Corporation stockholders	**$ (75)**	$ 52
Plus earnings effect of assumed conversion-interest on convertible notes	**—**	2
Net (loss) earnings after assumed conversion	**$ (75)**	$ 54
Weighted-average shares outstanding (in thousands):		
Basic	**145,733**	144,757
Effect of convertible notes	**—**	10,058
Effect of stock options, restricted stock units and performance awards	**—**	1,299
Adjusted weighted-average shares outstanding, diluted	**145,733**	156,114
Basic earnings per common share	**$ (0.52)**	$ 0.36
Diluted earnings per common share	**$ (0.52)**	$ 0.34

The following table summarizes the securities that were antidilutive, and therefore, were not included in the computations of diluted earnings per common share:

	Three Months Ended March 31,	
(In thousands)	**2015**	**2014**
Securities granted under the 2005 Stock Incentive Plan	**10,056**	2,336

Dividends Paid Per Share
The dividend for the first quarter of 2015 and 2014 was five cents per common share.

10. Inventories

Inventories are carried at the lower of cost or market. The first-in, first-out method is the predominant method of inventory costing in Europe. The last-in, first-out (LIFO) method is the predominant method of inventory costing in the United States. At March 31, 2015 and December 31, 2014, the LIFO method accounted for 81 percent and 78 percent of total inventory values, respectively.

(In millions)	**March 31, 2015**	**December 31, 2014**
Raw materials	**$ 864**	$ 801
Semi-finished products	**982**	1,053
Finished products	**502**	563
Supplies and sundry items	**70**	79
Total	**$ 2,418**	$ 2,496

Current acquisition costs were estimated to exceed the above inventory values by $875 million and $1.0 billion at March 31, 2015 and December 31, 2014, respectively. As a result of the liquidation of LIFO inventories, cost of sales increased and EBIT decreased by $4 million and $9 million in the three months ended March 31, 2015 and March 31, 2014, respectively.

Inventory includes $66 million and $69 million of property held for residential or commercial development as of March 31, 2015 and December 31, 2014, respectively.

11. Derivative Instruments

U. S. Steel is exposed to foreign currency exchange rate risks as a result of our European operations. USSE's revenues are primarily in euros and costs are primarily in U.S. dollars and euros. In addition, foreign cash requirements have been, and in the future may be, funded by intercompany loans, creating intercompany monetary assets and liabilities in currencies other than the functional currency of the entities involved, which can affect income when remeasured at the end of each period.

U. S. Steel uses euro forward sales contracts with maturities no longer than 12 months to exchange euros for U.S. dollars to manage our currency requirements and exposure to foreign currency exchange rate fluctuations. Derivative instruments are required to be recognized at fair value in the consolidated balance sheet. U. S. Steel has not elected to designate these euro forward sales contracts as hedges. Therefore, changes in their fair value are recognized immediately in the consolidated results of operations. The gains and losses recognized on the euro forward sales contracts may also partially offset the accounting remeasurement gains and losses recognized on intercompany loans.

As of March 31, 2015, U. S. Steel held euro forward sales contracts with a total notional value of approximately $316 million. We mitigate the risk of concentration of counterparty credit risk by purchasing our forward sales contracts from several counterparties.

Additionally, U. S. Steel uses fixed-price forward physical purchase contracts to partially manage our exposure to price risk related to the purchases of natural gas and certain nonferrous metals used in the production process. During 2015 and 2014, the forward physical purchase contracts for natural gas and nonferrous metals qualified for the normal purchases and normal sales exemption described in ASC Topic 815 and were not subject to mark-to-market accounting.

The following summarizes the location and amounts of the fair values and gains or losses related to derivatives included in U. S. Steel's consolidated financial statements as of March 31, 2015 and December 31, 2014 and for the three months ended March 31, 2015 and 2014:

(In millions)	Balance Sheet Location	Fair Value March 31, 2015	Fair Value December 31, 2014
Foreign exchange forward contracts	Accounts receivable	**$ 49**	$ 31
Foreign exchange forward contracts	Accounts payable	**$ 1**	$ —

(In millions)	Statement of Operations Location	Amount of Gain Three Months Ended March 31, 2015	Amount of Gain Three Months Ended March 31, 2014
Foreign exchange forward contracts	Other financial costs	**$ 43**	**$ —**

In accordance with the guidance found in ASC Topic 820 on fair value measurements and disclosures, the fair value of our euro forward sales contracts was determined using Level 2 inputs, which are defined as "significant other observable" inputs. The inputs used are from market sources that aggregate data based upon market transactions.

12. Debt

(In millions)	Interest Rates %	Maturity	March 31, 2015	December 31, 2014
2037 Senior Notes	6.65	2037	**$ 350**	$ 350
2022 Senior Notes	7.50	2022	**400**	400
2021 Senior Notes	6.875	2021	**275**	275
2020 Senior Notes	7.375	2020	**600**	600
2018 Senior Notes	7.00	2018	**500**	500
2017 Senior Notes	6.05	2017	**450**	450
2019 Senior Convertible Notes [(a)]	2.75	2019	**316**	316
Environmental Revenue Bonds	5.38 - 6.88	2015 - 2042	**549**	549
Recovery Zone Facility Bonds	6.75	2040	**70**	70
Fairfield Caster Lease		2022	**33**	33
Other capital leases and all other obligations		2019	**1**	—
Amended Credit Agreement	Variable	2016	**—**	—
USSK Revolver	Variable	2016	**—**	—
USSK credit facilities	Variable	2015 - 2016	**—**	—
Total Debt			**3,544**	3,543
Less unamortized discount			**42**	45
Less short-term debt and long-term debt due within one year[(a)]			**378**	378
Long-term debt			**$ 3,124**	$ 3,120

(a) The 2019 Senior Convertible Notes were reclassified to current as a result of USSC's CCAA filing.

To the extent not otherwise discussed below, information concerning the Senior Notes, the Senior Convertible Notes and other listed obligations can be found in Note 15 of the audited financial statements in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Amended Credit Agreement

As of March 31, 2015, there were no amounts drawn on the $875 million credit facility agreement (Amended Credit Agreement) and inventory values calculated in accordance with the Amended Credit Agreement supported the full $875 million of the facility. Under the Amended Credit Agreement, U. S. Steel must maintain a fixed charge coverage ratio (as further defined in the Amended Credit Agreement) of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Amended Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $87.5 million. Since availability was greater than $87.5 million, compliance with the fixed charge coverage ratio covenant was not applicable.

Receivables Purchase Agreement

As of March 31, 2015, U. S. Steel has a Receivables Purchase Agreement (RPA) under which trade accounts receivable are sold, on a daily basis without recourse, to U. S. Steel Receivables, LLC (USSR), a wholly owned, bankruptcy-remote, special purpose entity. As U. S. Steel accesses this facility, USSR sells senior undivided interests in the receivables to third parties, while maintaining a subordinated undivided interest in a portion of the receivables. U. S. Steel has agreed to continue servicing the sold receivables at market rates.

At March 31, 2015 and December 31, 2014, eligible accounts receivable supported $502 million and $625 million of availability, respectively, under the RPA and there were no receivables sold to third-parties under this facility. The subordinated retained interest was $502 million and $625 million at March 31, 2015 and December 31, 2014, respectively. Availability under the RPA was $452 million at March 31, 2015 and $576 million at December 31, 2014, due to letters of credit outstanding of $50 million and $49 million, respectively.

USSR pays the third-parties a discount based on the third-parties' borrowing costs plus incremental fees. We paid approximately $1 million for each of the three months ended March 31, 2015 and 2014, relating to fees on the RPA. These costs are included in other financial costs in the consolidated statement of operations.

Generally, the facility provides that as payments are collected from the sold accounts receivables, USSR may elect to have the third-parties reinvest the proceeds in new eligible accounts receivable. As there was no activity under this facility during the three months ended March 31, 2015 and 2014, there were no collections reinvested.

The eligible accounts receivable and receivables sold to third party conduits are summarized below:

(In millions)	March 31, 2015	December 31, 2014
Balance of accounts receivable-net, eligible for sale to third-parties	**$ 782**	$ 1,013
Accounts receivable sold to third-parties	—	—
Balance included in Receivables on the balance sheet of U. S. Steel	**$ 782**	$ 1,013

The net book value of U. S. Steel's retained interest in the receivables represents the best estimate of the fair market value due to the short-term nature of the receivables. The retained interest in the receivables is recorded net of the allowance for bad debts, which historically have not been significant.

The facility may be terminated on the occurrence and failure to cure certain events, including, among others, failure of USSR to maintain certain ratios related to the collectability of the receivables and failure to make payment under its material debt obligations, and may also be terminated upon a change of control. The facility expires in July 2016.

U. S. Steel Košice (USSK) credit facilities
At March 31, 2015, USSK had no borrowings under its €200 million (approximately $215 million) unsecured revolving credit facility (the USSK Credit Agreement). The USSK Credit Agreement contains certain USSK financial covenants (as further defined in the USSK Credit Agreement), including maximum Leverage, maximum Net Debt to Tangible Net Worth, and minimum Interest Cover ratios. The covenants are measured semi-annually for the period covering the last twelve calendar months. USSK may not draw on the USSK Credit Agreement if it does not comply with any of the financial covenants until the next measurement date. At March 31, 2015, USSK had full availability under the USSK Credit Agreement. The USSK Credit Agreement expires in July 2016.

At March 31, 2015, USSK had no borrowings under its €20 million and €10 million unsecured credit facilities (collectively approximately $31 million) and the availability was approximately $30 million due to approximately $1 million of customs and other guarantees outstanding.

Change in control event
If there is a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling $2,891 million as of March 31, 2015 (including the Senior Notes and Senior Convertible Notes) may be declared immediately due and payable; (b) the Amended Credit Agreement, the RPA and the USSK Credit Agreement may be terminated and any amounts outstanding declared immediately due and payable; and (c) U. S. Steel may be required to either repurchase the leased Fairfield Works slab caster for $36 million or provide a letter of credit to secure the remaining obligation.

13. Asset Retirement Obligations

U. S. Steel's asset retirement obligations (AROs) primarily relate to mine and landfill closure and post-closure costs. The following table reflects changes in the carrying values of AROs:

(In millions)	March 31, 2015		December 31, 2014	
Balance at beginning of year	**$ 48**		$ 59	
Additional obligations incurred	**44**	(a)	6	
Obligations settled	**—**		(19)	(b)
Foreign currency translation effects	**(1)**		(2)	
Accretion expense	**1**		4	
Balance at end of period	**$ 92**		$ 48	

(a) Additional AROs relate to the permanent closure of the coke production facilities at Gary Works and Granite City Works.
(b) Includes $16 million as a result of the deconsolidation of USSC as of the end of the day on September 15, 2014.

Certain AROs related to disposal costs of the majority of fixed assets at our integrated steel facilities have not been recorded because they have an indeterminate settlement date. These AROs will be initially recognized in the period in which sufficient information exists to estimate their fair value.

14. Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, current accounts and notes receivable, investments and long-term receivables, accounts payable, bank checks outstanding, and accrued interest included in the consolidated balance sheet approximate fair value. See Note 11 for disclosure of U. S. Steel's derivative instruments, which are accounted for at fair value on a recurring basis.

The following table summarizes U. S. Steel's financial assets and liabilities that were not carried at fair value at March 31, 2015 and December 31, 2014.

	March 31, 2015		December 31, 2014	
(In millions)	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial liabilities:				
Long-term debt [a]	**$ 3,648**	**$ 3,469**	$ 3,740	$ 3,466

(a) Excludes capital lease obligations.

The following methods and assumptions were used to estimate the fair value of financial instruments included in the table above:

Long-term debt: Fair value was determined using Level 2 inputs which were derived from quoted market prices and is based on the yield on public debt where available or current borrowing rates available for financings with similar terms and maturities.

Fair value of the financial assets and liabilities 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.

Financial guarantees are U. S. Steel's only unrecognized financial instrument. For details relating to financial guarantees see Note 19.

15. Statement of Changes in Stockholders' Equity

The following table reflects the first three months of 2015 and 2014 reconciliation of the carrying amount of total equity, equity attributable to U. S. Steel and equity attributable to noncontrolling interests:

Three Months Ended March 31, 2015 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	$ 3,800	$ 1,862	$ (1,441)	$ 151	$ (396)	$ 3,623	$ 1
Comprehensive income (loss):							
Net loss	(75)	(75)					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	43		43				
Currency translation adjustment	(103)		(103)				
Employee stock plans	11				1	10	
Dividends paid on common stock	(7)	(7)					
Other	(1)	(1)					
Balance at March 31, 2015	$ 3,668	$ 1,779	$ (1,501)	$ 151	$ (395)	$ 3,633	$ 1

Three Months Ended March 31, 2014 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	$ 3,376	$ 1,789	$ (1,752)	$ 151	$ (480)	$ 3,667	$ 1
Comprehensive income (loss):							
Net earnings	52	52					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	50		50				
Currency translation adjustment	(2)		(2)				
Employee stock plans	9				1	8	
Dividends paid on common stock	(7)	(7)					
Balance at March 31, 2014	$ 3,478	$ 1,834	$ (1,704)	$ 151	$ (479)	$ 3,675	$ 1

16. Reclassifications from Accumulated Other Comprehensive Income (AOCI)

(In millions) [(a)]	Pension and Other Benefit Items	Foreign Currency Items	Other	Total
Balance at December 31, 2014	$ (1,852)	$ 416	$ (5)	$ (1,441)
Other comprehensive (loss) income before reclassifications	**(1)**	**(103)**	**(5)**	**(109)**
Amounts reclassified from AOCI	**44** [(b)]	**—**	**5**	**49**
Net current-period other comprehensive income	**43**	**(103)**	**—**	**(60)**
Balance at March 31, 2015	**$ (1,809)**	**$ 313**	**$ (5)**	**$ (1,501)**

(a) All amounts are net of tax. Amounts in parentheses indicate decreases in AOCI.
(b) See table below for further details.

(In millions) [(a)]	Details about AOCI components	Amount reclassified from AOCI Three Months Ended March 31, 2015	2014
	Amortization of pension and other benefit items		
	Prior service costs [(b)]	**$ (2)**	**$ (10)**
	Actuarial losses [(b)]	**(66)**	**(69)**
	Settlement, termination and curtailment gains [(b)]	**(3)**	**—**
	Total before tax	**(71)**	**(79)**
	Tax benefit	**27**	**28**
	Net of tax	**$ (44)**	**$ (51)**

(a) Amounts in parentheses indicate decreases in AOCI.
(b) These AOCI components are included in the computation of net periodic benefit cost (see Note 5 for additional details).

17. Transactions with Related Parties

Net sales to related parties and receivables from related parties primarily reflect sales of steel products to equity investees and USSC after the CCAA filing on September 16, 2014. Generally, transactions are conducted under long-term market-based contractual arrangements. Related party sales and service transactions were $326 million and $279 million for the three months ended March 31, 2015 and 2014, respectively.

Purchases from related parties for outside processing services provided by equity investees and steel products from USSC after the CCAA filing on September 16, 2014 amounted to $101 million and $15 million for the three months ended March 31, 2015 and 2014, respectively. Purchases of iron ore pellets from related parties amounted to $30 million and $54 million for the three months ended March 31, 2015 and 2014, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company (PRO-TEC) of $86 million and $78 million at March 31, 2015 and December 31, 2014, respectively for invoicing and receivables collection services provided by U. S. Steel. U. S. Steel, as PRO-TEC's exclusive sales agent, is responsible for credit risk related to those receivables. U. S. Steel also provides PRO-TEC marketing, selling and customer service functions. Payables to other related parties, including USSC after the CCAA filing on September 16, 2014, totaled $49 million and $53 million at March 31, 2015 and December 31, 2014, respectively.

18. Restructuring and Other Charges

During the three months ended March 31, 2015, the Company recorded a charge of $153 million, which is reported in restructuring and other charges in the consolidated statement of operations, related to the permanent shutdown of the cokemaking operations at Gary Works and Granite City Works, within our Flat-Rolled segment. In addition to the write-down of assets, the charge also includes employee related costs, including costs for severance, supplemental unemployment benefits and continuation of health care benefits of $18 million and other shutdown costs, primarily environmental.

During the three months ended March 31, 2014 , the Company recorded severance related charges of $2 million for headcount reductions within our Flat-Rolled segment related to our Canadian operations prior to the deconsolidation of USSC. Cash payments were made related to severance and exit costs of $4 million. Favorable adjustments for changes in estimates on restructuring reserves were made for $8 million.

Charges for restructuring and ongoing cost reduction initiatives are recorded in the period the Company commits to a restructuring or cost reduction plan, or executes specific actions contemplated by the plan and all criteria for liability recognition have been met. Charges related to the restructuring and cost reductions include severance costs, accelerated depreciation, asset impairments and other closure costs.

The activity in the accrued balances incurred in relation to restructuring and other cost reduction programs during the three months ended March 31, 2015 were as follows:

(in millions)	Employee Related Costs	Exit Costs	Asset Impairments	Total
Balance at December 31, 2014	$ 5	$ —	$ —	$ 5
Additional charges	**18**	**45** (a)	**90**	**153**
Cash payments/utilization	**—**	**—**	**(90)**	**(90)**
Other adjustments and reclassifications	**—**	**—**	**—**	**—**
Balance at March 31, 2015	**$ 23**	**$ 45**	**$ —**	**$ 68**

(a) Primarily environmental costs.

Accrued liabilities for restructuring and other cost reduction programs are included in the following balance sheet lines:

(in millions)	March 31, 2015	December 31, 2014
Accounts payable	**$ 28**	$ —
Payroll and benefits payable	**23**	5
Deferred credits and other noncurrent liabilities	**17**	—
Total	**$ 68**	$ 5

19. Contingencies and Commitments

U. S. 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 U. S. Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably.

U. S. Steel accrues for estimated costs related to existing lawsuits, claims and proceedings when it is probable that it will incur these costs in the future.

Asbestos matters – As of March 31, 2015, U. S. Steel was a defendant in approximately 900 active cases involving approximately 3,420 plaintiffs. The vast majority of these cases involve multiple defendants. At December 31, 2014, U. S. Steel was a defendant in approximately 880 active cases involving approximately 3,455 plaintiffs. About 2,540, or approximately 74 percent, of these plaintiff claims are currently pending in jurisdictions which permit filings with massive numbers of plaintiffs. Based upon U. S. Steel's experience in such cases, it believes that the actual number of plaintiffs who ultimately assert claims against U. S. Steel will likely be a small fraction of the total number of plaintiffs. During the three months ended March 31, 2015, settlements and other dispositions resolved approximately 110 claims, and new case filings added approximately

75 claims. During 2014, settlements and other dispositions resolved approximately 190 cases, and new case filings added approximately 325 cases.

The following table shows the activity with respect to asbestos litigation:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2012	3,235	190	285	3,330
December 31, 2013	3,330	250	240	3,320
December 31, 2014	3,320	190	325	3,455
March 31, 2015	3,455	110	75	3,420

Historically, asbestos-related claims against U. S. Steel fall into three major groups: (1) claims made by persons who allegedly were exposed to asbestos on the premises of U. S. Steel facilities; (2) claims made by persons allegedly exposed to products manufactured by U. S. Steel; and (3) claims made under certain federal and maritime laws by employees of former operations of U. S. Steel.

The amount U. S. Steel accrues for pending asbestos claims is not material to U. S. Steel's financial condition. However, U. S. Steel is unable to estimate the ultimate outcome of asbestos-related claims due to a number of uncertainties, including (1) the rates at which new claims are filed, (2) the number of and effect of bankruptcies of other companies traditionally defending asbestos claims, (3) uncertainties associated with the variations in the litigation process from jurisdiction to jurisdiction, (4) uncertainties regarding the facts, circumstances and disease process with each claim, and (5) any new legislation enacted to address asbestos-related claims. Despite these uncertainties, management believes that the ultimate resolution of these matters will not have a material adverse effect on U. S. Steel's financial condition, although the resolution of such matters could significantly impact results of operations for a particular quarter.

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. Changes in accrued liabilities for remediation activities where U. S. Steel is identified as a named party are summarized in the following table:

(In millions)	Three Months Ended March 31, 2015
Beginning of period	$ 212
Accruals for environmental remediation deemed probable and reasonably estimable	—
Obligations settled	(2)
End of period	$ 210

Accrued liabilities for remediation activities are included in the following consolidated balance sheet lines:

(In millions)	March 31, 2015	December 31, 2014
Accounts payable	$ 19	$ 19
Deferred credits and other noncurrent liabilities	191	193
Total	$ 210	$ 212

Expenses related to remediation are recorded in cost of sales and were insignificant for both three month periods ended March 31, 2015 and March 31, 2014. 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 reasonably possible that total remediation costs for active matters may exceed the accrued liabilities by as much as 10 to 25 percent.

Remediation Projects
U. S. Steel is involved in environmental remediation projects at or adjacent to several current and former U. S. Steel 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 which are still in the study and development phase. For these projects, the extent of remediation that may be required is not yet known, the remediation methods and plans are not yet developed, and cost estimates cannot be determined. Therefore, significant costs, in addition to the accrued liabilities for these projects, are reasonably possible.

(2) *Significant Projects with Defined Scope* are those projects with significant accrued liabilities, a defined scope and little likelihood of significant 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 significant, and those projects for which we do not yet possess sufficient information to estimate potential costs to U. S. Steel.

Projects with Ongoing Study and Scope Development – There are five environmental remediation projects where reasonably possible additional costs for completion are not currently estimable, but could be material. These projects are four Resource Conservation and Recovery Act (RCRA) programs—at Fairfield Works, Lorain Tubular, USS-POSCO Industries (UPI) and the Fairless Plant—and a voluntary remediation program at the former steelmaking plant at Joliet, Illinois. As of March 31, 2015, accrued liabilities for these projects totaled $2 million for the costs of studies, investigations, interim measures, design and/or remediation. It is reasonably possible that additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects could be as much as $25 million to $40 million.

Significant Projects with Defined Scope – As of March 31, 2015, there are four significant projects with defined scope greater than or equal to $5 million each, with a total accrued liability of $159 million. These projects are Gary RCRA (accrued liability of $38 million), the former Geneva facility (accrued liability of $64 million), the former Duluth facility St. Louis River Estuary (accrued liability of $50 million), and the Solid Waste Management Unit (SWMU) #4 at UPI (accrued liability of $7 million).

Other Projects – There are four 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 March 31, 2015 was $8 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 had an accrued liability of less than $1 million. The total accrued liability for these projects at March 31, 2015 was $6 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 $28 million at March 31, 2015 and were based on known scopes of work.

Administrative and Legal Costs – As of March 31, 2015, U. S. Steel had an accrued liability of $7 million for administrative and legal costs related to environmental remediation projects. These accrued liabilities were based on projected administrative and legal costs for the next three years and do not change significantly from year to year.

See Part II, "Item 1 – Legal Proceedings – Environmental Proceedings" for further details regarding U. S. Steel's environmental remediation at its various production facilities.

Capital Expenditures – For a number of years, U. S. Steel has made substantial capital expenditures to bring existing facilities into compliance with various laws relating to the environment. In the first three months of 2015 and 2014, such capital expenditures totaled $23 million and $11 million, respectively. U. S. 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.

CO_2 Emissions – Current and potential regulation of greenhouse gas (GHG) emissions remains a significant issue for the steel industry, particularly for integrated steel producers such as U. S. Steel. The regulation of carbon dioxide (CO_2) emissions has either become law or is being considered by legislative bodies of many

nations, including countries where we have operating facilities. The European Union (EU) has established GHG regulations based upon national allocations and a cap and trade system. In the United States, the Environmental Protection Agency (EPA) has published rules for regulating GHG emissions for certain facilities (both new and existing). The U.S. Supreme Court has upheld the EPA's authority under the Clean Air Act (CAA) to regulate GHG emissions from new or modified stationary sources that are required to obtain pre-construction and operating permits for non-GHG regulated air pollutants, and federal courts are considering several suits that challenge the EPA's authority to regulate GHG emissions from other types of sources (including existing sources). Congress could take additional action to increase the regulation of GHG emissions.

The European Commission (EC) has created an Emissions Trading System (ETS) and starting in 2013, the ETS began to employ centralized allocation, rather than national allocation plans, that are more stringent than the previous requirements. The ETS also includes a cap designed to achieve an overall reduction of GHGs for the ETS sectors of 21% in 2020 compared to 2005 emissions and auctioning as the basic principle for allocating emissions allowances, with some transitional free allocation provided on the basis of benchmarks for manufacturing industries under risk of transferring their production to other countries with lesser constraints on GHG emissions, commonly referred to as carbon leakage. Manufacturing of sinter, coke oven products, basic iron and steel, ferro-alloys and cast iron tubes have all been recognized as exposing companies to a significant risk of carbon leakage, but the ETS is still expected to lead to additional costs for steel companies in Europe. The EU has imposed limitations under the ETS for the period 2013-2020 (Phase III) that are more stringent than those in the 2008-2012 period (NAP II), reducing the number of free allowances granted to companies to cover their CO_2 emissions.

In September of 2013, the EC issued EU wide legislation further reducing the expected free allocation for Phase III by an average of approximately 12 percent. USSK's final allocation for the Phase III period that was approved by the EC in January 2014 is approximately 48 million allowances. Based on 2014 emission intensity levels and projected future production levels, and as a result of carryover allowances from the NAP II period, we do not currently anticipate the need to purchase credits until 2018, and we currently estimate a shortfall of 16 million allowances for the Phase III period. However, due to a number of variable factors such as the future market value of allowances, future production levels and future emission intensity levels, we cannot reliably estimate the full cost of complying with the ETS regulations at this time.

U. S. Steel entered into transactions to sell and swap a portion of our emission allowances and recognized a gain of $17 million during the three months ended March 31, 2014, reflected as a net gain on disposal of assets. There were no such similar transactions for the three months ended March 31, 2015.

On May 13, 2010, the EPA published its final Greenhouse Gas Tailoring Rule establishing a mechanism for regulating GHG emissions from facilities through the CAA's Prevention of Significant Deterioration (PSD) permitting program. Under the Greenhouse Gas Tailoring Rule, as modified by the recent U.S. Supreme Court decision upholding the rule, new projects that increase GHG emissions by a significant amount (generally more than 75,000 tons of CO_2 per year) are subject to the PSD requirements, including the installation of best available control technology (BACT), if the project also significantly increases emissions of at least one non-GHG pollutant. On January 8, 2014, the EPA published proposed New Source Performance Standards (NSPS) for GHG emissions from new electric generating units (EGUs). As a result of that rule, on June 18, 2014, the EPA also published proposed guidance under CAA Section 111(d) to regulate CO_2 emissions from EGUs. Additionally, the EPA recently revised the National Ambient Air Quality Standards (NAAQS) for nitrogen oxide, sulfur dioxide, particulate matter, and lead, and in December 2014, proposed to lower the ozone NAAQS to a level within the range of 65 to 70 parts per billion (ppb).

It is impossible to estimate the timing or impact of these or other future government action on U. S. Steel, although it could be significant. Such impacts may include substantial capital expenditures, costs for emission allowances, restriction of production, and higher prices for coking coal, natural gas and electricity generated by carbon based systems.

EU Environmental Requirements – Slovakia adopted a new waste code in March 2015 that will become effective January 1, 2016. This legislation implements the EU Waste Framework Directive that strictly regulates waste disposal and encourages recycling, among other provisions, by increasing fees for waste disposed of in landfills, including privately owned industrial landfills. We are currently analyzing the legislation in order to estimate the potential financial impact on USSK's operations.

The EU’s Industry Emission Directive will require implementation of EU determined best available techniques (BAT) to reduce environmental impacts as well as compliance with BAT associated emission levels. This directive includes operational requirements for air emissions, wastewater discharges, solid waste disposal and energy conservation, dictates certain operating practices and imposes stricter emission limits. Producers will be required to be in compliance with the iron and steel BAT by March 8, 2016, unless specific exceptions or extensions are granted by the Slovak environmental authority. We are currently evaluating the costs of complying with BAT, but our most recent broad estimate of likely capital expenditures is €80 million to €155 million (approximately $86 million to $167 million) over the 2015 to 2020 period. There are ongoing efforts to seek EU grants to fund a portion of these capital expenditures. The EU has various programs under which funds are allocated to member states to implement broad public policies, which are then awarded by the member states to public and private entities on a competitive basis. The total capital expenditures required for BAT compliance will depend upon, among other factors, the extent to which EU incentive grants are awarded for these projects. We also believe there will be increased operating costs, such as increased energy and maintenance costs, but we are currently unable to reliably estimate them.

Due to other EU legislation, we will be required to make changes to the boilers at our steam and power generation plant in order to comply with stricter air emission limits for large combustion plants. In January 2014, the operation of USSK's boilers was approved by the EC as part of Slovakia's Transitional National Plan (TNP) for bringing all boilers in Slovakia into compliance by no later than 2020. The TNP establishes parameters for determining the date by which specific boilers are required to reach compliance with the new air standards, which has been determined to be October 2017 for our boilers. The boiler projects have been approved by our Board of Directors and we are now in the execution phase. These projects will result in a reduction in electricity, operating, maintenance and waste disposal costs once completed. The current projected cost to reconstruct one existing boiler and build one new boiler to achieve compliance is approximately $170 million. Broad legislative changes were enacted by the Slovak Republic to extend the scope of support for renewable sources of energy, that are intended to allow USSK to participate in Slovakia's renewable energy incentive program once both boiler projects are completed.

Guarantees – The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled $4 million at March 31, 2015.

EPA Region V Federal Lawsuit – On August 1, 2012, the EPA, joined by the States of Illinois, Indiana and Michigan, initiated an action in the Northern District of Indiana alleging various air regulatory violations at Gary Works, Granite City Works, and Great Lakes Works. The action contends that Gary Works failed to obtain the proper CAA pre-construction permit for a routine reline of its Blast Furnace No. 4 in 1990, and that the three facilities failed to meet certain operational, maintenance, opacity, and recordkeeping requirements. Civil penalties and injunctive relief is requested. U. S. Steel believes that the claims asserted in the action are not justified and are without legal foundation. The Court has dismissed all claims related to the Blast Furnace No. 4 reline. Fact discovery on the remaining claims is being conducted in three phases with discovery regarding Granite City Works and Great Lakes Works now complete. U. S. Steel will continue to vigorously defend against these claims. At this time, the potential outcome on the asserted claims is not reasonably estimable.

CCAA - On September 16, 2014 USSC commenced court-supervised restructuring proceedings under CCAA before the Ontario Superior Court of Justice. As part of the CCAA proceedings, U. S. Steel has submitted both secured and unsecured claims that have been verified by the court-appointed Monitor. As of March 31, 2015, the court-appointed Monitor has verified U. S. Steel's claims in the CCAA proceedings are approximately $1.8 billion. U. S. Steel's claims have been challenged by a number of interested parties which, if successful, could result in the reclassification of those claims and/or modifications to the values of those claims. U. S. Steel is contesting those challenges within the CCAA proceedings, the outcome of which can not be reasonably estimated at this time.

Other contingencies – Under certain operating lease agreements covering various equipment, U. S. Steel has the option to renew the lease or to purchase the equipment at the end of the lease term. If U. S. Steel does not exercise the purchase option by the end of the lease term, U. S. Steel guarantees a residual value of the equipment as determined at the lease inception date (totaling approximately $12 million at March 31, 2015). No liability has been recorded for these guarantees as the potential loss is not probable.

Insurance – U. S. Steel maintains insurance for certain property damage, equipment, business interruption and general liability exposures; however, insurance is applicable only after certain deductibles and retainages. U. S. Steel is self-insured for certain other exposures including workers’ compensation (where permitted by law) and auto liability. Liabilities are recorded for workers' compensation and personal injury obligations. Other costs resulting from losses under deductible or retainage amounts or not otherwise covered by insurance are charged against income upon occurrence.

U. S. Steel uses surety bonds, trusts and letters of credit to provide whole or partial financial assurance for certain obligations such as workers' compensation. The total amount of active surety bonds, trusts and letters of credit being used for financial assurance purposes was approximately $165 million as of March 31, 2015, which reflects U. S. Steel's maximum exposure under these financial guarantees, but not its total exposure for the underlying obligations. A significant portion of our trust arrangements and letters of credit are collateralized by our RPA. The remaining trust arrangements and letters of credit are collateralized by restricted cash. Restricted cash, which is recorded in other current and noncurrent assets, totaled $48 million at March 31, 2015, of which approximately $1 million was classified as current, and $51 million at December 31, 2014, of which $1 million was classified as current. Restricted cash at March 31, 2015 also includes $4 million to fund certain capital projects at Granite City Works. The proceeds become unrestricted as capital expenditures for these projects are made.

Capital Commitments – At March 31, 2015, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled $352 million.

Contractual Purchase Commitments – U. S. Steel is obligated to make payments under contractual purchase commitments, including unconditional purchase obligations. Payments for contracts with remaining terms in excess of one year are summarized below (in millions):

Remainder of 2015	2016	2017	2018	2019	Later Years	Total
$588	$704	$558	$539	$286	$923	$3,598

The majority of U. S. Steel's unconditional purchase obligations relates to the supply of industrial gases, and certain energy and utility services with terms ranging from two to 13 years. Unconditional purchase obligations also include coke and steam purchase commitments related to a coke supply agreement with Gateway Energy & Coke Company LLC (Gateway) under which Gateway is obligated to supply 90 percent to 105 percent of the expected annual capacity of the heat recovery coke plant, and U. S. Steel is obligated to purchase the coke from Gateway at the contract price. As of March 31, 2015, a maximum default payment of approximately $232 million would apply if U. S. Steel terminates the agreement.

Total payments relating to unconditional purchase obligations were $111 million and $134 million for the three months ended March 31, 2015 and 2014, respectively.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

During the first quarter of 2015, the Company adjusted its operating footprint by temporarily reducing its production levels within its Flat-Rolled and Tubular segments as well as permanently shutting down certain of its coke production facilities. Management may continue to further adjust the Company's operations in 2015. Customer order rates for our products, market demand, economic conditions as well as import levels will determine the size and duration of these adjustments.

The consolidated results for the three months ended March 31, 2015 do not reflect the results of U. S. Steel Canada (USSC) due to USSC’s filing for creditor protection pursuant to Canada’s Companies’ Creditors Arrangement Act (CCAA) on September 16, 2014. The consolidated statement of operations, consolidated statement of comprehensive income (loss) and consolidated statement of cash flows for the three months ended March 31, 2014 include the results for USSC.

Net sales by segment for the three months ended March 31, 2015 and 2014 are set forth in the following table:

	Three Months Ended March 31,		
(Dollars in millions, excluding intersegment sales)	**2015**	**2014**	**% Change**
Flat-Rolled Products (Flat-Rolled)	**$ 2,194**	$ 3,027	(28)%
U. S. Steel Europe (USSE)	**691**	759	(9)%
Tubular Products (Tubular)	**371**	643	(42)%
Total sales from reportable segments	**3,256**	4,429	(26)%
Other Businesses	**16**	19	(16)%
Net sales	**$ 3,272**	$ 4,448	(26)%

Management's analysis of the **percentage change in net sales** for U. S. Steel's reportable business segments for the three months ended March 31, 2015 versus the three months ended March 31, 2014 is set forth in the following table:

Three Months Ended March 31, 2015 versus Three Months Ended March 31, 2014

	Steel Products [a]					
	Volume	**Price**	**Mix**	**FX [b]**	**Coke & Other**	**Net Change**
Flat-Rolled	(24)%	— %	— %	— %	(4)%	(28)%
USSE	22 %	(10)%	(1)%	(20)%	— %	(9)%
Tubular	(46)%	4 %	2 %	— %	(2)%	(42)%

[a] Excludes intersegment sales

[b] Foreign currency translation effects

Net sales were $3,272 million in the three months ended March 31, 2015, compared with $4,448 million in the same period last year. The decrease in sales for the Flat-Rolled segment primarily reflected a decrease in shipments (decrease of 1,057 thousand net tons) as a result of market conditions and the deconsolidation of USSC (represents 559 thousand net tons of the total decrease). The decrease in sales for the USSE segment was primarily due to the strengthening of the U.S. dollar versus the euro in the three months ended March 31, 2015 as compared to the same period in 2014 (decrease in average exchange rate of 0.24) and lower average realized euro-based prices (decrease of €47 per net ton) partially offset by higher shipments (increase of 233 thousand net tons). The decrease in sales for the Tubular segment primarily reflected lower shipments (decrease of 199 thousand net tons) as a result of reduced drilling activity caused by low crude oil prices and continued high import levels partially offset by higher average realized prices (increase of $158 per net ton).

Pension and other benefits costs

Pension and other benefit costs are reflected in our cost of sales and selling, general and administrative expense line items in the consolidated statements of operations.

Defined benefit and multiemployer pension plan costs totaled $71 million in the three months ended March 31, 2015, compared to $84 million in the three months ended March 31, 2014. The $13 million decrease is primarily due to the natural maturation of our pension plans, partially offset by a lower discount rate and expected return on assets assumptions.

Costs related to defined contribution plans totaled $11 million in the three months ended March 31, 2015, compared to $12 million in the three months ended March 31, 2014.

Other benefit costs totaled $(9) million in the three months ended March 31, 2015, compared to $3 million in the three months ended March 31, 2014. The $12 million decrease is primarily due to the deconsolidation of USSC.

Net periodic pension cost, including multiemployer plans, is expected to total approximately $275 million in 2015. Total other benefits costs in 2015 are expected to be a benefit of approximately $(35) million. The pension cost projection includes approximately $75 million of contributions to the Steelworkers Pension Trust.

A sensitivity analysis of the projected incremental effect of a hypothetical one percentage point change in the significant inputs used in the calculation of pension and other benefits net periodic benefit costs is provided in the following table:

	Hypothetical Rate Increase (Decrease)	
(Dollars in millions)	**1%**	**(1)%**
Expected return on plan assets		
Incremental (decrease) increase in:		
Net periodic pension cost	$ (77)	$ 77
Discount rate		
Incremental (decrease) increase in:		
Net periodic pension & other benefits costs	$ (35)	$ 56
Health care cost escalation trend rates		
Incremental increase (decrease) in:		
Service and interest cost components for 2015	$ 5	$ (4)

Non-retirement postemployment benefits
U. S. Steel incurred costs of approximately $14 million for the three months ended March 31, 2015 related to employee costs for supplemental unemployment benefits and the continuation of health care benefits and life insurance coverage for employees associated with the temporary idling of certain facilities and reduced production at others. Payments for these benefits during the three months ended March 31, 2015 were insignificant. There were no significant costs incurred during the three months ended March 31, 2014.

Selling, general and administrative expenses
Selling, general and administrative expenses were $102 million in the three months ended March 31, 2015, compared to $138 million in the three months ended March 31, 2014. The decrease is primarily related to lower pension and other benefits costs as discussed above.

Restructuring and Other Charges
During the three months ended March 31, 2015, the Company recorded a charge of $153 million, which is reported in restructuring and other charges in the consolidated statement of operations, related to the permanent shutdown of the cokemaking operations at Gary Works and Granite City Works, within our Flat-Rolled segment. In addition to the write-down of assets, the charge also includes employee related costs, including costs for severance, supplemental unemployment benefits (SUB) and continuation of health care benefits of $18 million and other shutdown costs, primarily environmental.

During the three months ended March 31, 2014, the Company recorded severance related charges of $2 million for headcount reductions within our Flat-Rolled segment related to our Canadian operations prior to the deconsolidation of USSC. Cash payments were made related to severance and exit costs of $4 million. Favorable adjustments for changes in estimates on restructuring reserves were made for $8 million.

Charges for restructuring and ongoing cost reduction initiatives are recorded in the period the Company commits to a restructuring or cost reduction plan, or executes specific actions contemplated by the plan and all criteria for liability recognition have been met. Charges related to the restructuring and cost reductions include severance costs, accelerated depreciation, asset impairments and other closure costs.

Management believes its actions with regard to the Company’s operations will have a positive impact on the Company’s annual cash flows of approximately $125 million to $150 million over the course of subsequent annual periods as a result of decreased payroll and benefits costs, capital savings and other idle facility costs. Also, the actions will result in other non-cash savings of approximately $90 million, primarily related to reduced depreciation expense in future periods. Additionally, management does not believe there will be any significant impacts related to the Company’s revenues as a result of these actions.

Earnings before interest and income taxes (EBIT) by segment for the three months ended March 31, 2015 and 2014 is set forth in the following table:

(Dollars in millions)	Three Months Ended March 31, 2015	2014	% Change
Flat-Rolled	**$ (67)**	$ 85	NM
USSE	**37**	32	16 %
Tubular	**1**	24	(96)%
Total earnings from reportable segments	**(29)**	141	NM
Other Businesses	**8**	13	(38)%
Segment EBIT	**(21)**	154	NM
Items not allocated to segments:			
Postretirement benefit expense	**(13)**	(32)	(59)%
Other items not allocated to segments:			
Loss on shutdown of coke production facilities	**(153)**	—	100 %
Total EBIT	**$ (187)**	$ 122	(100)%

Segment results for Flat-Rolled

	Three Months Ended March 31, 2015	2014	% Change
Earnings before interest and taxes ($ millions)	**$ (67)**	$ 85	NM
Gross margin	**4%**	9%	(5)%
Raw steel production (mnt)	**2,868**	4,491	(36)%
Capability utilization	**60%**	83%	(23)%
Steel shipments (mnt)	**2,617**	3,674	(29)%
Average realized steel price per ton	**$ 768**	$ 761 [(a)]	1 %

[(a)] Average realized steel price per ton excluding USSC was $774 for the three months ended March 31, 2014.

The decrease in Flat-Rolled results for the three months ended March 31, 2015 compared to the same period in 2014 resulted from higher repairs and maintenance and other operating costs (approximately $115 million), lower shipment volumes (approximately $75 million), lower average realized prices excluding USSC, see footnote (a) to the table above,(approximately $60 million), and lower steel substrate sales to our Tubular segment (approximately $40 million). These changes were partially offset by lower raw materials costs (approximately $70 million), lower energy costs (approximately $55 million), and lower costs for profit-based payments (approximately $20 million).

Segment results for USSE

	Three Months Ended March 31, 2015	2014	% Change
Earnings before interest and taxes ($ millions)	**$ 37**	$ 32	16 %
Gross margin	**11%**	8%	3 %
Raw steel production (mnt)	**1,283**	1,141	12 %
Capability utilization	**104%**	93%	11 %
Steel shipments (mnt)	**1,264**	1,031	23 %
Average realized steel price per ton	**$ 530**	$ 710	(25)%

The increase in USSE results for the three months ended March 31, 2015 compared to the same period in 2014 was primarily due to lower raw materials costs (approximately $100 million) and higher shipment volumes (approximately $20 million). These changes were partially offset by lower average realized euro-based prices (approximately $65 million) and the strengthening of the U.S. dollar versus the euro in the three months ended March 31, 2015 as compared to the same period in 2014 (approximately $45 million).

Segment results for Tubular

	Three Months Ended March 31, 2015	2014	% Change
Earnings before interest and taxes ($ millions)	**$ 1**	$ 24	(96)%
Gross margin	**7%**	7%	— %
Steel shipments (mnt)	**220**	419	(47)%
Average realized steel price per ton	**$ 1,637**	$ 1,479	11 %

The decrease in Tubular results for the three months ended March 31, 2015 as compared to the same period in 2014 was primarily due to decreased shipment volumes (approximately $40 million) and increased repairs and maintenance and other operating costs (approximately $15 million), partially offset by an increase in average realized prices (approximately $25 million).

Results for Other Businesses
Other Businesses had income of $8 million in the three months ended March 31, 2015, compared to income of $13 million in the three months ended March 31, 2014.

Items not allocated to segments
The decrease in **postretirement benefit expense** in the three months ended March 31, 2015 as compared to the same period in 2014 resulted from lower pension and retiree medical expenses as a result of the natural maturation of our pension plans and better claims cost experience, partially offset by a lower discount rate.

We recorded a $153 million **loss on shutdown of coke production facilities** as a result of the permanent closure of our Gary Works and Granite City Works coke facilities.

Net interest and other financial costs

(Dollars in millions)	Three Months Ended March 31, 2015	2014	% Change
Interest expense	**$ 51**	$ 61	(16)%
Interest income	**—**	(1)	(100)%
Other financial costs	**11**	9	22 %
Total net interest and other financial costs	**$ 62**	$ 69	(10)%

The decrease in net interest and other financial costs in the three months ended March 31, 2015 as compared to the same period last year is primarily related to the deconsolidation of the Province Note and the redemption of the 4.00% Senior Convertible Notes due May 15, 2014.

The **income tax benefit** was $174 million in the three months ended March 31, 2015 compared to a provision of $1 million in the three months ended March 31, 2014. The tax provision reflects a benefit for percentage depletion in excess of cost depletion for iron ore that we produce and consume or sell. The tax provision does not reflect any tax benefit for pretax losses in Canada, prior to the deconsolidation on September 16, 2014, which is a jurisdiction where we had recorded a full valuation allowance on deferred tax assets. Included in the tax provision in the first three months of 2015 is a net tax benefit of $31 million relating to the adjustment of certain tax reserves.

The net domestic deferred tax asset was $557 million at March 31, 2015 compared to $318 million at December 31, 2014. A substantial amount of U. S. Steel's domestic deferred tax assets relates to employee benefits that will become deductible for tax purposes over an extended period of time as cash contributions are made to employee benefit plans and retiree benefits are paid in the future. We continue to believe it is more likely than not that the net domestic deferred tax asset will be realized.

At March 31, 2015, the net foreign deferred tax asset was $14 million, net of an established valuation allowance of $5 million. At December 31, 2014, the net foreign deferred tax asset was $29 million, net of an established valuation allowance of $5 million. The net foreign deferred tax asset will fluctuate as the value of the U.S. dollar changes with respect to the euro.

For further information on income taxes see Note 8 to the Consolidated Financial Statements.

Net loss attributable to United States Steel Corporation was $75 million in the three months ended March 31, 2015, compared to net earnings of $52 million in the three months ended March 31, 2014. The changes primarily reflect the factors discussed above.

BALANCE SHEET

Accounts receivable decreased by $294 million from year-end 2014. Sales in the latter part of a quarter typically represent the majority of the receivables as of the end of the quarter. The decrease in receivables primarily reflected decreased average realized prices and lower shipment volumes.

Property, plant and equipment, net, decreased by $220 million from year-end 2014 primarily due to fixed asset impairments related to the shutdown of coke facilities at Gary Works and Granite City Works.

Total deferred income tax benefits decreased by $70 million from year-end 2014 primarily due to the deductibility of payments for employee related liabilities.

Accounts payable and other accrued liabilities decreased by $164 million from year-end 2014 primarily as a result of decreased production levels in the first quarter 2015 as compared to the fourth quarter of 2014.

Payroll and benefits payable decreased by $147 million from year-end 2014 primarily as a result of profit-based payments related to 2014 financial performance partially offset by the absence of profit-based liabilities as of March 31, 2015.

Deferred income tax liabilities decreased by $294 million from year-end 2014 primarily due to a decrease in forecasted net operating losses that were expected to be utilized in 2015 and foreign currency translation adjustments.

CASH FLOW

Net cash provided by operating activities was $136 million for the three months ended March 31, 2015 compared to $570 million in the same period last year. The decrease is primarily due to lower financial results and changes in working capital period over period.

Changes in working capital can vary significantly depending on factors such as the timing of inventory production and purchases, which is affected by the length of our business cycles as well as our captive raw materials position, customer payments of accounts receivable and payments to vendors in the regular course of business.

Our key working capital components include accounts receivable and inventory. The accounts receivable and inventory turnover ratios for the three months and twelve months ended March 31, 2015 and 2014 are as follows:

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2015	**2014**	**2015**	**2014**
Accounts Receivable Turnover	**1.8**	2.1	**8.5**	7.7
Inventory Turnover	**1.2**	1.6	**6.0**	6.7

Capital expenditures for the three months ended March 31, 2015, were $172 million, compared with $90 million in the same period in 2014. Flat-Rolled capital expenditures were $132 million and included spending for the ongoing implementation of an enterprise resource planning (ERP) system, the Granite City Works Steel Shop Tap and Charging Emission Control System, a blast furnace reline at Mon Valley Works, blast furnace maintenance at Granite City and Great Lakes Works and various other infrastructure, environmental and strategic projects. Tubular capital expenditures of $16 million related to the new EAF and coupling facilities as well as various other infrastructure and strategic capital projects. USSE capital expenditures of $21 million consisted of spending for infrastructure and environmental projects.

U. S. Steel's contractual commitments to acquire property, plant and equipment at March 31, 2015, totaled $352 million.

Capital expenditures for 2015 are expected to total approximately $550 million and remain focused largely on strategic, infrastructure and environmental projects.

We are continuing our efforts to implement an ERP system to replace our existing information technology systems, which will enable us to operate more efficiently. The completion of the ERP project is expected to provide further opportunities to streamline, standardize and centralize business processes in order to maximize cost effectiveness, efficiency and control across our global operations. We implemented our ERP system at Mon Valley Works in 2012, Gary Works in 2013 and Granite City Works and Great Lakes Works in 2014. We plan to implement our ERP system at certain tubular locations in 2015. We are also currently developing projects within our Flat-Rolled, USSE and Tubular segments, such as facility enhancements, advanced high strength steels and additional premium connections that will further improve our ability to support our customers' evolving needs and increase our value added product capabilities.

With reduced pricing for iron-ore, management is considering its options with respect to the Company's iron-ore position in the United States. The Company is also exploring opportunities related to the availability of reasonably priced natural gas as an alternative to coke in the iron reduction process to improve our cost competitiveness, while reducing our dependence on coal and coke. We are examining alternative iron and steelmaking technologies such as gas-based, direct-reduced iron (DRI) and electric arc furnace (EAF) steelmaking. We have received the necessary authorizations from the Jefferson County Department of Health and the Alabama Department of Environmental Management. Construction of the EAF will begin in the second quarter of 2015, with construction expected to be complete in the third quarter of 2016.

The DRI process requires iron ore pellets with a lower silica content than blast furnace pellets. We have verified that our iron ore reserves are suitable for direct reduced (DR) grade pellet production and are examining the capital and engineering design process requirements to produce DR grade pellets at our Minntac operations for use internally by the Company if we were to construct a DRI facility or for sale to external third parties with DRI facilities.

Disposal of assets in the first three months of 2014 primarily reflects cash proceeds from transactions to sell and swap a portion of the emissions allowances at USSK.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes U. S. Steel's liquidity as of March 31, 2015:

(Dollars in millions)		
Cash and cash equivalents	$	1,266
Amount available under $875 Million Credit Facility		875
Amount available under Receivables Purchase Agreement		452
Amount available under USSK credit facilities		246
Total estimated liquidity	$	2,839

As of March 31, 2015, $387 million of the total cash and cash equivalents was held by our foreign subsidiaries. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of the election effective December 31, 2013 to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

As of March 31, 2015, there were no amounts drawn under our $875 million credit facility agreement (Amended Credit Agreement) and inventory values calculated in accordance with the Amended Credit Agreement supported the full $875 million of the facility. Under the Amended Credit Agreement, U. S. Steel must maintain a fixed charge coverage ratio (as further defined in the Amended Credit Agreement) of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Amended Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $87.5 million. Since availability was greater than $87.5 million, compliance with the fixed charge coverage ratio covenant was not applicable.

U. S. Steel has a Receivables Purchase Agreement (RPA) that provides liquidity and letters of credit depending upon the number of eligible domestic receivables generated by U. S. Steel. Domestic trade accounts receivables are sold, on a daily basis, without recourse, to U. S. Steel Receivables, LLC (USSR), a consolidated wholly owned special purpose entity. As U. S. Steel accesses this facility, USSR sells senior undivided interests in the receivables to third parties, while maintaining a subordinated undivided interest in a portion of the receivables. U. S. Steel has agreed to continue servicing the sold receivables at market rates.

The RPA may be terminated on the occurrence and failure to cure certain events, including, among others, failure by U. S. Steel to make payments under our material debt obligations and any failure to maintain certain ratios related to the collectability of the receivables. The maximum amount of receivables eligible for sale is $625 million and the facility expires in July 2016. At March 31, 2015, eligible accounts receivable supported $502 million of availability under the RPA, and there were no receivables sold to third-parties under this facility. The subordinated retained interest at March 31, 2015 was $502 million with availability of $452 million due to approximately $50 million of letters of credit outstanding. On April 28, 2015, the subordinated retained interest was $416 million with availability of $366 million due to approximately $50 million of letters of credit outstanding. The availability under the RPA can be less than the total commitment amount depending on the amount of eligible receivables supporting the agreement.

A t March 31, 2015, USSK had no borrowings under its €200 million (approximately $215 million) unsecured revolving credit facility (the USSK Credit Agreement). The USSK Credit Agreement contains certain USSK financial covenants (as further defined in the USSK Credit Agreement) as well as other customary terms and conditions. At March 31, 2015, USSK had full availability under the USSK Credit Agreement. The USSK Credit Agreement expires in July 2016.

USSK also has a €20 million unsecured revolving credit facility that expires in December 2015 and a €10 million unsecured credit facility that expires in December 2016. At March 31, 2015, USSK had no borrowings under its €20 million and €10 million unsecured credit facilities (collectively approximately $31 million) and the availability was approximately $30 million due to approximately $1 million of outstanding customs and other guarantees.

In conjunction with the filing for CCAA protection, on September 16, 2014, U. S. Steel entered into a Debtor-in-Possession (DIP) credit facility with USSC, that was approved by the Ontario Superior Court of Justice on October 8, 2014, and provides for borrowings under the facility of a maximum commitment of C$185 million (approximately $146 million). At March 31, 2015, there were no amounts drawn under the DIP facility.

We may from time to time seek to retire or purchase our outstanding long-term debt in open market purchases, privately negotiated transactions, exchange transactions or otherwise. Such purchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors and may be commenced or suspended at any time. The amounts involved may be material.

We use surety bonds, trusts and letters of credit to provide financial assurance for certain transactions and business activities. The use of some forms of financial assurance and cash collateral have a negative impact on liquidity. U. S. Steel has committed $165 million of liquidity sources for financial assurance purposes as of March 31, 2015. Increases in these commitments which use collateral are reflected in restricted cash on the consolidated statement of cash flows.

If there is a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling $2,891 million as of March 31, 2015 (including the Senior Notes and Senior Convertible Notes) may be declared immediately due and payable; (b) the Amended Credit Agreement, the RPA and the USSK Credit Agreement may be terminated and any amounts outstanding declared immediately due and payable; and (c) U. S. Steel may be required to either repurchase the leased Fairfield slab caster for $36 million or provide a cash collateralized letter of credit to secure the remaining obligation.

The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled $4 million at March 31, 2015. If any default related to the guaranteed indebtedness occurs, U. S. Steel has access to its interest in the assets of the investees to reduce its potential losses under the guarantees.

Our major cash requirements in 2015 are expected to be for capital expenditures, employee benefits, and operating costs, including purchases of raw materials. We finished the first quarter of 2015 with $1,266 million of cash and cash equivalents and $2.8 billion of total liquidity. Available cash is left on deposit with financial institutions or invested in highly liquid securities with parties we believe to be creditworthy.

U. S. Steel management believes that U. S. Steel’s liquidity will be adequate to satisfy our obligations for the foreseeable future, including obligations to complete currently authorized capital spending programs. Future requirements for U. S. Steel’s business needs, including the funding of acquisitions and capital expenditures, scheduled debt maturities, contributions to employee benefit plans, and any amounts that may ultimately be paid in connection with contingencies, are expected to be financed by a combination of internally generated funds (including asset sales), proceeds from the sale of stock, borrowings, refinancings and other external financing sources.

Environmental Matters, Litigation and Contingencies

U. S. Steel has incurred and will continue to incur substantial capital, operating, and maintenance and remediation expenditures as a result of environmental laws and regulations, related to release of hazardous materials, which in recent years have been mainly for process changes to meet Clean Air Act (CAA) obligations and similar obligations in Europe. Future compliance with carbon dioxide (CO_2) emission requirements may include substantial costs for emission allowances, restriction of production and higher prices for coking coal, natural gas and electricity generated by carbon based systems. Because we cannot predict what requirements ultimately will be imposed in the U.S. and Europe, it is difficult to estimate the likely impact on U. S. Steel, but it could be substantial. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of U. S. Steel's products and services, operating results will be reduced. U. S. Steel believes that our major North American and many European integrated steel competitors are confronted with substantially similar conditions and thus does not believe that its relative position with regard to such competitors will be materially affected by the impact of environmental laws and regulations. However, if the final requirements do not recognize the fact that the integrated steel process involves a series of chemical reactions involving carbon that create CO_2 emissions, our competitive position relative to mini-mills will be adversely impacted. Our competitive position compared to producers in developing nations such as China, Russia, Ukraine and India, will be harmed unless such nations require commensurate reductions in CO_2 emissions. Competing materials such as plastics may not be similarly impacted. The specific impact on each competitor will vary depending on a number of factors, including the age and location of its operating facilities and its production methods. U. S. Steel is also responsible for remediation costs related to former and present operating locations and disposal of environmentally sensitive materials. Many of our competitors, including North American producers, or their successors, that have been the subject of bankruptcy relief have no or substantially lower liabilities for such environmental remediation matters.

Some of U. S. Steel’s facilities were in operation before 1900. Although management believes that U. S. Steel’s environmental practices have either led the industry or at least been consistent with prevailing industry practices, hazardous materials may have been released at current or former operating sites or delivered to sites operated by third parties. This means U. S. Steel is responsible for remediation costs associated with the release and/or disposal of such materials and many of our competitors do not have similar historical liabilities.

Our U.S. facilities are subject to environmental laws applicable in the U.S., including the CAA, the Clean Water Act (CWA), the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as well as state and local laws and regulations.

USSK is subject to the environmental laws of Slovakia and the European Union (EU). An EU law commonly known as Registration, Evaluation, Authorization and Restriction of Chemicals, Regulation 1907/2006 (REACH) requires the registration of certain substances produced in or imported into the EU, and applying for authorization to continue use where replacement of certain substances is not possible or feasible. In some cases replacements for substances currently used in our operations will have to be implemented. We are also beginning the process of seeking authorization for continued use of these substances until viable alternatives can be proved and implemented. Although USSK is currently compliant with REACH, efforts to remain compliant will require capital investment and increased operational costs. We cannot reliably estimate the potential cost of complying with these measures at this time. For further discussion of laws applicable in Slovakia and the EU and their impact on USSK, see Note 19 to the Consolidated Financial Statements, "Contingencies and Commitments – Environmental Matters – European Union (EU) Environmental Requirements."

A Memorandum of Understanding (MOU) was signed in March of 2013 between U. S. Steel and the government of Slovakia. The MOU outlines areas in which the government and U. S. Steel will work together to help create a more competitive environment and conditions for USSK. Incentives the government of Slovakia agreed to provide include potential participation in a renewable energy program that provides the opportunity to reduce electricity costs, as well as the potential for government grants and other support concerning investments in environmental control technology that may be required under the recently adopted EU requirements to implement best available technique (BAT) to reduce environmental impacts. Although there are many conditions and uncertainties regarding the grants, including matters controlled by the EU, the value of these incentives as stated in the MOU could be as much as €75 million. U. S. Steel also agreed to pay the government of Slovakia specified declining amounts should U. S. Steel sell USSK within five years of the date of the MOU. We continue to work closely with the government of Slovakia to monitor the progress of the respective commitments and to achieve the incentives described in the MOU.

New and Emerging Environmental Regulations

The current and potential regulation of greenhouse gas (GHG) emissions remains a significant issue for the steel industry, particularly for integrated steel producers such as U. S. Steel, but also increasingly for electric arc furnace (EAF) producers due to regulatory actions impacting the power generation sector. The EPA has classified GHGs, such as CO_2, as harmful gases. Under this premise, it has implemented a GHG emission monitoring and reporting requirement for all facilities emitting 25,000 metric tons or more per year of CO_2, as well as equivalent CO_2 quantities of methane and nitrous oxide. Consistent with prior years' reporting, 14 U. S. Steel facilities submitted reports including Gary Works, East Chicago Tin, Midwest Plant, Clairton Plant, Edgar Thomson Plant, Irvin Plant, Fairless Plant, Fairfield Sheet, Fairfield Tubular, Granite City Works, Great Lakes Works, Lorain Tubular, Minntac and Keetac. Lone Star Tubular is the only significant operation not required to report because its emissions were well below the 25,000 ton reporting threshold.

On January 8, 2014, the EPA re-proposed its New Source Performance Standards (NSPS) for GHG emissions from new electric generating units (EGUs). The re-proposed NSPS impose separate intensity-based GHG limits for new coal fired and new natural gas fired power EGUs. Although the re-proposed NSPS would affect only new EGUs, the potential impacts of the rule’s issuance extend beyond new sources, because the EPA has taken the position that it is obligated under Section 111(d) of the CAA to promulgate guidelines for existing sources within a category when it promulgates GHG standards for new sources. Accordingly, in June 2014, the EPA proposed guidance for regulating GHGs from existing fossil fueled EGUs that imposes a two-part goal structure for existing power generation in each state. The structure is composed of an interim goal for states to meet on average over the ten-year period from 2020-2029, and a final goal that a state must meet at the end of that period in 2030 and thereafter. The final goal is to achieve a 30 percent reduction of GHG emissions by 2030 from 2005 levels. States are said to be given flexibility in terms of how to achieve their goal and what measures to implement, but must submit plans no later than June 30, 2016. The impact these rules will have on the supply and cost of electricity to industrial consumers, especially the energy intensive industries, is being evaluated. We believe there will be increased operating costs, such as increased energy and maintenance costs, but we are currently unable to reliably estimate them.

The EU has established GHG regulations for the EU member states. International negotiations to supplement and eventually replace the 1997 Kyoto Protocol are ongoing. The next round of negotiations will take place in 2015. In October 2014, the European Council approved 2030 goals in the areas of GHG reduction, energy efficiency and the use of renewable resources. Those targets are expected to transfer into legislation by 2020. Until the full details of the program are made known through specific enacting legislation, we cannot forecast the costs and benefits which might result from the program.

In September 2011, the EPA sent domestic integrated steel facilities, including U. S. Steel, an Information Collection Request for future rulemaking activities pursuant to the Clean Air Act (CAA). U. S. Steel responded to the request, and EPA is currently performing a risk and technology review of the Iron and Steel Maximum Achievable Control Technology (MACT). U. S. Steel and other integrated steel companies are in communication with the EPA on the review. Additionally, the EPA is required, pursuant to a court ordered settlement, to conduct a risk and technology review of the Coke Pushing, Quenching, and Battery Stack MACT. U. S. Steel is anticipating a forthcoming Information Collection Request from EPA. At this time, the operational and financial impact of the Iron and Steel MACT or Coke MACT review cannot be quantified.

The European Commission (EC) has created an Emissions Trading System (ETS) and, since 2013, the ETS has been employing centralized allocation rather than national allocation plans, which are more stringent than the previous requirements. The ETS also includes a cap designed to achieve an overall reduction of GHGs for the ETS sectors of 21 percent in 2020 compared to 2005 emissions, and auctioning as the basic principle for allocating emissions allowances.

U. S. Steel entered into transactions to sell and swap a portion of our emissions allowances and recognized a gain of $17 million during the three months ended March 31, 2014. There were no such similar transactions for the three months ended March 31, 2015.

For further discussion of the ETS and related EU legislation, see Note 19 to the Consolidated Financial Statements, "Contingencies and Commitments – Environmental Matters – CO_2 Emissions."

In June 2010, the EPA set a new National Ambient Air Quality Standard (NAAQS) for sulfur dioxide (SO_2). Subsequently, the Great Lakes Works and Mon Valley Works facilities were deemed to be located in non-attainment areas for the SO_2 NAAQS. The non-attainment designation will require the facilities to implement operational and/or capital requirements to demonstrate attainment with the 2010 standard. The EPA will determine SO_2 NAAQS attainment designations for the remainder of U. S. Steel facilities at a future date. At this time, the operational and financial impact of the SO_2 NAAQS cannot be quantified.

Environmental Remediation

Claims under CERCLA and related state laws have been raised with respect to the cleanup of various waste disposal and other sites. Under CERCLA, potentially responsible parties (PRPs) for a site include current owners and operators, past owners and operators at the time of disposal, persons who arranged for disposal of a hazardous substance at a site, and persons who transported a hazardous substance to a site. CERCLA imposes strict and joint and several liabilities. 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, we are unable to reasonably estimate U. S. Steel's ultimate liabilities under CERCLA and analogous state laws.

At March 31, 2015, U. S. Steel had been identified as a PRP at a total of 9 CERCLA sites where liability is not resolved. Based on currently available information, which is in many cases preliminary and incomplete, management believes that U. S. Steel's liability for CERCLA cleanup and remediation costs will be between $100,000 and $1 million for 7 sites, between $1 million and $5 million for one site and over $5 million for one site.

In addition to the foregoing matters, there are 6 sites related to U. S. Steel where information requests have been received or there are other indications that U. S. Steel may be a PRP under CERCLA, but where sufficient information is not presently available to confirm the existence of liability or to make any judgment as to the amount thereof.

For further discussion of relevant environmental matters, see "Part II. Other information – Item 1. Legal Proceedings – Environmental Proceedings."

During the first three months of 2015, U. S. Steel recorded a net decrease of $2 million to our accrual balance for environmental matters for U.S. and international facilities. The total accrual for such liabilities at March 31, 2015 was $210 million. These amounts exclude liabilities related to asset retirement obligations, disclosed in Note 13 to the Consolidated Financial Statements.

U. S. 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. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the consolidated financial statements. However, management believes that U. S. Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably to U. S. Steel.

OFF-BALANCE SHEET ARRANGEMENTS

U. S. Steel did not enter into any new material off-balance sheet arrangements during the first quarter of 2015.

OUTLOOK

We are currently operating in the face of extremely difficult conditions, particularly in North America. We have made significant progress during our Carnegie Way transformation on improving our business model, including cost structure improvements, which will enable us to increase our earnings power across all market conditions.

The headwinds we faced entering 2015 have intensified. Spot prices for flat-rolled products have decreased at an accelerated pace reaching levels well below market expectations at the beginning of the year and imports have remained at historically high levels, both negatively impacting our flat-rolled order rates. The pace and magnitude of the drop in both oil prices and drilling rig counts have resulted in decreased steel demand for both finished tubular products and substrate supplied by our Flat-Rolled segment for the production of tubular products. Lower order rates for both flat-rolled and tubular products have resulted in lower utilization rates and increased operational inefficiencies at all of our U.S. facilities.

We expect lower overall steel consumption levels to unfavorably impact the timing of a rebalance of supply chain inventory levels in both the flat-rolled and tubular markets we serve; however, we expect market conditions to improve during the second half of 2015, which will have a positive impact on our Flat-Rolled segment as inventory destocking nears completion. We have taken aggressive actions to reduce costs and adjust our operating levels in the near term but cannot fully offset these increased headwinds. We remain focused on meeting both the current and future needs of our customers by providing innovative and value enhancing solutions, as well as on the Carnegie Way transformation.

Based on all of the factors described above, we expect full-year 2015 adjusted EBIT to be between $115 million and $315 million, or full-year 2015 adjusted earnings before interest, income taxes, depreciation and amortization (EBITDA) of between $700 million and $900 million.

INTERNATIONAL TRADE

Demand for flat-rolled products is influenced by a wide variety of factors, including but not limited to macro-economic drivers, the supply-demand balance, inventories, imports and exports, currency fluctuations, and the demand from flat-rolled consuming markets. The largest drivers of North American consumption have historically been the automotive and construction markets, which make up at least 50 percent of total sheet consumption. Other sheet consuming industries include appliance, converter, container, tin, energy, electrical equipment, agricultural, domestic and commercial equipment and industrial machinery.

USSE conducts business primarily in Europe. Like our domestic operations, USSE is affected by the cyclical nature of demand for steel products and the sensitivity of that demand to worldwide general economic conditions, as well as currency fluctuations. The sovereign debt issues in the European Union (EU), and the resulting economic uncertainties, can adversely affect markets. We are subject to market conditions in those areas, which are influenced by many of the same factors that affect U.S. markets, as well as matters specific to international markets such as quotas, tariffs and other protectionist measures. In addition, geopolitical tension in the region between Russia and the Ukraine may adversely affect markets in the EU and the broader region.

Demand for energy related tubular products depends on several factors, most notably energy prices, which tend to affect the number of oil and natural gas wells being drilled, completed and re-worked, the depth and drilling conditions of these wells and the drilling techniques utilized. The level of these activities depends primarily on the demand for natural gas and oil and expectations about future prices for these commodities. Demand for our tubular products is also affected by the continuing development of shale oil and gas reserves, the level of production by domestic manufacturers, inventories maintained by manufacturers, distributors, and end users and by the level of new capacity and imports in the markets we serve.

U. S. Steel remains active in its efforts to ensure that competitors are not engaging in unfair trade practices. In recent years, a significant number of steel imports have been found to violate United States or Canadian trade laws. Under these laws, antidumping duties (AD) can be imposed against dumped products, which are products sold at a price that is less than fair value. Countervailing duties (CVD) can be imposed against products that have benefited from foreign government assistance for the production, manufacture, or exportation of the product. For many years, U. S. Steel, other producers, customers and the United Steelworkers have sought the imposition of duties and in many cases have been successful.

As in the past, U. S. Steel continues to monitor unfairly traded imports and is prepared to seek appropriate remedies against such importing countries. On July 2, 2013, U. S. Steel and eight other domestic producers filed AD and CVD petitions against imports of oil country tubular goods (OCTG) from India and Turkey, along with AD petitions against imports of OCTG from the Philippines, Saudi Arabia, South Korea, Taiwan, Thailand, Ukraine, and Vietnam. These petitions allege that unfairly-traded imports from the subject countries are both a cause and a threat of material injury to United States producers of OCTG.

On July 11, 2014, the U.S. Department of Commerce (DOC) announced its final determinations in both the CVD investigations of OCTG from India and Turkey and the AD investigations of India, South Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine and Vietnam. The DOC made an affirmative determination that exporters and producers in all nine countries were importing OCTG into the United States at less than fair value. The DOC calculated AD margins for all nine countries and CVD margins against India and Turkey.

However, on August 11, 2014, the DOC entered an amended final determination in the Saudi Arabia investigation and revised the margin for Saudi Arabia to be less than 2 percent ad valorem. As a result of the final and amended final determinations, the DOC will "suspend liquidation" and require cash deposits of AD and/or CVD duties for imports of OCTG from those producers and exporters with dumping margins and/or subsidy rates equal to or greater than 2 percent ad valorem.

On August 22, 2014, the U.S. International Trade Commission (ITC) voted that imports from India, South Korea, Taiwan, Turkey, Ukraine, and Vietnam caused injury to the domestic industry, but did not find injury with regards to imports from the Philippines or Thailand.

On September 10, 2014, the DOC issued AD orders against India, South Korea, Taiwan, Turkey, Ukraine, and Vietnam and CVD orders against India and Turkey. While the duties mentioned above cover 90 percent of the unfairly traded imports entering the U.S. markets in 2013, U. S. Steel will continue its efforts to ensure that all OCTG imports are fairly traded. As such, U. S. Steel filed an appeal to the Court of International Trade (CIT) regarding the DOC's de minimis determination on Saudi Arabian OCTG imports, as well as appeals to the ITC's negligibility finding for Thailand and the Philippines. Additionally, the respondents have filed appeals to the CIT in the OCTG case. At present, there are 26 separate appeals filed at the CIT from the OCTG determinations. At the end of 2014, South Korea filed a separate action with the World Trade Organization challenging the OCTG ruling. While U. S. Steel strongly believes that all of the imports in question were traded unfairly, and that relief is fully justified under United States law, the outcome of the appeals remains uncertain.

AD and CVD orders are generally subject to "sunset" reviews every five years and U. S. Steel actively participates in such review proceedings. In May 2014, the United States government completed the five-year sunset review of the AD and CVD orders on welded line pipe from China. The United States government decided to maintain AD and CVD orders on the welded pipe from China. In January 2014, the United States government completed five-year sunset reviews of: (i) AD orders on hot-rolled steel from China, Taiwan, and Ukraine; and (ii) AD and CVD orders on hot-rolled steel from India, Indonesia and Thailand. In each of those reviews, the AD and CVD orders were kept in place. In January 2015, the United States government initiated the five-year sunset review of the AD and CVD orders on OCTG from China. On March 6, 2015, the ITC voted to conduct an expedited review, and on April 7, 2015, the DOC made its final determination that revocation of the order would be likely to lead to the continuation or recurrence of dumping and the continuation or recurrence of the use of countervailable subsidies. On April 28, 2015, the ITC commissioners voted six to zero in the affirmative to continue the AD and CVD orders on OCTG from China. As a result, AD rates ranging from 32.1 percent to 172.5 percent, and CVD rates ranging from 20.9 percent to 26.2 percent will continue to be imposed against imports of OCTG from China. The AD and CVD orders will remain in place for an additional five years. U. S. Steel will continue to aggressively pursue the retention of the AD and CVD orders on OCTG from China.

In 1999, the United States entered into an agreement with Russia suspending 1998 AD orders covering hot-rolled steel coil. In 2014, a surge of over 900,000 tons of Russian hot-rolled steel coil was imported into the U. S. market at average unit values significantly below steel produced in the United States. U. S. Steel and other domestic steel producers supported the termination of the Russian Suspension Agreement. On October 17, 2014, the DOC notified the Russian Economy Ministry that the United States would terminate the 1999 Hot-rolled Steel Suspension Agreement in 60 days. On December 16, 2014, duties of 73.59 percent for Severstal and 184.56 percent for all other Russian producers and exporters went into effect. Although this may have a positive impact to U. S. Steel in North America, it may adversely affect USSE as Russia is now trying to move more into the European market, and we may potentially see an increase in imports into the EU and surrounding countries.

On January 28, 2015, the Turkish Ministry of Economy launched an anti-dumping probe on imports of hot-rolled steel coils from China, Japan, France, Russia, Ukraine, Romania, and Slovakia, which implicates exports from USSK. While U. S. Steel strongly believes that imports of hot-rolled steel coils from Slovakia did not injure the domestic hot-rolled steel coil producers in Turkey, the outcome of the probe remains uncertain.

Steel sheet imports to the United States accounted for an estimated 22 percent of the steel sheet market in the United States in 2014, 15 percent in 2013 and 14 percent in 2012. Increases in future levels of imported steel could reduce future market prices and demand levels for steel produced in our U.S. facilities.

Imports of flat-rolled steel to Canada accounted for an estimated 36 percent of the Canadian market for flat-rolled steel products in 2014, 35 percent in 2013 and 34 percent in 2012.

Total imports of flat-rolled carbon steel products (excluding quarto plates and wide flats) to the 28 countries currently comprising the EU were 16 percent of the EU market in 2014, 14 percent in 2013 and 13 percent in 2012. Increases in future levels of imported steel could reduce market prices and demand levels for steel produced by USSE.

Energy related tubular products imported into the United States accounted for an estimated 52 percent of the U.S. domestic market in 2014, 49 percent in 2013 and 52 percent in 2012.

Competition from imports will continue to influence the market. U. S. Steel will continue to closely monitor imports of products in which U. S. Steel has an interest. Additional complaints are likely as unfairly-traded imports adversely impact, or threaten to adversely impact, U. S. Steel's financial results.

NEW ACCOUNTING STANDARDS

See Note 2 to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes in U. S. Steel's exposure to market risk from December 31, 2014.

Item 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

U. S. Steel has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of March 31, 2015. These disclosure controls and procedures are the controls and other procedures that were designed to ensure that information required to be disclosed in reports that are filed with or submitted to the U.S. Securities and Exchange Commission are: (1) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported within the time periods specified in applicable law and regulations. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2015, U. S. Steel's disclosure controls and procedures were effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in U. S. Steel's internal control over financial reporting that occurred during the fiscal quarter covered by this quarterly report, which have materially affected, or are reasonably likely to materially affect, U. S. Steel's internal control over financial reporting.

UNITED STATES STEEL CORPORATION
SUPPLEMENTAL STATISTICS (Unaudited)

(Dollars in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
SEGMENT EARNINGS (LOSS) BEFORE INTEREST AND INCOME TAXES:		
Flat-Rolled	**$ (67)**	$ 85
U. S. Steel Europe	**37**	32
Tubular	**1**	24
Total reportable segments	**(29)**	141
Other Businesses	**8**	13
Items not allocated to segments:		
Postretirement benefit expense	**(13)**	(32)
Other items not allocated to segments:		
Loss on shutdown of coke production facilities	**(153)**	—
Total (loss) earnings before interest and income taxes	**$ (187)**	$ 122
CAPITAL EXPENDITURES		
Flat-Rolled	**$ 132**	$ 55
U. S. Steel Europe	**21**	18
Tubular	**16**	16
Other Businesses	**3**	1
Total [a]	**$ 172**	$ 90
OPERATING STATISTICS		
Average realized price: ($/net ton) [b]		
Flat-Rolled	**$ 768**	$ 761
Flat-Rolled U.S. Facilities [c]	**768**	774
U. S. Steel Europe	**530**	710
Tubular	**1,637**	1,479
Steel Shipments: [b][d]		
Flat-Rolled	**2,617**	3,674
Flat-Rolled U.S. Facilities [c]	**2,617**	3,115
U. S. Steel Europe	**1,264**	1,031
Tubular	**220**	419
Raw Steel Production: [d]		
Flat-Rolled	**2,868**	4,491
U. S. Steel Europe	**1,283**	1,141
Raw Steel Capability Utilization: [e]		
Flat-Rolled	**60%**	83%
Flat-Rolled U.S. Facilities [f]	**60%**	81%
U. S. Steel Europe	**104%**	93%

[a] Excludes the (decrease) increase in accrued capital expenditures of $(58) million and $18 million for the quarters ended March 31, 2015, and 2014, respectively.
[b] Excludes intersegment transfers.
[c] Excludes U. S. Steel Canada Inc. for all periods presented.
[d] Thousands of net tons.
[e] Based on annual raw steel production capability of 22.0 million net tons for Flat-Rolled and 5.0 million net tons for USSE. Subsequent to USSC's CCAA filing on September 16, 2014, annual raw steel production capability for Flat-Rolled is 19.4 million tons.
[f] AISI capability utilization rates include our U.S. facilities (Gary Works, Great Lakes Works, Mon Valley Works, Granite City Works and Fairfield Works).

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

GENERAL LITIGATION

On September 16, 2014 U. S. Steel Canada Inc. commenced court-supervised restructuring proceedings under Canada's Companies' Creditors Arrangement Act (CCAA) before the Ontario Superior Court of Justice. As part of the CCAA proceedings, U. S. Steel has submitted both secured and unsecured claims that have been verified by the court-appointed Monitor. As of March 31, 2015, the court-appointed Monitor has verified U. S. Steel's claims in the CCAA proceedings are approximately $1.8 billion. U. S. Steel's claims have been challenged by a number of interested parties which, if successful, could result in the reclassification of those claims and/or modifications to the values of those claims. U. S. Steel is contesting those challenges within the CCAA proceedings, the outcome of which can not be reasonably estimated at this time.

ENVIRONMENTAL PROCEEDINGS

Gary Works

U. S. Steel has agreed to close three hazardous waste disposal (HWD) sites located on plant property at Gary Works: D5, along with an adjacent solid waste disposal unit, Terminal Treatment Plant (TTP) Area; T2; and D2 combined with a portion of the Refuse Area, where a solid waste disposal unit overlaps with the hazardous waste disposal unit. The Indiana Department of Environmental Management (IDEM) has approved the closure plans for all three sites. Closure is complete at D5, TTP, and T2, with IDEM approval of the closure certification reports on February 1, 2012 (D5), April 3, 2012 (TTP), and November 1, 2012 (T2). Final field work for the HWD-2 and Refuse Area Project will continue through the second quarter of 2015. As of March 31, 2015, the accrued liability for estimated costs to close these sites is approximately $6 million.

On October 23, 1998, the EPA issued a final Administrative Order on Consent (Order) addressing Corrective Action for Solid Waste Management Units (SWMU) throughout Gary Works. This Order requires U. S. Steel to perform a RCRA Facility Investigation (RFI), a Corrective Measure Study (CMS) and Corrective Measure Implementation. Reports of field investigation findings for Phase I work plans have been submitted to the EPA. Through March 31, 2015, U. S. Steel has spent $61 million for corrective action studies, Vessel Slip Turning Basin interim measures and other corrective actions.

U. S. Steel received notification from the EPA in September 2014 that the requirement for conducting a Perimeter Groundwater Monitoring Program as defined in the Order had been satisfied. U. S. Steel continues to conduct focused groundwater assessment work previously identified by the Program and approved by the EPA. U. S. Steel has completed portions of an Interim Stabilization Measure to address certain components of the East Side Groundwater Solid Waste Management Area as required by the Order. Until the remaining Phase I work and Phase II field investigations are completed, it is not possible to assess what additional expenditures will be necessary for Corrective Action projects at Gary Works. In total, the accrued liability for Corrective Action projects is approximately $33 million as of March 31, 2015, based on the estimated remaining costs.

Mon Valley Works

On October 23, 2013, the Allegheny County Health Department (ACHD) issued a notice of violation (NOV) to U. S. Steel regarding emissions from its C Battery quench tower. In the NOV, ACHD alleges that based upon stack testing data, the sulfur compound emissions from the quench tower exceeded those authorized by the corresponding installation permit. U. S. Steel notified ACHD that it cannot continuously meet the sulfur compound emission limits from the pushing operations and the underfire stack at C Battery, and that it cannot certify continuous compliance with permit requirements associated with charging emissions from C Battery. On August 7, 2014, U. S. Steel and ACHD entered into an administrative Consent Order and Agreement in which U. S. Steel agreed to (and subsequently did) submit a permit application to correct the emission limits for pushing, quenching, and the underfire stacks, comply with the charging limit by October 31, 2015, and pay a civil penalty of $300,000. $150,000 of this penalty has been paid and the remaining $150,000 is due by December 31, 2015.

Fairless Plant

In January 1992, U. S. Steel commenced negotiations with the EPA regarding the terms of an Administrative Order on consent, pursuant to RCRA, under which U. S. Steel would perform an RFI and a CMS at our Fairless Plant. A

Phase I RFI report was submitted during the third quarter of 1997. The cost to U. S. Steel to continue to maintain the interim measures, develop a Phase II/III RFI Work Plan and implement certain corrective measures is estimated to be $597,000. Significant additional costs associated with this site are possible and are referenced in Note 19 to the Consolidated Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

Fairfield Works

A consent decree was signed by U. S. Steel, the 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. In accordance with the consent decree, U. S. Steel initiated a RCRA corrective action program at the Fairfield Works facility. The Alabama Department of Environmental Management (ADEM), with the approval of the EPA, assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works. The Phase I RFI for waste disposed of at the Exum Materials Management Area was voluntarily implemented in December 2011 with a final completion report submitted to ADEM in June 2012. A Phase II RFI for the Fairfield facility property was completed in December 2012 and the completion report was submitted to ADEM in the third quarter of 2013. Additional Phase II facility investigations will commence in the second quarter of 2015. In total, the accrued liability for remaining work under the Corrective Action Program, including the former Ensley facility, was $408,000 at March 31, 2015, based on estimated remaining costs. Significant additional costs associated with this site are possible and are referenced in Note 19 to the Consolidated Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

Lorain Tubular Operations

In September 2006, U. S. Steel received a letter from the Ohio Environmental Protection Agency (OEPA) inviting U. S. Steel to enter into discussions about RCRA Corrective Action at Lorain Tubular Operations. A Phase I RFI on the identified SWMUs and Area of Contamination was submitted in March 2012. A revised Phase II workplan that addresses additional soil investigations, site wide groundwater and the pipe mill lagoon was submitted to the OEPA in July 2013 and approved in December 2013. Perimeter groundwater monitoring wells were installed in June 2014 and the two rounds of sampling have been completed. As of March 31, 2015, U. S. Steel has spent $1 million on studies at this site, and costs to complete additional projects are estimated to be $183,000. Significant additional costs associated with this site are possible and are referenced in Note 19 to the Consolidated Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

Great Lakes Works

On October 10, 2012, the Michigan Department of Environmental Quality (MDEQ) issued a Violation Notice alleging the No. 2 baghouse at the No. 2 BOP exceeded applicable emission limits based upon stack testing conducted earlier in 2012. On October 31, 2012, U. S. Steel responded to the notice indicating that corrective actions at the baghouse have been employed, and stack tests conducted after the repairs were made demonstrate the stack complies with emission limits. In addition, on April 26, 2013, MDEQ issued a Violation Notice alleging the Selective Catalytic Reduction system on the Continuous Galvanizing Line was not operating properly on March 27, 2013. U. S. Steel responded to the Violation Notice on May 24, 2013. On October 8, 2014, U. S. Steel entered into an administrative consent order with MDEQ in which U. S. Steel, while admitting no liability, agreed to pay a civil penalty of $111,000, retest the No. 2 BOP baghouse, and submit a permit application to revise the limits and operating practices regarding the Continuous Galvanizing Line. U. S. Steel has since paid the civil penalty, submitted a permit application to amend the permit limit and operating practices of the Continuous Galvanizing Line, and is arranging to retest the No. 2 BOP baghouse pursuant to the terms of the consent order. U. S. Steel is currently negotiating the requested revisions to the Continuous Galvanizing Line with MDEQ.

In a Violation Notice dated March 13, 2014, MDEQ alleged that Great Lakes Works installed two emergency diesel generators without obtaining a permit to install. The generators were installed in 2006. On April 3, 2014, U. S. Steel responded to the notice indicating that according to MDEQ regulations, the emergency generators are exempt from permitting and that no violation occurred. In addition, U. S. Steel questioned the timeliness of the notice because U. S. Steel provided notice of their installation to MDEQ on August 3, 2006.

On March 27, 2014, the No. 2 BOP Shop experienced an incident when air pollution control ductwork unexpectedly collapsed. The incident resulted in structural damage and atypical emissions. On April 14, 2014, MDEQ issued a Violation Notice that also included a request for additional information. U. S. Steel responded to the notice on May 5,

2014. In addition, on April 14, 2014, the EPA issued a separate Notice of Violation regarding the same incident alleging that U. S. Steel failed to properly operate the BOP furnace and failed to continuously meet roof monitor opacity standards. U. S. Steel continues to discuss resolution of the matter with both MDEQ and the EPA.

During the first quarter of 2015, Great Lakes Works received Violation Notices from MDEQ relating to BOP roof monitor opacity exceedances which allegedly occurred in September and November of 2014. U. S. Steel is drafting responses to the notices and plans to discuss resolution of the matter with MDEQ.

On April 6, 2015, Great Lakes Works received a Violation Notice for emissions violations reported in the stack test results for the No. 1 Argon Stir Station baghouse submitted to MDEQ on December 9, 2014. U. S. Steel has responded to the notice.

Although discussions with MDEQ regarding the foregoing alleged violations are ongoing and the resolution of these matters is uncertain at this time, it is not anticipated that the result of those discussions will be material to U. S. Steel.

Granite City Works

U. S. Steel received two Violation Notices, dated February 20, 2004 and March 25, 2004, for air violations at the coke batteries, the blast furnace and the steel shop at our Granite City Works facility. All of the issues have been resolved except for an issue relating to air emissions that occurs when coke is pushed out of the ovens, for which a compliance plan has been submitted to the Illinois Environmental Protection Agency (IEPA). On December 18, 2007, U. S. Steel and IEPA entered into a Consent Order, (State of Illinois ex. rel. Lisa Madigan vs. United States Steel Corporation), which resolved the issues raised in the two Violation Notices. The Consent Order required that U. S. Steel (1) pay a penalty of $300,000, which U. S. Steel paid on January 10, 2008; (2) demonstrate compliance with Coke Oven Pushing Operations in accordance with the compliance schedule provided in the Order; (3) comply with the basic oxygen furnace (BOF) opacity emissions in accordance with the schedule provided in the Consent Order; and (4) submit to the IEPA a revised permit application with the correct sulfur dioxide emission factors. In February 2011, U. S. Steel demonstrated compliance with the applicable requirements, and in March 2011 U. S. Steel certified compliance with the applicable regulations. U. S. Steel continues to negotiate permit modifications to address the blast furnace gas sulfur dioxide emission factor as required by the Consent Order.

On July 1, 2010, U. S. Steel entered into a Memorandum of Understanding (MOU) with the IEPA that requires Granite City Works to achieve reductions in emissions of particulate matter. To complete the obligations pursuant to the MOU, U. S. Steel is constructing a new facility with additional pollution controls at the BOF. Construction of the new facility, which is expected to cost approximately $50 million, was begun in 2013 and startup is anticipated to occur in the second quarter of 2015.

On November 30, 2012, the IEPA issued a Violation Notice alleging violations of emission standards from the facility's BOF. In the Notice, the IEPA also alleged the facility failed to comply with associated CAA regulations and the facility did not use steam rings at the BOF as required by the facility's Title V permit. U. S. Steel met with the IEPA on February 6, 2013 and provided a written response to the IEPA on February 27, 2013. U. S. Steel and IEPA continue to discuss resolution of the matter.

Although discussions with the IEPA regarding the foregoing alleged violations are ongoing and the resolution of these matters is uncertain at this time, it is not anticipated that the result of those discussions will be material to U. S. Steel.

Minnesota Ore Operations

On February 6, 2013, the EPA published a Federal Implementation Plan (FIP) that applies to taconite facilities in Minnesota. The FIP establishes and requires the use of low NOx burners on indurating furnaces as Best Available Retrofit Technology. While U. S. Steel has already installed low NOx burners on two furnaces at Minntac and is currently obligated to install low NOx burners on the three other furnaces at Minntac pursuant to existing agreements and permits, the rule would require the installation of low NOx burners on the one furnace at Keetac for which U. S. Steel did not have an otherwise existing obligation. U. S. Steel estimates expenditures associated with the installation of low NOx burners of as much as $40 million to $50 million. On June 14, 2013, the Eighth Circuit Court of Appeals stayed the effectiveness of the FIP. The EPA also published a final rule denying the approval of the Minnesota State Implementation Plan (SIP), which did not require the installation of low NOx burners and determined the applicable Best Available Retrofit Technology on a case-by-case basis. U. S. Steel and other taconite facilities have petitioned the EPA for reconsideration of the final rule denying the SIP, and have also petitioned the Eighth Circuit for judicial review of the final rule denying the SIP. U. S. Steel continues to negotiate with the EPA to resolve the issues identified in the petitions.

On March 2, 2012, U. S. Steel's Keetac facility received an NOV from the Minnesota Pollution Control Agency (MPCA) for alleged violations of the Minnesota Fugitive Dust Rule. U. S. Steel responded to the notice on March 30, 2012 in which it respectfully contested the allegations provided in the notice. To date, no response from the MPCA has been received nor has any penalty been assessed.

On January 20, 2013, U. S. Steel's Keetac facility received an Alleged Violations Letter (AVL) from MPCA alleging a violation of Minnesota rules during a wind and fugitive dust event on the Keetac Taconite tailings basin in December 2012. In February 2013, U. S. Steel responded to the AVL indicating that no violation occurred, and also explained the actions taken by Keetac during the December wind event to minimize emissions. To date, no response from the MPCA has been received nor has any penalty been assessed.

On April 6, 2015, Keetac received an AVL from MPCA alleging that Keetac allowed particulate matter to become airborne on November 21, 2014, November 30, 2014, December 4, 2014, and February 4, 2015, and that the fugitive dust exited U. S. Steel property. U. S. Steel will provide a written response to the allegations raised in the letter as requested by MPCA.

In June 2011, U. S. Steel and MPCA reached agreement on a Schedule of Compliance (SOC) to address alleged water quality issues at the Minntac facility. The 2011 Agreement required U. S. Steel to determine sulfate levels at the property boundary and to resolve the water quality allegations. In addition, the Agreement anticipated that U. S. Steel would trial a dry control system on Line 6 at Minntac. Since then, U. S. Steel has employed actions to address some of the allegations raised in the SOC. In addition, since then, U. S. Steel has conducted additional investigations and evaluated technologies that would be used to address other water quality allegations in the SOC and reduce sulfate levels in groundwater outside the boundaries of Minnesota Ore. The actions already employed as well as the new data indicate that the proposed dry control system in the 2011 Agreement would not be an effective means to reach the goals outlined in the SOC. U. S. Steel is currently negotiating a path forward with MPCA.

Although discussions with MPCA regarding the foregoing alleged violations have not been concluded and the resolution of these matters is uncertain at this time, it is not anticipated that the result of those discussions will be material to U. S. Steel.

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 the current property owner pursuant to an agreement and a permit issued by the Utah Department of Environmental Quality (UDEQ). As of March 31, 2015, U. S. Steel has spent $18.7 million to complete remediation on certain areas of the site. Having completed the investigation on a majority of the remaining areas identified in the permit, U. S. Steel has determined the most effective means to address the remaining impacted material is to manage those materials in a previously approved on-site Corrective Action Management Unit (CAMU). Preliminary approval of the conceptual CAMU design has been granted by the UDEQ. U. S. Steel has an accrued liability of $64 million as of March 31, 2015, for our estimated share of the remaining costs of remediation.

Duluth Works

The former U. S. Steel Duluth Works site was placed on the National Priorities List under CERCLA in 1983 and on the State of Minnesota's Superfund list in 1984. Liability for environmental remediation at the site is governed by a Response Order by Consent executed with the MPCA in 1985 and a Record of Decision signed by MPCA in 1989. As of March 31, 2015, U. S. Steel has spent $24.8 million to complete remediation on certain areas of the site. U. S. Steel is finalizing two feasibility studies that include remedial measures to address contaminated sediments in the St. Louis River Estuary and several Upland Operable Units that could impact the Estuary if not addressed. Additionally, a Remedial Action Plan is being finalized to address the impacted areas on approximately 132 acres of upland property where a potential redevelopment opportunity has been identified. Additional study, investigation and oversight costs, and implementation of U. S. Steel's preferred remedial alternatives on the upland property and Estuary are currently estimated as of March 31, 2015 at $50 million.

USS-POSCO Industries (UPI)

At UPI, a joint venture between subsidiaries of U. S. Steel and POSCO, corrective measures have been implemented for the majority of the former SWMUs. Prior to the formation of UPI, U. S. Steel owned and operated the Pittsburg, California facility and retained responsibility for the existing environmental conditions. Seven SWMUs remain at the facility. Based on their constituents, six of these SWMUs have been combined into two groups of three, while one SWMU remains a single entity. Investigation of the single SWMU is complete and an engineered remedy was defined to account for the costs associated with implementing U. S. Steel's preferred remedy. Investigation for the second SWMU group is also complete with recommendations, limited to future monitoring only, currently being discussed with the California Department of Toxic Substances Control (DTSC). Evaluations continue for the remaining SWMU group and it is likely that corrective measures will be required, but it is not possible at this time to define a scope or estimate costs for what may be required by the DTSC. As of March 31, 2015, $8 million remains for ongoing environmental studies, investigations and remedy implementation. Significant additional costs associated with this site are possible and are referenced in Note 19 to the Consolidated Financial Statements "Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development."

EPA Region V Federal Lawsuit

On August 1, 2012, the EPA, joined by the States of Illinois, Indiana and Michigan, initiated an action in the Northern District of Indiana alleging various air regulatory violations at Gary Works, Granite City Works, and Great Lakes Works. For more information on this action, see Note 19 to the Consolidated Financial Statements "Contingencies and Commitments – EPA Region V Federal Lawsuit."

Other

In April 2003, U. S. Steel and Salomon Smith Barney Holdings, Inc. (SSB) entered into a Consent Order with the Kansas Department of Health & Environment (KDHE) concerning a former zinc smelting operation in Cherryvale, Kansas. Remediation was essentially completed in 2007 and U. S. Steel and SSB continue to work with KDHE to address the remaining issues. As such, the Consent Order was amended on May 3, 2013, to investigate potential contamination beyond the boundary of the former zinc smelting operation. As of March 31, 2015, an accrual of $573,000 remains available for addressing these outstanding issues.

In January of 2004, U. S. Steel received notice of a claim from the Texas Commission on Environmental Quality (TCEQ) and notice of claims from citizens of a cap failure at the Dayton Landfill. U. S. Steel's allocated share of liability at this site is approximately 16 percent. The Remedial Action Plan for the site was approved by TCEQ in June 2009. Implementation of remedial measures was initiated in July 2010 and all fieldwork was completed in November 2011. On March 18, 2013, TCEQ approved the Response Action Completion Report. The accrued liability for U. S. Steel's share to implement the post-closure monitoring program, which is not material to U. S. Steel, was $324,000 as of March 31, 2015, and no further costs are anticipated.

In May 2010, MPCA notified Canadian National Railroad Company (CN) of apparent environmental impacts on their property adjacent to the former U. S. Steel Duluth Works. U. S. Steel subsequently obtained information indicating its connection to the site, and reviewed a site investigation report that CN prepared and submitted to MPCA in August 2011. On December 6, 2011, U. S. Steel agreed to purchase the site and to take responsibility for addressing the identified environmental impacts. The property transaction was closed on June 26, 2012. The site was enrolled into the MPCA Voluntary Investigation and Cleanup Program in May 2014. As of March 31, 2015, U. S. Steel has an accrued liability of approximately $2 million.

U. S. Steel is identified as a PRP at the former Breslube-Penn operating site, an oil recycling and solvent recovery operation located in Coraopolis, PA. U. S. Steel's allocated share of the cost among the participating PRPs is approximately 29 percent. A Record of Decision was issued by the EPA in August 2007 and a Consent Decree to perform a Remedial Design/Remedial Action was entered by the court in September 2009. The EPA approved the Remedial Design on May 1, 2014, and construction of the remedy began in late May 2014. Remaining construction tasks will be completed in the first half of 2015. As of March 31, 2015, U. S. Steel has an accrued liability of approximately $1 million reflecting its share of the cost to complete remedial measures at the site.

Other Regulatory

In March 2015, the Occupational Safety Health and Administration (OSHA) issued multiple "Serious" citations and one "Willful" citation and proposed penalties totaling $107,900 resulting from a September 2014 fatality incident at U. S. Steel's Fairfield Works plant in Alabama. OSHA has proposed that U. S. Steel be placed in the Severe Violator

Enforcement Program. U. S. Steel has filed a Notice of Contest and is working towards an appropriate resolution with OSHA.

ASBESTOS LITIGATION

As of March 31, 2015, U. S. Steel was a defendant in approximately 900 active cases involving approximately 3,420 plaintiffs. The vast majority of these cases involve multiple defendants. At December 31, 2014, U. S. Steel was a defendant in approximately 880 active cases involving approximately 3,455 plaintiffs. About 2,540, or approximately 74 percent, of these plaintiff claims are currently pending in jurisdictions which permit filings with massive numbers of plaintiffs. Based upon U. S. Steel's experience in such cases, it believes that the actual number of plaintiffs who ultimately assert claims against U. S. Steel will likely be a small fraction of the total number of plaintiffs. During the three months ended March 31, 2015, settlements and other dispositions resolved approximately 110 claims, and new case filings added approximately 75 claims. During 2014, settlements and other dispositions resolved approximately 190 cases, and new case filings added approximately 325 cases.

The following table shows activity with respect to asbestos litigation:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2012	3,235	190	285	3,330
December 31, 2013	3,330	250	240	3,320
December 31, 2014	3,320	190	325	3,455
March 31, 2015	3,455	110	75	3,420

Historically, asbestos-related claims against U. S. Steel fall into three major groups: (1) claims made by persons who allegedly were exposed to asbestos on the premises of U. S. Steel facilities; (2) claims made by persons allegedly exposed to products manufactured by U. S. Steel; and (3) claims made under certain federal and maritime laws by employees of former operations of U. S. Steel.

The amount U. S. Steel accrues for pending asbestos claims is not material to U. S. Steel's financial condition. However, U. S. Steel is unable to estimate the ultimate outcome of asbestos-related claims due to a number of uncertainties, including (1) the rates at which new claims are filed, (2) the number of and effect of bankruptcies of other companies traditionally defending asbestos claims, (3) uncertainties associated with the variations in the litigation process from jurisdiction to jurisdiction, (4) uncertainties regarding the facts, circumstances and disease process with each claim, and (5) any new legislation enacted to address asbestos-related claims. Despite these uncertainties, management believes that the ultimate resolution of these matters will not have a material adverse effect on U. S. Steel's financial condition, although the resolution of such matters could significantly impact results of operations for a particular quarter.

Item 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations and other regulatory matters required by Section 150 of the Dodd-Frank Wall Street Reform Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-Q.

Item 6. EXHIBITS

10.1	Form of Non-Qualified Stock Option Grant Agreement.
10.2	Form of Incentive Award Agreement, 2010 Annual Incentive Compensation Plan.
10.3	Administrative Procedures for the Long-Term Incentive Compensation Program, as amended February 24, 2015.
10.4	Administrative Procedures for the Executive Management Annual Incentive Compensation Program, as amended January 27, 2015.
31.1	Certification of Chief Executive Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95	Mine Safety Disclosure required under Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document
101 LAB	XBRL Taxonomy Extension Label Linkbase Document
101 PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned chief accounting officer thereunto duly authorized.

UNITED STATES STEEL CORPORATION

By /s/ Colleen M. Darragh

Colleen M. Darragh
Vice President & Controller

April 29, 2015

WEB SITE POSTING

This Form 10-Q will be posted on the U. S. Steel web site, www.ussteel.com, within a few days of its filing.

Exhibit 10.1

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS
COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

Non-Qualified Stock Option Grant Agreement
(Long-Term Incentive Compensation Program under the 2005 Stock Incentive Plan)
NOT TRANSFERABLE EXCEPT BY WILL OR BY THE LAWS GOVERNING THE DESCENT AND DISTRIBUTION OF ESTATES

Non-Qualified Stock Option granted by United States Steel Corporation, a Delaware corporation (the "Corporation"), to the optionee identified below (the "Optionee").

Name of Optionee:	**PARTICIPANT NAME**
Name of Employing Company on Date Hereof:	(the company recognized by the Corporation as employing the Optionee on the date hereof)
Number of Shares Subject to Purchase:	**# SHARES**
Exercise Price of Each Share:	**GRANT PRICE**
Date of This Option:	**GRANT DATE**

By my acceptance, I agree that this option (the "Option") is granted under and governed by the terms and conditions of the Corporation's 2005 Stock Incentive Plan, as amended and restated (the "Plan"), the Corporation's Administrative Procedures for the Long-Term Incentive Compensation Program (the "Administrative Procedures"), and the Grant Terms and Conditions contained herein (the "Agreement") including the special provisions for my country of residence, if any, attached hereto as Exhibit A, as well as such amendments to the Plan and/or the Administrative Procedures as the Compensation & Organization Committee, or its successor committee (the "Committee"), may adopt from time to time.

United States Steel Corporation	Accepted as of the above date: **ACCEPTANCE DATE**
By ______________________	By **PARTICIPANT ES**
Authorized Officer	Signature of Optionee

Terms and Conditions

1 . Grant: Subject to the terms and conditions of the Plan, the Administrative Procedures and this Agreement, the Corporation agrees that the Optionee has the right to purchase the number of shares of Common Stock of the Corporation set forth in this Option grant for the exercise price stated herein.

2 . Continuous Employment Requirement: Subject to Sections 3 and 5, in order to vest in the Options, Optionee agrees that Optionee must continue as an active employee of the employing company identified above or the Corporation, its Subsidiaries or affiliates (each an "Employing Company") through the vesting dates set forth in Section 3 and for a total period of three years from the date of the Option, subject to the Employing Company's right to terminate the Optionee's employment at any time.

3 . Vesting and Termination of Employment: The Option will become exercisable in annual installments over a three-year vesting period according to the following vesting schedule: 1/3 of the Option shares shall vest upon the 1st anniversary of the date of the Option, provided that the Optionee is employed by an Employing Company on such anniversary; an additional 1/3 of the Option shares will vest upon the 2nd anniversary of the date of the Option, provided that the Optionee is employed by an Employing Company on such anniversary; and an additional 1/3 of the Option shares will vest on the 3rd anniversary of the date of the Option, provided that the Optionee is employed by an Employing Company on such anniversary, with all fractional Option shares, if any, vesting as whole Option shares upon the latest vesting date. Any portion of the Option that is exercisable may be exercised in whole or in part from time to time during the Option period. In the event of the exercise of the Option in whole or in part, the portion of the Option so exercised shall terminate. The Option period shall begin on the date of the Option and shall end, except as provided in Section 5 hereof, on the first to occur of: (a) ten years thereafter, (b) three years after the date upon which the Optionee ceases to be an employee of an Employing Company by reason of Retirement, death, Disability or Termination with Consent, (c) immediately following termination of employment, if termination of employment is due to Termination for Cause, or (d) ninety (90) days following the date of termination of employment, if termination of employment is due to Termination without

Consent. Unless otherwise determined by the Committee, all unvested Options will immediately vest upon the Optionee's death during employment or termination of employment by reason of Disability. Unless otherwise determined by the Committee, a prorated number of the Options scheduled to vest during the current Vesting Year will vest on the vesting date for the current Vesting Year or, if earlier, immediately upon the Optionee's death, based upon the number of complete months worked during the Vesting Year in which the Optionee's termination of employment occurs by reason of Retirement or Termination with Consent. Except as provided in Section 5, the remaining unvested Options are forfeited immediately upon the Optionee's termination of employment without consideration or further action required of the Corporation or Employing Company.

Except as provided in Section 5, and notwithstanding any terms or conditions of the Plan, the Administrative Procedures or this Agreement to the contrary, in the event of the Optionee's termination of employment, regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment agreement, if any: (1) the Optionee's right to vest in the Option, if any, will terminate effective as of the date that the Optionee is no longer actively employed by an Employing Company and will not be extended by any notice period (i.e., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment agreement, if any - collectively referred to herein as any "Notice Period"); and (2) the period (if any) during which the Optionee may exercise the Option after such termination of employment will commence on the date the Optionee ceases to actively employed and will not be extended by any Notice Period; the Committee shall have the exclusive discretion to determine when the Optionee is no longer actively employed for purposes of the Option.

4. Payment of Exercise Price: The exercise price shall be paid in cash or such other form of consideration as permitted in the Plan and the Administrative Procedures, including through the withholding of shares to be acquired upon exercise of the Option, subject to the Stock Plan Officer's establishment of procedures with respect thereto; provided however that, if the Optionee is subject to taxation on the benefit received from the Option in a jurisdiction outside the United States, the Optionee may not pay the exercise price by surrendering shares of Common Stock that he or she already owns or attesting to the ownership of shares of Common Stock. The Corporation reserves the right to restrict the methods of payment of the exercise price if necessary to comply with applicable local law, as determined by the Corporation in its sole discretion.

5. Change of Control: If the Optionee's employment is terminated within two years following a Change of Control involuntarily (except for Cause) or, in the case of participants designated as executive management at the time of the Change of Control, voluntarily for Good Reason, each unvested Option will immediately vest and remain exercisable until the end of its term.

6. Transferability: During the Optionee's lifetime, to the extent the Option is exercisable, the Option may be exercised only by the Optionee or by the Optionee's guardian or legal representative. Upon the Optionee's death, the Option may be transferred by will or by the laws governing the descent and distribution of the Optionee's estate. Otherwise, the Option may not be transferred, pledged or encumbered and, in the event of an attempt to transfer, pledge or encumber it, the Committee may cancel it.

7. Adjustments and Recoupment: The number of shares subject to the Option and the Option exercise price per share shall be subject to adjustment as provided in Section 8 of the Plan. The Optionee shall be notified of such adjustment and such adjustment shall be binding upon the Corporation and the Optionee. Consistent with Section 10 of this Agreement, this grant shall be administered in accordance with, and is subject to, any recoupment policies and provisions prescribed by the Plan and/or the Administrative Procedures at the time of such grant; notwithstanding the foregoing, this grant shall be subject to all recoupment provisions required by law from time to time. In its sole discretion, the Committee shall have the authority to amend, waive or apply the terms of any recoupment policies or provisions not required by law, in whole or in part, to the extent necessary or advisable to comply with applicable local laws, as determined by the Committee.

8. Compliance with Laws: Notwithstanding anything in the Plan, the Administrative Procedures or this Agreement to the contrary, the obligations of the Corporation and the rights of the Optionee are subject to all applicable laws, rules and regulations including, without limitation, the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), the U.S. Securities Act of 1933, as amended, the U.S. Internal Revenue Code of 1986, as amended, and any other applicable U.S. and foreign laws. No shares of Common Stock will be issued or delivered to the Optionee under the Plan unless and until there has been compliance with such applicable laws.

9. Acceptance of Grant: The Option may not be exercised unless it is accepted by the Optionee and notice of such acceptance is received by the Stock Plan Officer.

10. Interpretation and Amendments: The Option shall be administered and exercised in accordance with the Plan and the Administrative Procedures, as the same may be amended by the Committee from time to time, provided that no amendment may, without the consent of the Optionee, affect the rights of the Optionee under this Option in a materially adverse manner. For purposes of the foregoing sentence, an amendment that affects the tax treatment of the Option or that is necessary to comply with securities or other laws applicable to the issuance of shares of Common Stock shall not be considered as affecting the Optionee's rights in a materially adverse manner. All capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan or the Administrative Procedures. In the event of a conflict between the Plan and the Administrative Procedures, unless this Agreement specifies otherwise, the Plan shall control.

11. Nature of the Grant: Neither the grant of the Option nor anything else contained in this Agreement shall be deemed to limit or restrict the right of the Employing Company to terminate the Optionee's employment at any time, for any reason, with or without cause. Further, by accepting this Option, the Optionee acknowledges that:

a) the Plan and the Administrative Procedures are established voluntarily by the Corporation, they are discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by their terms;
b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Committee;
d) the Optionee is voluntarily participating in the Plan;
e) the Option and the shares of Common Stock subject to the Option are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Optionee's employment contract, if any;
f) the Option and the shares of Common Stock subject to the Option are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;
g) the Option and the shares of Common Stock subject to the Option are not intended to replace any pension rights or compensation;
h) the grant of the Option will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;
i) the future value of the shares of Common Stock underlying the Option is unknown, indeterminable and cannot be predicted with certainty; if the underlying shares do not increase in value, the Option will have no value. If Optionee exercises the Option and obtains shares of Common Stock, the value of the shares acquired upon exercise may increase or decrease in value, even below the exercise price;
j) no claim or entitlement to compensation or damages arises from forfeiture of the Option resulting from termination of the Optionee's employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or the terms of the Optionee's employment agreement, if any), and in consideration of the grant of the Option to which the Optionee is not otherwise entitled, the Optionee irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Optionee shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;
k) it is the Optionee's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of shares of Common Stock pursuant to the exercise of the Option;
l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Optionee's participation in the Plan or the Optionee's purchase or sale of the shares of Common Stock underlying the Option;
m) the Optionee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;
n) unless otherwise provided in the Plan, Administrative Procedures or by the Corporation in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Corporation; and
o) the following provisions apply only if the Optionee is providing services outside the United States:
    i) the Option and the shares of Common Stock subject to the Option are not part of normal or expected compensation or salary for any purpose; and
    ii) the Optionee acknowledges and agrees that neither the Corporation nor the Employing Company shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of any shares of Common Stock acquired upon exercise.

12. Withholding Taxes: The Optionee acknowledges that, regardless of any action taken by the Corporation or the Employing Company, the ultimate liability for any or all income tax, social security, payroll tax, payment on account or other tax-related withholding or liability in connection with any aspect of the Option, including the grant, vesting, or exercise of the Option or the subsequent sale of shares of Common Stock or receipt of dividends ("Tax-Related Items") is and remains his or her responsibility and may exceed the amount withheld by the Corporation or the Employing Company. Furthermore, the Optionee acknowledges that the Corporation and/or the Employing Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items; and (b) do not commit to and are under no obligation to structure the terms of the grant of the Option or any aspect of the Optionee's participation in the Plan to reduce or eliminate his or her liability for Tax-Related Items or to achieve any particular tax result. Further, if the Optionee has become subject to Tax-Related Items in more than one jurisdiction between the grant date and the date of any relevant taxable event, the Optionee acknowledges that the Corporation and/or the Employing Company (or former Employing Company, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Optionee shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employing Company to satisfy all Tax-Related Items. In this regard, the Corporation may notify the Optionee of the amount of Tax-Related Items, if any, required under U.S. federal and, where applicable, state and local or non-U.S. law, and in which case, the Optionee shall, forthwith upon the receipt of such notice, remit the required amount to the Corporation in cash or in accordance with such regulations as the Committee may prescribe. Alternatively, the Optionee authorizes the Corporation and/or the Employing Company, or their respective agents, at their discretion, to satisfy the obligations with regard to all applicable Tax-Related Items by one or a combination of the following methods: (1) withholding from Optionee's wages or other cash compensation paid to Optionee by the Corporation and/or the Employing Company; (2) withholding from proceeds of the sale of shares issued upon exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Corporation (on Optionee's behalf pursuant to this authorization) through such means as the Corporation may determine in its sole discretion (whether through a broker or otherwise); or (3) withholding in shares to be issued upon exercise of the Option. If the Corporation gives the Optionee the power to choose the withholding method, and the Optionee does not make a choice, then the Corporation will at its discretion withhold from the proceeds of the sale of shares issued upon exercise of the Option, which is alternative (2) herein.

To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Corporation withholds at a rate other than the minimum statutory rate, such as the maximum withholding rate, then the refund of any over-withheld amount shall be paid in cash and the Optionee will have no entitlement to the Common Stock equivalent. If the Tax-Related Items are satisfied by withholding in shares issuable upon exercise of the Option, for tax purposes, the Optionee is deemed to have been issued the full number of shares of Common Stock subject to the exercised Option, notwithstanding that a number of the shares are held back solely for the purpose of paying the Tax-Related Items. Finally, the Optionee shall pay to the Corporation or the Employing Company any amount of Tax-Related Items that the Corporation or the Employing Company may be required to withhold as a result of Optionee's participation in the Plan or Optionee's purchase of shares that cannot be satisfied by the means previously described. The Optionee understands that no shares of Common Stock or proceeds from the sale of shares of Common Stock shall be delivered to Optionee, notwithstanding the exercise thereof, unless and until the Optionee shall have satisfied any obligation for Tax-Related Items with respect thereto.

13**.** Data Privacy: The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.

The Optionee understands that the Employing Company and the Corporation hold certain personal information about the Optionee, including, but not limited to, Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Corporation, details of all options or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in Optionee's favor, as the Employing Company and/or the Corporation deems necessary for the purpose of implementing, administering and managing the Plan ("Data"). The Optionee acknowledges and understands that Data may be transferred to any broker as designated by the Corporation and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Optionee's country or elsewhere (and outside the European Economic Area), and that the recipient's country may have different, including less stringent, data privacy laws and protections than the Optionee's country. The Optionee understands that Corporation may transfer Optionee's Data to the United States, which is not considered by the European Commission to have data protection laws equivalent to the laws in Optionee's country. The Optionee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Optionee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Optionee may elect to deposit any shares of Common Stock acquired upon exercise of the Option. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Optionee further understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent or later seeks to revoke consent, the Optionee's employment status or service and career with the Employing Company will not be adversely affected. The Optionee understands, however, that refusing or withdrawing his or her consent may affect his or her ability to realize benefits from the Option or otherwise participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.

14. Electronic Delivery: The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan or request the Optionee's consent to participate in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Corporation intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Corporation. The Optionee consents to the electronic delivery of the Plan documents and the Agreement. The Optionee acknowledges that he or she may receive from the Corporation a paper copy of any documents delivered electronically at no cost to the Optionee by contacting the Corporation by telephone or in writing. The Optionee further acknowledges that the Optionee will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Optionee understands that the Optionee must provide the Corporation or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Optionee may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Optionee has provided an electronic mail address) at any time by notifying the Corporation of such revoked consent or revised e-mail

address by telephone, postal service or electronic mail. Finally, the Optionee understands that he or she is not required to consent to electronic delivery of documents.

15. Language: If the Optionee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

16. Severability: In the event that any provision in this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

17. Governing Law and Venue: This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania, and agree that such litigation shall be conducted in the courts of Allegheny County, Pennsylvania, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

18. Section 409A: Notwithstanding any other provision of the Plan, the Administrative Procedures or this Agreement, the Plan, the Administrative Procedures and this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the U.S. Internal Revenue Code of 1986, as amended (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). The Corporation reserves the right, to the extent the Corporation deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan, the Administrative Procedures or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate to ensure that this Option qualifies for exemption from, or complies with the requirements of, Section 409A; provided, however, that the Corporation makes no representation that the Option will be exempt from, or will comply with, Section 409A, and makes no undertakings to preclude Section 409A of the Code from applying to the Option or to ensure that it complies with Section 409A.

19. Exhibit A. Notwithstanding any provisions in this Agreement, the Option shall be subject to any special terms and conditions set forth in Exhibit A to this Agreement for the Optionee's country. Moreover, if the Optionee relocates to one of the countries included in Exhibit A, the special terms and conditions for such country will apply to the Optionee, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law. Exhibit A constitutes part of this Agreement.

20. Insider Trading Restrictions/Market Abuse Laws: The Optionee acknowledges that, depending on the Optionee's country of residence, the Optionee may be subject to insider trading restrictions and/or market abuse laws, which may affect the Optionee's ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., Options) under the Plan during such times as the Optionee is considered to have "inside information" regarding the Corporation (as defined by any applicable laws in the Optionee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy maintained by the Corporation. The Optionee acknowledges that it is the Optionee's responsibility to comply with any applicable restrictions, and the Optionee is advised to speak to his or her personal advisor on this matter.

21. Imposition of Other Requirements: The Corporation reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Option and on any shares of Common Stock acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. Headings: Headings of paragraphs and sections used in this Agreement are for convenience only and are not part of this Agreement, and must not be used in construing it.

23. Waiver: The Optionee acknowledges that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Optionee.

Incentive Award Agreement
2010 Annual Incentive Compensation Plan

You have been designated by the Compensation & Organization Committee (the "Committee") of the Board of Directors of United States Steel Corporation, a Delaware Corporation, herein called the Corporation, as a Participant who is eligible to earn an Incentive Award pursuant to the United States Steel Corporation 2010 Annual Incentive Compensation Plan (the "Plan").

Name of Participant:	**PARTICIPANT NAME**
Name of Employing Company on Date Hereof:	(the company recognized by the Corporation as employing the Participant on the date hereof)
Incentive Target Amount:	
Performance Period:	**January 1, 2015 through December 31, 2017**
Performance Goals:	**(see Exhibit A, attached)**
Date of This Incentive Award:	**GRANT DATE**

By my acceptance, I agree that this Incentive Award is subject to and governed by the terms and conditions of the Plan and the Administrative Procedures for the Long-Term Incentive Compensation Program established from time to time by the Committee under the United States Steel Corporation 2005 Stock Incentive Plan, as Amended and Restated and under the United States Steel Corporation 2010 Annual Incentive Compensation Plan (the "Administrative Procedures"), and the terms and conditions contained herein (the "Agreement"), including the special provisions for my country of residence, if any, attached hereto as Exhibit B, as well as such amendments to the Plan and/or the Administrative Procedures as the Committee, or its successor committee, may adopt from time to time.

United States Steel Corporation	Accepted as of the above date: **ACCEPTANCE DATE**
By ______________________	By **PARTICIPANT ES**
Authorized Officer	Signature of Participant

Terms and Conditions

1. Incentive Award: The Performance Period for purposes of determining whether the Performance Goal has been met shall be the three-year period beginning on January 1, 2015, and ending on December 31, 2017. The Performance Goal for purposes of determining whether, and the extent to which, the Incentive Award is earned and payable is set forth in Exhibit A to this Agreement. Exhibit A is incorporated by reference herein. Subject to the Administrative Procedures and the provisions of this Agreement, the Incentive Award shall become payable, if and to the extent earned, following the Committee's determination and certification after the end of the Performance Period, as to whether and the extent to which the Performance Goal has been achieved; provided that the Committee retains no discretion to reduce or increase Incentive Awards that become payable as a result of performance measured against the Performance Goals.

2. Payment of Award: If and to the extent that the Incentive Award is earned, the Corporation shall cause a cash payment to be made to the Participant in the amount determined by the Committee to be payable pursuant to paragraph 1 hereof; provided, however, that, pursuant to Section 6.03 of the Plan, the Committee may provide for payment of the Incentive Award in shares of the Corporation' common stock ("Shares") under the Corporation's 2005 Stock Incentive Plan (including any successor thereto), as amended from time to time, or any combination thereof, as determined by the Committee in its sole discretion. Payment shall be made following the end of the Performance Period, and in no event more than two and one-half months following the end of the calendar year in which the Performance Period ends. In the event that any payment to a U.S. tax-payer or Participant otherwise subject to U.S. taxation with respect to an Incentive Award is considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of the Participant's termination if the Participant is a "specified employee" under Section 409A of the Code upon his separation from service.

3. Transferability: The Participant shall not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of the Incentive Award and the right to receive any payment hereunder, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Incentive

Award or amounts payable hereunder prior to the payment, if at all, of any amounts that may be payable hereunder shall have no effect, regardless of whether voluntary, involuntary, by operation of law or otherwise.

4. Change of Control: Notwithstanding anything to the contrary stated herein, in the case of a Change of Control of the Corporation, (a) the Performance Period shall automatically end, (b) the performance for the abbreviated Performance Period calculated as set forth below shall be measured against the established Performance Goals, the performance criteria shall be deemed satisfied only to the extent the performance for the abbreviated Performance Period calculated as set forth below was achieved (the "Achieved Incentive Award"), and the balance of the Incentive Award, if any, shall be forfeited, and (c) the Achieved Incentive Award shall remain subject to forfeiture until the third anniversary of the Date of this Incentive Award if the Participant's employment is terminated after the Change of Control but before the third anniversary of the Date of the Incentive Award; provided, however, notwithstanding Section 5, (i) if the Participant's employment is terminated by the Corporation other than for Cause or a voluntary termination by the Participant for Good Reasons in the case of participants designated as executive management at the time of the Change of Control, within 24 months following a Change of Control, then the Achieved Incentive Award shall not be forfeited upon such termination; rather, the Achieved Incentive Award shall vest immediately upon the termination, (ii) if the Participant's employment is terminated by reason of death or Disability, then the Achieved Incentive Award shall not be forfeited upon such death or Disability; rather, the Achieved Incentive Award shall vest immediately upon the Participant's death during employment or termination of employment by reason of Disability; and (iii) if the Participant's employment is terminated by reason of Retirement or Termination with Consent, then a prorated portion of the Achieved Incentive Award will vest, based upon the number of complete months worked during the original Performance Period in relation to the number of whole months in the original Performance Period and the remainder shall be forfeited. For purposes of the Agreement, Change of Control, Cause and Good Reason shall have the meanings specified in the United States Steel Corporation 2005 Stock Incentive Plan, Amended and Restated through April 29, 2014. In calculating the performance for the abbreviated Performance Period and the Achieved Performance Award, the ROCE for the year in which the Change of Control occurs shall be determined as the combination of the ROCE (x) actually achieved through the business day immediately preceding the closing date of the Change of Control and (y) measured at target for the period from the Change of Control through the end of the year in which the Change of Control occurs (applying the target ROCE for the year pro-rata over the number of whole and partial months remaining in the year). In the event the Change of Control occurs in the first year of the Performance Period, the ROCE as so calculated for the year in which the Change in Control occurs shall be the ROCE for the abbreviated Performance Period. In the event the Change of Control occurs in the second year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 40% for the actual ROCE achieved in the first year of the Performance Period and 60% for the ROCE as so calculated for the year in which the Change in Control occurs. In the event the Change of Control occurs in the third year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 20% for the actual ROCE achieved in the first year of the Performance Period, 30% for the actual ROCE achieved in the second year of the Performance Period, and 50% for the ROCE as so calculated for the year in which the Change in Control occurs.

5. Termination of Employment: Unless otherwise determined by the Committee, (a) the Incentive Award is forfeited if the Participant's employment is terminated with the employing company identified above or the Corporation, its Subsidiaries or affiliates (each an "Employing Company") during the Performance Period due a Termination without Consent or Termination for Cause, and (b) a prorated value of the Incentive Award will vest based upon (i) the number of complete months worked by the Participant during the Performance Period, in the event of the Participant's termination of employment during the Performance Period by reason of Retirement of Termination with Consent, or (ii) the schedule contained within the Administrative Procedures, in the event of a Participant's termination of employment during the Performance Period by reason of Death or Disability, in any case to be calculated and delivered following the end of the relevant Performance Period in accordance with paragraph 2 hereof, provided that the relevant Performance Goal for the Performance Period is achieved. The remaining value of the Incentive Award is forfeited immediately upon the Participant's termination of employment without consideration or further action being required of the Corporation or the Employing Company. Any and all forfeitures shall be evidenced by written notice to the Participant. Termination with or without Consent and Termination for Cause will be determined pursuant to Administrative Procedures established by the Committee from time to time.

6. Vesting: Subject to Sections 4 and 5, in order to vest in the Incentive Award, the Participant must continue as an active employee of an Employing Company during the Performance Period and through the date on which the Committee certifies whether the Performance Goal relating to the Performance Period has been achieved, subject to the Employing Company's right to terminate the Participant's employment at any time.

Except as provided in Section 5 of this Agreement, notwithstanding any other terms or conditions of the Plan, the Administrative Procedures or this Agreement to the contrary, in the event of the Grantee's termination of employment regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any, the Grantee's rights under this Agreement will terminate effective as of the date that the Grantee is no longer actively employed by an Employing Company and will not be extended by any notice period. For purposes of the Incentive Award, active employment does not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any. The Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the Incentive Award.

7. Recoupment: Notwithstanding anything in the Plan or this Agreement to the contrary, this Incentive Award and all amounts that may be paid or payable hereunder shall be subject to all recoupment provisions required by law from time to time. In its sole discretion, the Committee shall have the authority to amend, waive or apply the terms of any recoupment policies or provisions not required by law, in whole or in part, to the extent necessary or advisable to comply with applicable local laws, as determined by the Committee.

8. Interpretation and Amendments: This Incentive Award and the payment of all amounts hereunder are subject to, and shall be administered in accordance with, the provisions of the Plan and the Administrative Procedures, as the same may be amended by the Committee from time to time, provided that no amendment may, without the consent of the Participant, affect the rights of the Participant under this Incentive Award in a materially adverse manner. For purposes of the foregoing sentence, an amendment that affects the tax treatment of the Incentive Award or that is necessary to comply with other laws shall not be considered as affecting the Participant's rights in a materially adverse manner. All capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan or the Administrative Procedures. In the event of a conflict between the Plan and the Administrative Procedures, unless this Incentive Award specifies otherwise, the Plan shall control.

9. Compliance with Laws: The obligations of the Corporation and the rights of the Participant are subject to all applicable laws, rules and regulations including, without limitation, the U.S. Securities Exchange Act of 1934, as amended; the U.S. Securities Act of 1933, as amended; the U.S. Internal Revenue Code of 1986, as amended; and any other applicable laws, whether U.S. origin or otherwise.

10. Acceptance of Incentive Award: The Incentive Award shall not be payable unless it is accepted by the Participant and notice of such acceptance is received by the Stock Plan Officer.

11. Withholding Taxes: The Participant acknowledges that, regardless of any action taken by the Corporation or the Employing Company, the ultimate liability for any or all income tax, social security, payroll tax, payment on account or other tax-related withholding or liability in connection with any aspect of the Performance Award, including the grant, vesting, or settlement of the Performance Award or the subsequent sale of Shares ("Tax-Related Items") is and remains his or her responsibility and may exceed the amount withheld by the Corporation or the Employing Company. Furthermore, the Participant acknowledges that the Corporation and/or the Employing Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items; and (b) do not commit to and are under no obligation to structure the terms of the grant of the Performance Award or any aspect of the Participant's participation in the Plan to reduce or eliminate his or her liability for Tax-Related Items or to achieve any particular tax result. Further, if the Participant has become subject to Tax-Related Items in more than one jurisdiction between the Date of this Incentive Award and the date of any relevant taxable event, the Participant acknowledges that the Corporation and/or the Employing Company (or former Employing Company, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employing Company to satisfy all Tax-Related Items of the Corporation and/or the Employing Company. In this regard, the Participant shall pay any Tax-Related Items directly to the Corporation or the Employing Company in cash upon request. In addition, the Participant authorizes the Corporation and/or the Employing Company, or their respective agents, at their discretion, to satisfy the obligations with regard to all applicable Tax-Related Items by one or a combination of the following methods (to the extent applicable): (1) withholding from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Employing Company; (2) withholding from proceeds of the sale of Shares that may be issued upon payment of the Performance Award either through a voluntary sale or through a mandatory sale arranged by the Corporation (on the Participant's behalf pursuant to this authorization) through such means as the Corporation may determine in its sole discretion (whether through a broker or otherwise); or (3) withholding in Shares that may be issued upon payment of the Performance Award. If the Corporation gives the Participant the power to choose the withholding method, and the Participant does not make a choice, then the Corporation will at its discretion withhold in Shares as stated in alternative (3) herein.

To the extent the Performance Award is paid in Stock, to avoid negative accounting treatment, the Corporation may in its discretion limit withholding of Shares or account for Tax-Related Items by considering only the applicable minimum statutory withholding amounts or other applicable withholding rates. If the Corporation withholds Shares at a rate other than the minimum statutory rate, such as the maximum withholding rate, then to the extent the Corporation determines appropriate to avoid negative accounting, it may refund any over-withheld amount in cash and the Participant will have no entitlement to any Share equivalent. If the Tax-Related Items are satisfied by withholding in Shares issuable upon vesting of the Performance Award, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the Performance Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. Finally, the Participant shall pay to the Corporation or the Employing Company any amount of Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan. The Participant understands that no Shares or proceeds from the sale of Shares shall be delivered to Participant, notwithstanding the vesting of the Performance Award, unless and until the Participant shall have satisfied any obligation for Tax-Related Items with respect thereto.

Notwithstanding anything in this Section 11 to the contrary, if the Performance Award is considered nonqualified deferred compensation and is paid in Shares, the fair market value of the Shares withheld together with the amount of cash withheld may not exceed the liability for Tax-Related Items.

12. Nature of the Incentive Award: Nothing herein shall be construed as giving Participant any right to be retained in the employ of an Employing Company or affect any right that the Employing Company may have to terminate the employment of such Participant. Further, by accepting this Incentive Award, the Participant acknowledges that:

a) the Plan and the Administrative Procedures are established voluntarily by the Corporation, they are discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by their terms;
b) the grant of the Incentive Award is voluntary and occasional and does not create any contractual or other right to receive future Incentive Awards, or benefits in lieu of Incentive Awards, even if Incentive Awards have been granted in the past;
c) all decisions with respect to future Incentive Award grants, if any, will be at the sole discretion of the Committee;
d) the Participant is voluntarily participating in the Plan;

e) the Incentive Award and any cash or Shares that may be paid pursuant to the Incentive Award are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Participant's employment contract, if any;

f) the Incentive Award and any cash or any Shares that may be paid subject to the Incentive Award are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;

g) the Incentive Award and any cash or any Shares that may be paid subject to the Incentive Award are not intended to replace any pension rights or compensation;

h) the grant of the Incentive Award will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;

i) the future value of the Shares or the amount of cash that may be paid pursuant to the Incentive Award is unknown, indeterminable and cannot be predicted with certainty;

j) no claim or entitlement to compensation or damages arises from forfeiture of the Incentive Award resulting from termination of the Participant's employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Incentive Award to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;

k) it is the Participant's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of any Shares that may be paid pursuant the Incentive Award;

l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of any Shares that may be issued pursuant to the Incentive Award;

m) the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;

n) unless otherwise provided in the Plan, Administrative Procedures or by the Corporation in its discretion, the Incentive Award and the benefits evidenced by this Agreement do not create any entitlement to have the Incentive Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Corporation; and

o) the following provisions apply only if the Participant is providing services outside the United States:

   i) the Incentive Award and any cash or Shares paid pursuant to the Incentive Award are not part of normal or expected compensation for any purpose; and

   ii) the Participant acknowledges and agrees that neither the Corporation nor the Employing Company shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the Incentive Award or of any amounts due to the Participant pursuant to the settlement of the Incentive Award or the subsequent sale of any Shares acquired upon settlement.

13. Data Privacy: The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Employing Company and the Corporation hold certain personal information about the Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Corporation, details of all Incentive Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in Participant's favor, as the Employing Company and/or the Corporation deems necessary for the purpose of implementing, administering and managing the Plan ("Data"). The Participant acknowledges and understands that Data may be transferred to any broker as designated by the Corporation and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere (and outside the European Economic Area), and that the recipient's country may have different, including less stringent, data privacy laws and protections than the Participant's country. The Participant understands that Corporation may transfer Participant's Data to the United States, which is not considered by the European Commission to have data protection laws equivalent to the laws in Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon vesting of the Incentive Award. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant further understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke consent, the Participant's employment status or service and career with the Employing Company will not be adversely affected. The Participant understands, however, that refusing or withdrawing his or her consent may affect his or her ability to realize benefits from the Incentive Award or otherwise participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

14. Electronic Delivery: The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Corporation intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Corporation. The Participant consents to the electronic delivery of the Plan documents and the Agreement. The Participant acknowledges that he or she may receive from the Corporation a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Corporation by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Corporation or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Corporation of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

15. Severability: In the event that any provision in this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

16. Language: If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Governing Law and Venue: This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania, and agree that such litigation shall be conducted in the courts of Allegheny County, Pennsylvania, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

18. Exhibit B. Notwithstanding any provisions in this Agreement, the Incentive Award shall be subject to any special terms and conditions set forth in Exhibit B to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit B, the special terms and conditions for such country will apply to the Participant, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Exhibit B constitutes part of this Agreement.

19. Insider Trading Restrictions/Market Abuse Laws: The Participant acknowledges that, depending on the Participant's country of residence, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., Incentive Awards) under the Plan during such times as the Participant is considered to have "inside information" regarding the Corporation (as defined by any applicable laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy maintained by the Corporation. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

20. Imposition of Other Requirements: The Corporation reserves the right to impose other requirements on the Participant's participation in the Plan, on the Incentive Award and on any cash that may be paid or Shares that may be acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

21. Headings: Headings of paragraphs and sections used in this Agreement are for convenience only and are not part of this Agreement, and must not be used in construing it.

22. Waiver: The Participant acknowledges that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

Administrative Procedures for the
Long-Term Incentive Compensation Program
under the United States Steel Corporation 2005 Stock Incentive Plan, as Amended and Restated
and under the United States Steel Corporation 2010 Annual Incentive Compensation Plan
As amended by the Compensation & Organization Committee on February 24, 2015

1. **Administration**. The Compensation & Organization Committee (the "Committee") shall administer the Long-Term Incentive Compensation Program (the "Program") under and pursuant to its authority as provided in Section 3 of the United States Steel Corporation 2005 Stock Incentive Plan, as amended and restated (the "LTI Plan"), and as provided under Section 3 of the United States Steel Corporation 2010 Annual Incentive Compensation Plan (the "AICP").

A. Delegation of Authority. The Committee may delegate to a designated individual (the "Stock Plan Officer") and to other Officer-Directors and the executive directly responsible for corporate human resources (collectively, the "Senior Officers") its duties under the Program subject to such conditions and limitations as the Committee shall prescribe, except that only the Committee may designate and grant Awards to Participants. The Committee hereby delegates to the Stock Plan Officer all authority necessary or desirable to administer the Program, including the authority to "consent" upon termination and the authority to delegate all or any portion of the delegated authorities; provided, however, that such authority is limited as follows: (i) only the Committee may (a) designate and grant Awards to Participants (provided that grants to non-executives may be made through a delegated process to one or more Committee members from time to time under rules established by the Committee in advance of such grants), (b) approve the vesting of Options, Restricted Stock, Restricted Stock Units or Performance Awards, (c) adjust the number of Shares pursuant to Section 8 of the LTI Plan, (d) approve or amend the form of Awards, (e) amend outstanding Awards, (f) determine the Performance Goals, measures and other terms associated with Performance Awards or (g) modify or amend these Administrative Procedures (the "Procedures"), including any appendices and schedules attached hereto, and (ii) no delegate of the Stock Plan Officer's authority may delegate his or her authority. Without limiting the foregoing, the Stock Plan Officer is hereby directed to (x) administer Awards under the LTI Plan and the AICP, (y) determine whether any Participant has violated any terms and conditions set forth in the Award Agreement so as to warrant cancellation of an Award and upon making such determination, cancel such Award, and (z) maintain appropriate records and establish necessary procedures related to the LTI Plan and the AICP.

B. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the LTI Plan and the AICP. The terms "Stock Plan Officer" and "Committee" shall be read as being one and the same; provided, however, the preceding (i) does not apply where necessary to give meaning to the terms, (ii) does not limit the authority of the Committee or increase the authority of the Stock Plan Officer, and (iii) requires that the Stock Plan Officer have the requisite authority (as defined above and/or pursuant to any current Committee resolution) in the context in which the term "Committee" is used.

C. Compensation Consultant. The Committee may engage a compensation consultant to assess the competitiveness of various target Award levels and advise the Committee.

2. **Participation/Eligibility**. All management employees of the Corporation, its Subsidiaries and affiliates are eligible to participate in the Program upon designation by the Committee or Senior Officers ("Participants").

A. Executive Management. Employees designated by the Committee to be Executive Management are hereby designated to be Participants. Grants to individuals designated to be Executive Management must be approved by the Committee.

B. Rights. No Participant or other employee shall have any claim to be granted an Award under the Program, and nothing contained in the Program or any Award Agreement shall confer upon any Participant any right to continue in the employ of the Corporation, its Subsidiaries or affiliates or interfere in any way with the right of the Corporation, its Subsidiaries or affiliates to terminate a Participant's employment at any time.

3. **Components of Long-Term Incentives**. Award grants may be made in the following forms: Options, Restricted Stock, Restricted Stock Units, Other Stock-Based Awards, and Performance Awards. Awards granted in shares are governed by the terms of the LTI Plan, while awards granted in cash are governed by the terms of the AICP.

4. **Options**.

A. Award Grants/Grant Price. The Committee may grant Options to Participants. All Options will be nonstatutory stock options. The exercise price per Share of the Options shall be no less than 100% of the Fair Market Value of the Shares on the date of grant of the Option.

B. Term. Each Option shall state the period or periods of time during which it may be exercised, in whole or in part. The term of an Option may not exceed ten years.

C. Vesting. Unless otherwise determined by the Committee, Option grants shall vest ratably over three years (1/3 on each of the first, second and third grant date anniversaries), each such year to be considered a "Vesting Year."

D. Exercise of Options.

(1) Effective Date of Exercise. The date of exercise of an Option shall be the business day on which the notice of exercise and payment for Shares being purchased are received by the Stock Plan Officer.

(2) Payment for Shares Purchased. Unless otherwise determined by the Committee, payment of the purchase price shall be made, at the election of the Participant, in cash or by delivering Shares owned by the Participant or withholding of shares to be acquired upon exercise in accordance with

procedures established by the Stock Plan Officer and valued at Fair Market Value on the date of exercise, or a combination thereof.

(a) Overpayment in Shares. If the Fair Market Value of Shares delivered or withheld in payment of the purchase price exceeds the purchase price, a certificate, or its equivalent, representing the whole number of excess Shares together with a check, or its equivalent, representing the Fair Market Value of any excess partial Share shall be delivered to the Participant. In the case of a Participant who is at the time of exercise subject to Section 16 of the Exchange Act, any portion of the exercise price representing a fraction of a Share shall be paid by such Participant in cash or property other than Shares.

(b) Underpayment in Shares. If the Fair Market Value of Shares delivered or withheld in payment of the purchase price is less than the purchase price, the difference shall be delivered by the Participant in cash immediately upon notification of such difference.

(c) Requirements Relating to Previously Owned Shares. Shares delivered in payment of the purchase price shall be duly endorsed for transfer to the Corporation. If Shares so delivered are not registered in the name of the Participant individually, the Participant shall also provide evidence acceptable to the Stock Plan Officer that such Shares are beneficially owned by the Participant individually.

E. Post-Termination of Employment Exercise.

(1) Death and Disability. Unless otherwise determined by the Committee, all Options vest immediately upon the Participant’s death during employment or termination of employment by reason of Disability. Vested options remain exercisable for three years following the date of Death or termination of employment by reason of Disability, as applicable, or, if less, until the original expiration date.

(a) “Disability” shall be determined, for all purposes under the Program, by reference to Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”).

(2) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated number of the Options scheduled to vest during the Vesting Year will vest, based upon the number of complete months worked during the Vesting Year in which the Participant’s termination of employment occurs by reason of Retirement or Termination with Consent. The prorated award will be calculated upon such termination and will vest at the next vesting date or, if earlier, immediately upon the Participant’s death. The remaining unvested Option grants are forfeited immediately upon termination. Vested options remain exercisable for three years following such termination or, if less, until the original expiration date.

(a) Example: If the 1/3 ratable vesting for Vesting Year 3 is 1000 shares for Award 1, 1000 shares for Award 2, and 1000 shares for Award 3 and if the Participant terminates employment by reason of Retirement six months following the Award 3 grants, the Participant is entitled to vesting of 1/2 of all grants that would have vested at the end of the Vesting Year during which he or she retires (Vesting Year 3 in this example), or 1500 shares. This example focuses only on the shares that would vest during Vesting Year 3; however, another 3000 shares would have vested in the aggregate following Vesting Years 1 and 2, for a total of 4500 shares vesting under the Awards 1, 2 and 3. The 1500 shares would vest upon the next scheduled vesting date following termination. The post-termination exercise period would be measured for three years following the date of termination, even though the final pro rata tranche does not vest upon termination.

(b) "Retirement" shall mean, for all purposes under the Program, the applicable Participant's termination of employment after having satisfied the age, service and/or other requirements necessary to commence an immediate pension under either: (i) the applicable defined benefit pension plan for the Participant's home country, regardless of whether the Participant is a participant in such pension plan, or (ii) in the case of a home country for which there is no applicable defined benefit plan, the applicable local law or regulation; *provided, however*, such term does not include, unless the Committee consents with knowledge of the specific facts, retirement under circumstances in which the Participant accepts employment with a company that owns, or is owned by, a business that competes with the Corporation, or its Subsidiaries or affiliates. Further, to the extent necessary under applicable local law, Retirement may have such other meaning adopted by the Committee and set forth in the applicable Award Agreement.

(c) "Termination" shall mean the applicable employee's termination of employment other than by Retirement, death or Disability.

(d) "Termination with Consent" shall mean Termination at any age with the consent of the Committee. Consent shall be deemed to be given if the employee incurs a break in continuous service (i) under circumstances which would qualify the Participant for benefits under a severance plan of the Corporation, or (ii) due to a Disability.

(e) "Termination without Consent" shall mean Termination at any age without the consent of the Committee.

(3) Termination without Consent and Termination for Cause. Unless otherwise determined by the Committee, vested and unvested Options are forfeited if termination of employment is due to Termination for Cause. In the case of Termination without Consent, unvested options are forfeited, but vested options remain exercisable for ninety (90) days following the date of Termination without Consent, or, if less, until the original expiration date.

(4) Termination in connection with a Change of Control. Notwithstanding the foregoing provisions of these Procedures, if a Change of Control Termination occurs within two years following a Change of Control, then no Options shall

have been, nor shall any Options be, forfeited upon such termination; rather, all Options shall vest immediately upon the occurrence of the Change of Control Termination. Such vested Options shall remain exercisable for the remainder of their respective terms. For purposes of these Procedures, a "Change of Control Termination" shall be a termination of a Participant following a Change of Control that is (i) involuntarily for any reason other than Cause or (ii) in the case of a Participant who has been determined by the Committee to be executive management prior to the time to the Change of Control, voluntarily for Good Reason.

F. Adjustment upon Change of Control. The Adjustment provisions of Section 8.01 of the LTI Plan shall apply in the event of any Change of Control, such that the Options shall continue in adjusted and/or substituted form following the Change of Control.

5. **Restricted Stock**.

A. Restricted Stock Grants. The Committee may grant Restricted Stock to Participants. A Participant must endorse in blank and return to the Corporation a stock power for each Restricted Stock grant.

B. Restrictions. During the restriction period a Participant may not sell, transfer, assign, pledge or otherwise encumber or dispose of Shares of the Restricted Stock. During the restriction period a Participant shall have all rights and privileges of a stockholder, including the right to vote the Shares and to receive dividends, except as noted in the preceding sentence and except that any dividends payable in stock shall be subject to the restrictions. At the expiration of the restriction period, a stock certificate free of all restrictions for the number of Shares of Restricted Stock vested shall be registered in the name of, and delivered to, the Participant or, subject to the termination provisions below, to the Participant's estate.

C. Vesting. The Committee shall determine the restriction period, provided that (i) Restricted Stock grants which are time-based shall vest ratably over a period of not less than three years (1/3 on each of the first, second and third grant date anniversaries), each such year to be considered a "Vesting Year" and (ii) Restricted Stock grants which are performance-based shall vest over a period of not less than one year.

D. Termination of Employment.

(1) Death and Disability. Unless otherwise determined by the Committee, all Shares of Restricted Stock vest immediately upon the Participant's death during employment or termination of employment by reason of Disability.

(2) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated number of the shares of Restricted Stock scheduled to vest during the Vesting Year will vest, based upon the number of complete months worked during the Vesting Year in which the Participant's termination of employment occurs by reason of Retirement or Termination with Consent. The prorated award will be calculated upon termination and will vest upon the date of termination. The remaining unvested shares are forfeited immediately upon termination.

(a) Example: If the 1/3 ratable vesting for Vesting Year 3 is 1000 shares for Award 1, 1000 shares for Award 2, and 1000 shares for Award 3 and if the Participant terminates employment by reason of Retirement six months following the Award 3 grants, the Participant is entitled to vesting of 1/2 of all grants that would have vested at the end of the Vesting Year during which he or she retires (Vesting Year 3 in this example), or 1500 shares. This example focuses only on the shares that would vest during Vesting Year 3; however, another 3000 shares would have vested in the aggregate following Vesting Years 1 and 2, for a total of 4500 shares vesting under the Awards 1, 2 and 3. The 1500 shares would vest upon the date of termination.

(3) Termination without Consent and Termination for Cause. Unless otherwise determined by the Committee, unvested shares of Restricted Stock are forfeited if termination of employment is due to Termination without Consent or Termination for Cause.

E. Change of Control. Notwithstanding the foregoing provisions of these Procedures, if a Change of Control Termination occurs within two years following a Change of Control, then no shares of Restricted Stock shall have been, nor shall any shares of Restricted Stock be, forfeited upon such termination; rather, all shares of Restricted Stock shall vest immediately upon the occurrence of the Change of Control Termination.

6. **Restricted Stock Units**.

A. Restricted Stock Unit Grants. The Committee may grant Restricted Stock Units to Participants.

B. Restrictions. During the restriction period a Participant may not sell, transfer, assign, pledge or otherwise encumber or dispose of the Restricted Stock Units. During the restriction period a Participant shall have none of the rights and privileges of a stockholder, however, the Participant may be entitled to receive a payment (in cash or Shares) or credit equal to the cash dividends paid on one Share for each Share represented by a Restricted Stock Unit held by such Participant (a “dividend equivalent”); provided, however, the dividend equivalents shall not be paid to, or vested in, the Participant unless and to the extent the underlying Restricted Stock Units are vested. Any dividend equivalent paid in Shares shall be paid in the form of additional whole and/or fractional Restricted Stock Units, subject to the same restrictions and vesting conditions as the underlying Restricted Stock Units and settled in the same manner. At the expiration of the restriction period, and in no event later than 2 1/2 months following the end of the calendar year in which vesting occurs, the number of Shares equivalent to the number of vested Restricted Stock Units (including any dividend equivalents, in the case of dividend equivalents paid in Shares) shall be delivered to the Participant or, subject to the termination provisions below, to the Participant’s estate. In the case of dividend equivalents paid in cash, a cash payment will be made at the end of the restriction period equal to the dividends paid on a number of Shares equivalent to the number of vested Restricted Stock Units.

C. Vesting. The Committee shall determine the restriction period, provided that (i) Restricted Stock Unit grants which are time-based shall vest ratably over a period of not less than three years (1/3 on each of the first, second and third grant date anniversaries), each such year to be considered a "Vesting Year" and (ii) Restricted Stock Unit grants which are performance-based shall vest over a period of not less than one year.

D. Termination of Employment.

(1) Death and Disability. Unless otherwise determined by the Committee, all Restricted Stock Units vest immediately upon the Participant's death during employment or termination of employment by reason of Disability.

(2) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated number of the Restricted Stock Units scheduled to vest during the Vesting Year will vest, based upon the number of complete months worked during the Vesting Year in which the Participant's termination of employment occurs by reason of Retirement, or Termination with Consent, which is to be calculated upon termination and delivered, subject to the following, upon termination. In the case of any payment considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of Participant's termination if Participant is a "specified employee" under Section 409A of the Code upon his separation from service. The remaining unvested shares are forfeited immediately upon termination.

(a) Example: If the 1/3 ratable vesting for Vesting Year 3 is 1000 shares for Award 1, 1000 shares for Award 2, and 1000 shares for Award 3 and if the Participant terminates employment by reason of Retirement six months following the Award 3 grants, the Participant is entitled to vesting of 1/2 of all grants that would have vested at the end of the Vesting Year during which he or she retires (Vesting Year 3 in this example), or 1500 shares. This example focuses only on the shares that would vest during Vesting Year 3; however, another 3000 shares would have vested in the aggregate following Vesting Years 1 and 2, for a total of 4500 shares vesting under the Awards 1, 2 and 3. The 1500 shares would vest upon the date of termination.

(3) Termination without Consent and Termination for Cause. Unless otherwise determined by the Committee, unvested Restricted Stock Units are forfeited if termination of employment is due to Termination without Consent or Termination for Cause.

E. Change of Control. Notwithstanding the foregoing provisions of these Procedures, if a Change of Control Termination occurs within 24 months following a Change of Control, then no Restricted Stock Units shall have been, nor shall any Restricted Stock Units be, forfeited upon such termination; rather, all Restricted Stock Units shall vest immediately upon the occurrence of the Change of Control Termination.

7. **Performance Awards**.

A. Performance Periods. Each Performance Period will be three years in length. Each Performance Period will begin on the first day of the calendar year during which the Performance Period begins and shall end on the last day of the third calendar year succeeding the calendar year during which the Performance Period begins (the three year period is referred to herein as the "Performance Period").

B. Performance Award Grants. At the beginning of each Performance Period, the Committee may grant Performance Awards to Participants for such Performance Period and shall identify for such grants the amount which may be earned based upon the level of achievement attained (the "Target" award, in the case of attainment of the target level of performance) for each Performance Goal.

C. Performance Goal Establishment/Grant Mechanics. The Committee shall establish and approve the Performance Goal and the relevant peer group (the "Peer Group") for performance comparison purposes at the beginning of each Performance Period. Unless otherwise determined by the Committee at the beginning of the relevant Performance Period, the Performance Goal shall be based upon either the total shareholder return performance measure, with the Corporation's total shareholder return compared to the total shareholder return of the Peer Group for the Performance Period, or return on capital employed, with the Corporation's return on capital employed calculated on a weighted average basis for the Performance Period.

D. Performance Vesting.

TSR Awards

(1) Payout Calculation. For Performance Awards based upon total shareholder return, payout shall be based upon the relative Annualized Total Shareholder Return ("Annualized TSR"), as approved by the Committee within the first 90 days of the Performance Period, which will be based upon the Corporation's calculated Annualized TSR compared to the statistical Annualized TSR for the Peer Group ("Comparative TSR") using the whole company ranking method (*i.e.*, including the Corporation within the array of companies for which TSR is compared).

(a) Interpolation will be used to determine actual awards for performance that correlates to an award between Minimum and Target or Target and Maximum Award levels.

(b) In calculating the number of shares to be awarded, the Corporation's relative TSR percentile shall be rounded to the nearest hundredth of a percentile, rounding up if the thousandth's place is 5 or more and truncating if the thousandth's place is 4 or less. The related payout rate also shall be calculated to the nearest hundredth's place using the same rounding procedure. Additionally, the calculated number of shares shall be rounded to the nearest whole share, rounding up if the fractional share is 5 tenths or more and truncating the fractional share if it is less than 5 tenths.

(2) Annualized TSR.

(a) Annualized TSR = ((Final Price + all dividends paid during the relevant Performance Period)/Initial Price)^(1/3)-1.

(b) Initial Price = the Average Measurement Period Price for the 20 business days prior to the first business day of the calendar year of grant.

(c) Final Price = the Average Measurement Period Price for the 20 business days ending on the last business day of the third calendar year succeeding the year of grant.

(d) Average Measurement Period Price = the average of the closing stock price for each of the 20 days during a specified 20 business day period.

(e) Stock prices may be determined using (a) any reputable online stock-quote service, such as Yahoo! Finance or Bloomberg, or (b) the financial pages of The Wall Street Journal.

(3) Peer Group Adjustments. At the commencement of the Performance Period, the Committee may determine that specific guidance be considered in connection with possible adjustments to the Peer Group, to include U. S. Steel should the circumstances arise, involved in the calculation of the Corporation's comparative performance with respect to the Performance Goal during the Performance Period. Any such determination will be in addition to, or will amend if it conflicts with, the following guidelines, which will be used in connection with the calculation:

(a) If a Peer Group Company becomes bankrupt, the bankrupt company will remain in the Peer Group positioned at one level below the lowest performing non-bankrupt Peer Group Company. In the case of multiple bankruptcies, the bankrupt companies will be positioned below the non-bankrupt companies in chronological order by bankruptcy date with the first to be bankrupt at the bottom.

(b) If a Peer Group Company is acquired by another company or entity, including through a management buy-out or going-private transaction, the acquired Peer Group Company will be removed from the Peer Group for the entire Performance Period; provided that if the acquired company became bankrupt prior to its acquisition it shall be treated as provided in paragraph (a), above, or if it shall become delisted according to paragraph (e), below, prior to its acquisition it shall be treated as provided in paragraph (e).

(c) If a Peer Group Company sells, spins-off, or disposes of a portion of its business, the selling Peer Group Company will remain in the Peer Group for the Performance Period unless such disposition(s) results in the disposition of more than 50% of the company's total assets during the Performance Period.

(d) If a Peer Group Company acquires another company, the acquiring Peer Group Company will remain in the Peer Group for the Performance Period.

(e) If a Peer Group Company is delisted from either the New York Stock Exchange (NYSE) or the National Association of Securities Dealers

Automated Quotations (NASDAQ) such that it is no longer listed on either exchange, such delisted Peer Group Company will remain in the Peer Group positioned at one level below the lowest performing listed company and above the highest ranked bankrupt Peer Group Company. In the case of multiple delistings, the delisted companies will be positioned below the listed and above the bankrupt companies in chronological order by delisting date with the first to be delisted at the bottom of the delisted companies. If a delisted company shall become bankrupt, it shall be treated as provided in paragraph (a), above. If a delisted company shall be later acquired, it shall be treated as a delisted company under this paragraph. If a delisted company shall relist during the Performance Period, it shall remain in its relative delisted position determined under this paragraph.

(f) If the Corporation's and/or any Peer Group Company's stock splits, such company's TSR performance will be adjusted for the stock split so as not to give an advantage or disadvantage to such company by comparison to the other companies, using the principles set forth in Section 8 of the LTI Plan.

ROCE Awards

(4) Payout Calculation. For Performance Awards based upon a return on capital employed, payout shall be based upon a weighted average Return on Capital Employed ("ROCE"), as approved by the Committee within the first 90 days of the Performance Period, over the Performance Period.

(a) Interpolation will be used to determine actual awards for performance that correlates to an award between Minimum and Target or Target and Maximum Award levels.

(b) In calculating the dollar value to be awarded, the Corporation's annual ROCE for each year of the Performance Period shall be rounded to the nearest decimal place consistent with the number of decimal places approved by the Committee at the time it set the relevant target, rounding up in the case of 5 or more and rounding down in the case of 4 or less. The related payout rate also shall be calculated to the nearest hundredth place using the same rounding procedure. Additionally, the dollar value awarded shall be rounded to the nearest whole dollar.

(5) Return on Capital Employed (ROCE). ROCE shall mean, using a weighted average based on each calendar year of the Performance Period, earnings (or losses) before interest and taxes (EBIT), (also known as "income or loss") from consolidated worldwide operations (including minority interests), divided by consolidated worldwide capital employed (including minority interests) expressed as a percentage.

EBIT from consolidated worldwide operations (including minority interests) shall mean EBIT as reported in the consolidated statement of operations of

United States Steel Corporation for each calendar year of the Performance Period.

Capital employed shall be calculated by using the average of the opening balance at the commencement of each calendar year of the Performance Period, and the balances at the end of each quarter during each calendar year of the Performance Period, of the sum of net fixed assets, inventories, accounts receivable, and equity method investments, less accounts payable.

For purposes of calculating the weighted average ROCE for the Performance Period, the ROCE for the first calendar year of the Performance Period shall be weighted 20%, the ROCE for the second calendar year of the Performance Period shall be weighted 30%, and the ROCE for the third calendar year of the Performance Period shall be weighted 50%.

(6) Adjustments to Return on Capital Employed. For purposes of calculating ROCE for a calendar year within the Performance Period, the following principles shall apply: that if income or loss related to an asset is included in the numerator for any portion of the calendar year within the Performance Period that the related asset's capital employed shall be included in the denominator for the same portion of the calendar year within the Performance Period (and vice versa) and, similarly, if income or loss related to an asset is excluded from the numerator for any portion of the calendar year within the Performance Period that the related asset's capital employed shall be excluded from the denominator for the same portion of the calendar year within the Performance Period (and vice versa).

The following adjustment provisions shall be made in determining ROCE:

(a) exclude the gain or loss related to a business disposition or divestiture (whether or not completed during the Performance Period) and all amounts related to a permanent facility shutdown/closure;

(b) exclude the gain or loss related to an asset sale not made in the ordinary course of business;

(c) exclude all amounts related to long-lived asset impairments;

(d) exclude all amounts related to an acquisition or startup (defined as the startup of a previously closed facility or the startup of a new facility);

(e) exclude all amounts related to workforce reductions and other restructuring charges;

(f) except for retiree benefits, exclude amounts not allocated to segments; and

(g) exclude all amounts related to changes in accounting standards and changes in law that affect reported results;

provided, however, none of the above adjustments shall be made to the ROCE calculation to the extent the events or occurrences relating to the adjustments are recognized and/or contemplated in the Corporation's

Business Plan as approved by the Committee for the relevant Performance Period;

provided, further, no adjustment pursuant to any adjustment category shall be made to the extent the total adjustment for such category is less than $10 million;

provided, further, all the above adjustments shall be calculated in accordance with generally accepted accounting principles at the time of calculation to the extent the nature of the adjustment is addressed therein;

provided, further, none of the above adjustments shall be made to the extent the relevant data is not available;

provided, further, the ROCE calculations, including all adjustments thereto, shall be determined at the time the Committee makes its award decisions and in accordance with the reporting requirements applicable to the Corporation's report on Form 10-K; and

provided, further, that no adjustments shall be made that would violate the requirements of Section 162(m) of the Internal Revenue Code.

(E) Payout Timing. Award payout will follow the end of the Performance Period (and in no event later than 2½ months following the end of the calendar year in which the Performance Period ends, as provided in the Plans) and the Committee's written certification of achievement of Performance Goals, payable in the form of shares or cash. In the case of any payment considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of Participant's termination if Participant is a "specified employee" under Section 409A of the Code upon his separation from service.

(F) Discretion. Notwithstanding any language to the contrary in outstanding or future grant forms, or in the LTI Plan or the AICP, the Committee retains no discretion to reduce any Performance Award to an amount below the amount that would be payable as a result of performance measured against the Performance Goals.

(G) Termination of Employment.

(1) Death and Disability. Unless otherwise determined by the Committee, a prorated value of the Performance Award will vest based upon the date of death during employment or termination of employment by reason of Disability during the Performance Period in accordance with the following schedule, to be calculated and delivered at the end of the relevant Performance Period, provided that the relevant performance goals are achieved.

Date of Death or Termination for Disability	% Vested
Prior to ⅓ completion of Performance Period	0%
On or after ⅓ and before ⅔ completion of Performance Period	50%
On or after ⅔ completion of Performance Period	100%

(2) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated value of the Performance Award will vest based

upon the number of complete months worked during the Performance Period, in the event of a Participant's termination of employment by reason of Retirement, or Termination with Consent, to be calculated and delivered at the end of the relevant Performance Period, provided that the relevant performance goals are achieved. In the case of any payment considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of Participant's termination if Participant is a "specified employee" under Section 409A of the Code upon his separation from service.

(a) Example: If the Target number of Shares is 1000 shares for Performance Period 1 Awards, 1000 shares for Performance Period 2 Awards, and 1000 shares for Performance Period 3 Awards and if the Participant terminates employment by reason of Retirement six months following the first day of Performance Period 3, the Participant is entitled to vesting of 5/6's of the Performance Period 1 awards, ½ of the Performance Period 2 awards, and 1/6 of the Performance Period 3 awards (or 1500 shares), subject to the Committee's determination of the payout basis for each Performance Period. That is, the above example assumes that the Committee had determined the Performance Goals had been met at least to the 100% of Target level and that the payout basis was 100% of Target for each period.

(3) Termination without Consent and Termination for Cause. Unless otherwise determined by the Committee, Performance Awards will be forfeited immediately if a Participant's termination of employment is due to Termination without Consent or Termination for Cause.

(H) Change of Control. Notwithstanding the foregoing provisions of the Procedures, if a Change of Control occurs, (i) the Performance Period shall automatically end, (ii) the actual performance level for the abbreviated Performance Period shall be measured against the established Performance Goals, the performance criteria shall be deemed satisfied only to the extent that actual performance was achieved (the result is the "Achieved Performance Award"), and the balance of the Performance Award, if any, shall be forfeited, and (iii) the Achieved Performance Award shall remain subject to forfeiture until the third anniversary of the date of grant of the Performance Award if the Participant terminates employment after the Change of Control but before the third anniversary of the date of grant; provided, however, that (i) if a Change of Control Termination occurs within two years following a Change of Control, then the Achieved Performance Award shall not be forfeited upon such termination; rather, the Achieved Performance Award shall vest immediately upon the Change of Control Termination, (ii) if a Termination by reason of death or Disability occurs, then the Achieved Performance Award shall not be forfeited upon such death or Disability; rather, the Performance Award shall vest immediately upon the Participant's death during employment or termination of employment by reason of Disability; and (iii) if a Termination by reason of Retirement or Termination with Consent occurs, then a prorated portion of the Achieved Performance Award will vest, based upon the number of complete months worked during the original Performance Period in relation to the number of whole months in the original Performance Period and the remainder shall be forfeited.

(1) Abbreviated Performance. In the event of a Change of Control:

(i) the final price for purposes of determining the Annualized TSR shall be determined based on the closing price of the business day immediately preceding the closing date of the Change of Control; and

(ii) the ROCE for the year in which the Change of Control occurs shall be determined as the combination of the ROCE (x) actually achieved through the business day immediately preceding the closing date of the Change of Control and (y) measured at target for the period from the Change of Control through the end of the year in which the Change of Control occurs (applying the target ROCE for the year pro-rata over the number of whole and partial months remaining in the year).

In the event the Change of Control occurs in the first year of the Performance Period, the ROCE as so calculated in (ii), above, shall be the ROCE for the abbreviated Performance Period. In the event the Change of Control occurs in the second year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 40% for the actual ROCE achieved in the first year of the Performance Period and 60% for the ROCE as calculated in (ii), above, in the second year of the Performance Period. In the event the Change of Control occurs in the third year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 20% for the actual ROCE achieved in the first year of the Performance Period, 30% for the actual ROCE achieved in the second year of the Performance Period and 50% for the ROCE as calculated in (ii), above, in the third year of the Performance Period.

(2) Original Performance Period. In the event of a Change of Control, the original Performance Period shall be deemed to end on the third anniversary of the date of grant of the Performance Award.

8. **Forfeiture and Repayment**. The Committee may determine that any Award under this Program shall be forfeited and/or any value received from the Award shall be repaid to the Corporation pursuant to any recoupment policies, rules or regulations in effect at the time the Award is granted.

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Administrative Procedures for the
Executive Management Annual Incentive Compensation Program
under the United States Steel Corporation 2010 Annual Incentive Compensation Plan
As amended by the Compensation & Organization Committee on January 27, 2015

1. **Administration**. The Compensation & Organization Committee (the "Committee") shall administer the Annual Incentive Compensation Program (the "Program") under and pursuant to the authority provided in the Board of Directors' April 27, 2010 delegation to the Committee and Section 3 of the United States Steel Corporation 2010 Annual Incentive Compensation Plan (the "Plan").

   A. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the Plan.

2. **Participation/Eligibility**. All management employees of the Corporation, its Subsidiaries and affiliates are eligible to participate in the Program upon designation by the Committee, in the case of Covered Employees, or, in the case of other management employees, upon designation by the Chief Executive Officer.

   A. Executive Management. All Executive Management employees (defined as those employees whose compensation is approved or reviewed by the Committee) of U. S. Steel, its subsidiaries and affiliates designated via written notice as participants are eligible to participate ("Eligible Employees" or "Participants").

   B. New Participants. A Participant who was not a Participant on the first day of the Performance Period may, subject to the Committee's discretion, become a Participant during the Performance Period, participating on a pro rata basis for the remaining portion of the period in which such Participant first becomes eligible to participate, but shall be ineligible to participate in this Program for any portion of a year during which the Participant participates in any other cash incentive or bonus plan or program; provided, however, that a Covered Employee (as defined in Section 162(m) of the Internal Revenue Code) may so participate only if he or she becomes a Participant effective not later than 90 days after the beginning of the Performance Period.

   C. Rights. No Participant or other employee shall have any claim to be granted an Award under the Program, and nothing contained in the Program or any Award Agreement shall confer upon any Participant any right to continue in the employ of the Corporation, its Subsidiaries or affiliates or interfere in any way with the right of the Corporation, its Subsidiaries or affiliates to terminate a Participant's employment at any time.

3. **Performance Period**.

   A. Calendar year. Unless otherwise determined by the Committee at the commencement of each Performance Period, each such Performance Period shall be a calendar year.

4. **Award Pool**.

   A. Amount of the Award Pool. The amount of the award pool (the "Award Pool") shall be established by the Committee during the first 90 days of the Performance Period, and shall apply to the Section 16 officers of the Company for purposes of complying with Section 162(m) of the Internal Revenue Code. The total amount of the Award Pool shall be the aggregate of the total Individual Maximum Awards approved by the Committee for each Section 16 officer for the Performance Period. The "Individual Maximum Award" for purposes of these Administrative Procedures shall be the Incentive Target as defined in Section 5.01 of the Plan.

B. Funding the Pool. The funding of the Award Pool will be dependent on the achievement of the Threshold Corporation Performance Goal, which shall also be established by the Committee during the first 90 days of the Performance Period. Unless otherwise determined by the Committee, the Threshold Corporation Performance Goal shall be based on total revenue, which is a permitted performance measure pursuant to Section 5.03(a) of the Plan. If the Threshold Corporation Performance Goal is achieved, the Award Pool will be funded at the level established by the Committee with respect to the degree of attainment of the Threshold Performance Goal. Should the Company fail to meet the Threshold Corporation Performance Goal, the Total Award Pool shall not be funded and no awards shall be made under the Plan for the Performance Period.

The Committee will use negative discretion pursuant to Section 5.05 of the Plan to reduce the amount of the Individual Maximum Award payable based on the Incentive Award Calculation Formula, as described below, and calculate the amount of the Incentive Award payable to each Participant for the Performance Period; provided further that any forfeitures or reductions, whether through exercise of downward discretion or otherwise, shall not be permitted to result in any increase in the amount of any Individual Maximum Award payable to any other Participant.

C. Threshold Corporation Performance Goal. The Threshold Corporation Performance Goal for the Performance Period shall be the target assigned to one or more Performance Goals, which shall be set by the Committee during the first 90 days of the Performance Period. Unless otherwise determined by the Committee at the beginning of the relevant Performance Period, the Threshold Corporation Performance Goal will be the following objective measure:

(1) Total Revenue. Total Revenue shall mean the total amount of Net Sales as reported on the consolidated statements of operations of United States Steel Corporation, including net sales to related parties. It is intended that the target for this measure and its related performance calculation be consistent with the target and performance calculations for the Segment Income, Total Income, and Cash Flow, including the Business Plan Target Segment Income, Business Plan Total Income, and Business Plan Cash Flow, such that, to the extent an asset is excluded for any reason from the target calculation for Business Plan Target Segment Income, Business Plan Total Income, and Business Plan Cash Flow, the corresponding net sales, if any, are to be excluded from the Net Sales target and performance calculations, and, if an asset is included in the target calculation for the Business Plan Target Segment Income, Business Plan Total Income, and Business Plan Cash Flow, the corresponding net sales, if any, are to be included in the Net Sales target and performance calculations.

(2) Adjustments. Subject to the foregoing, the Committee may determine that changes in accounting standards or extraordinary items (as determined by the

independent accountants of the Corporation in accordance with generally accepted accounting principles), shall be excluded from the calculation of the Threshold Corporation Performance Goal to the extent permitted in Section 162(m) of the Code.

5. **Incentive Award Determination**.

A. Incentive Award Goals. The Committee will use negative discretion pursuant to Section 5.05 of the Plan to reduce the amount of the Individual Maximum Award payable based on the achievement of one or more Incentive Award Goals, which will be used in the Incentive Award Calculation Formula. Unless otherwise determined by the Committee, the Incentive Award Goals shall be the following objective measures:

(1) Segment Income and Total Income. Segment Income shall mean, for the Performance Period, income from operations (including minority interests) for each business unit (reportable segments and other businesses). Total Income shall mean, for the Performance Period, total consolidated income from operations (including minority interests).

Income from operations (including minority interests) for each business unit (reportable segment) and in total shall mean segment income (loss) and total income (loss) from operations as reported in the notes to the consolidated financial statements of United States Steel Corporation for the Performance Period.

(2) Cash Flow. Cash Flow shall mean, for the Performance Period, earnings before interest, taxes, depreciation, depletion, and amortization (EBITDA) for consolidated worldwide operations (including minority interests), plus or minus changes in current receivables, inventories, and current accounts payable and accrued expenses, less consolidated worldwide capital expenditures.

(a) EBITDA for consolidated worldwide operations (including minority interests) shall mean income from operations as reported in the consolidated statements of operations of United States Steel Corporation, plus or minus the effect of items not allocated to segments (excluding postretirement benefit expenses) as disclosed in the notes to the consolidated financial statements of United States Steel Corporation, plus depreciation, depletion and amortization as reported in the consolidated statements of cash flows of United States Steel Corporation.

(b) Changes in current receivables, inventories, and current accounts payable and accrued expenses shall mean those amounts reported on the consolidated statements of cash flows of United States Steel Corporation.

(c) Consolidated worldwide capital expenditures shall mean capital expenditures as reported on the consolidated statements of cash flows of United States Steel Corporation.

(3) Safety Performance. Safety Performance, for target and actual performance purposes, shall mean the number of serious injury cases and work-related fatalities occurring during the Performance Period involving the represented and

non-represented employees at the properties and operations of United States Steel Corporation and its subsidiaries as contemplated by the targets set by the Committee at the beginning of the Performance Period. A serious injury case shall mean a work-related injury that prevents an employee from returning to work for 31 or more calendar days. Whether an employee injury or fatality is "work-related," or not, will be determined by the Corporation's top safety officer consistent with OSHA guidelines.

B. Adjustments. The Committee may make adjustments to the Incentive Award Goal calculations as determined by the Committee in its discretion.

C. Setting of Individual Incentive Targets and Payout Scales.

(1) The Individual Incentive Target, defined as a percentage of base salary (expressed for the Participant, grade level and/or position), and the Payout Scales for all levels of performance goals shall be set by the Committee.

(2) The Individual Incentive Target shall be calculated by multiplying the designated target percentage by the actual base salary earned by the Participant during the relevant portions of the Performance Period.

(3) The Payout Scale applied to all performance goals based on the actual performance achieved will determine the payout percent applied in the Incentive Award Calculation Formula under section 6, subject to negative adjustment by the Committee and the Individual Maximum Award for the Performance Period.

D. Assignment of Segment Income Performance Goal to Participants. The Committee shall assign to each Participant a Segment Income performance goal representing the reportable segment's performance for which the Participant is responsible for driving. Participants who are "corporate staff" executives responsible for multiple segments shall be assigned a Weighted Segment Income performance goal, which shall be determined by the Committee and reflect a relative weighting of the segments for which the Participant is responsible. Certain Participants (i.e. the Chief Executive Officer) may be assigned a Total Income performance goal.

Should a Participant's responsibilities change during the Performance Period with respect to the segments that are supported, the Committee shall assign the established Segment, Weighted Segment, or Total Income performance goal to apply for the portion of the Performance Period related to the period for which the new responsibilities are effective.

E. Individual Performance. Individual Performance relative to individual performance goals as specified in the Participant's goal plan for the Performance Period will be assessed for each Participant by the Chief Executive Officer with input from the Participant's direct manager following the end of the Performance Period. The Chief Executive Officer's Individual Performance will be assessed by the Committee with input from the full Board of Directors. The Individual Performance assessment will impact the Participant's calculated award as set forth under the Incentive Award Calculation Formula, however, the assessment of Individual Performance does not preclude the Committee from exercising downward discretion and/or determining that no award should be paid to a Participant for a Performance Period.

6. **Incentive Award Calculation Formula**.

A. Relative weighting. Unless otherwise determined by the Committee when establishing the Incentive Award Goals, the relative weighting assigned to each of the performance measures shall be as follows:

(1) Segment Income/Total Income. Segment Income/Total Income shall be weighted at 60% of the Total Corporate Payout Percent.

(2) Cash Flow. Cash Flow shall be weighted at 40% of the Total Corporate Payout Percent.

(3) Individual Performance. Individual Performance shall be applied as a modifier to the Total Corporate Payout Percent, which is the sum of the weighted Segment Income/Total Income and Cash Flow payout percentages. The assessment of Individual Performance shall be quantified as a percentage between 50% (representing individual performance at a level of "needs improvement") and 130% (representing individual performance at a level of "far exceeds expectations"), with 100% representing a level of "meets expectations".

(4) Safety Performance. Safety Performance shall add 5% of the Individual Incentive Target value if the Safety goal is met. If the Safety goal is not met, there shall be no impact to the award calculation.

B. Calculated award. The calculated award for each Participant shall be determined by adding the product of the Individual Incentive Target and the Total Corporate Payout Percent, modified for Individual Performance, to the product of the Individual Incentive Target and the Safety payout percent, as illustrated below:

(Individual Incentive Target x Total Corporate Payout Percent x Individual Performance modifier) + (Individual Incentive Target x Safety Performance)

C. Maximum award level. The maximum award level shall be 233% of the Individual Incentive Target value with achievement of the highest level of performance for the Segment Income, Total Income, Cash Flow, Individual Performance, and Safety Goals, further subject to the individual per-employee maximum set forth in the Plan.

7. **Payout Mechanics**.

A. Payout determination.

(1) Evaluation. The Committee shall determine and certify in writing the extent to which the Threshold Corporation Performance Goal for the Performance Period was satisfied following the end of the relevant Performance Period and if satisfied, determine through the exercise of negative discretion the amount of the Incentive Award payable to each Participant.

(2) Calculation.

(a) Rounding Performance Calculations. The calculation of actual performance for each performance measure in the Incentive Award Formula shall be rounded to the nearest decimal place consistent with the number of decimal places approved by the Committee at the time it set the relevant target, rounding up in the case of 5 or more and rounding down in the case of 4 or less.

(b) Interpolation. Interpolation will be used to determine an Incentive Award for performance that correlates to performance between the pre-determined Segment Income, Total Income and Cash Flow Performance Goals. The interpolated payout percentages for Segment Income, Total Income and Cash Flow shall be rounded independently to the nearest whole percentage point, rounding up in the case of 5 or more and rounding down in the case of 4 or less.

(c) Maximum award. No one Participant may receive more than $7 million in Incentive Awards for any one calendar year, as provided in the Plan.

B. Form of Payout.

(1) Cash and/or Common Stock. The Committee may determine to pay the awards in the form of cash or common stock, or any combination thereof, which determination may be made on a non-uniform basis among Participants.

(2) Common Stock Awards. The determination to pay awards in the form of common stock shall be a determination to satisfy the award through shares available under the 2005 Stock Incentive Plan (or any successor plan thereto), subject to the terms and conditions of such plan, and provided that the performance period under this Program shall also count toward any minimum performance period required for an unrestricted grant of shares under such plan.

(3) Award Unit Determination Procedure. If the Committee determines to pay all or a portion of an award in the form of common stock, the value of such award, or portion thereof, under this Program shall be converted into a number of shares of common stock by dividing (i) the value of such award, or portion thereof, by (ii) the Common Stock Unit Value, which is to be determined as follows:

(a) Common Stock Unit Value. The Common Stock Unit Value shall be equal to the Fair Market Value (as defined in the 2005 Stock Incentive Plan, or any successor plan thereto) of a share of common stock on the date of award (Date of Award). The Date of Award shall be established prospectively by the Committee at the time it determines the award, with the goal of setting the date close in proximity to the related payroll processing date for awards under the Plan. Unless otherwise established by the Committee, the Date of Award shall be the day prior to the date the Corporation files its report on Form 10-K with the Securities and Exchange Commission for the period ending on the last date of the relevant Performance Period.

(4) Netting of Common Stock Shares. To the extent permitted under the 2005 Stock Incentive Plan and unless otherwise determined by the Committee or an election with respect to a different medium of payment is offered to and elected by a Participant in accordance with procedures approved by the Company, the shares of common stock delivered in connection with any common stock award under this Program shall be net of any tax withholding obligation.

8. **Timing of Payments**. Unless otherwise determined by the Committee in its discretion, payment of Annual Incentive Compensation, if any, under this Program with respect to any Performance Period will be paid following the Committee's determination of such Incentive Award and following the date the Corporation files its report on Form 10-K with the Securities and Exchange Commission for the period ending on the last date of relevant Performance Period; provided, however, the payment of any such award shall be paid on or before March 15 of the year following the end of the relevant calendar year Performance Period and as provided in Section 6 of the Plan.

9. **Termination of Employment**. The following provisions apply in the case of a Participant's termination of employment during the Performance Period:

A. Retirement, Death, or Disability. Following a Participant's Retirement, Death or Disability, a prorated value of such Participant's Award may be awarded by the Committee based upon the base salary earned during the Performance Period; provided that (i) such Award is calculated and delivered following the relevant Performance Period in accordance with the terms of the Plan, (ii) the relevant Threshold Corporation Performance Goal and other performance goals are achieved, (iii) the Participant is employed for a minimum period of time determined by the Committee and (iv) the Committee retains its negative discretion with respect to such awards.

(1) Retirement. Retirement shall mean, for all purposes under the Program, the applicable Participant's termination of employment that constitutes a separation from service under Section 409A of the Code after having satisfied the age, service and/or other requirements necessary to commence an immediate pension under either: (i) the applicable defined benefit pension plan for the Participant's home country, regardless of whether the Participant is a participant in such pension plan, or (ii) in the case of a home country for which there is no applicable defined benefit plan, the applicable local law or regulation; provided, however, such term does not include, unless the Committee consents with knowledge of the specific facts, retirement under circumstances in which the Participant accepts employment with a company that owns, or is owned by, a business that competes with the Corporation, or its Subsidiaries or affiliates. Further, to the extent necessary under applicable local law, Retirement may have such other meaning adopted by the Committee and set forth in the applicable Award notice.

(2) Disability. Disability shall be as defined in the Plan.

B. Resignation, Early Retirement and Other Termination. Following a Participant's Resignation, Early Retirement or other termination, all pending Incentive Awards are forfeited.

(1) Early Retirement. Early Retirement shall mean a retirement other than a Retirement.

10. **Forfeiture and Repayment**. The Committee may determine that an Incentive Award shall be forfeited and/or any value received from the Incentive Award shall be repaid to the Corporation pursuant to any recoupment policies, rules or regulations in effect at the time of the Incentive Award.

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Mario Longhi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Steel Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

April 29, 2015

/s/ Mario Longhi
Mario Longhi
President and Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, David B. Burritt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Steel Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2015

/s/ David B. Burritt
David B. Burritt
Executive Vice President
and Chief Financial Officer

Exhibit 32.1

CHIEF EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

I, Mario Longhi, President and Chief Executive Officer of United States Steel Corporation, certify that:

(1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending March 31, 2015, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ Mario Longhi

Mario Longhi
President and Chief Executive Officer

April 29, 2015

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to United States Steel Corporation and will be retained by United States Steel Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CHIEF FINANCIAL OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

I, David B. Burritt, Executive Vice President and Chief Financial Officer of United States Steel Corporation, certify that:

(1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending March 31, 2015, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ David B. Burritt

David B. Burritt
Executive Vice President
and Chief Financial Officer

April 29, 2015

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to United States Steel Corporation and will be retained by United States Steel Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95

United States Steel Corporation
Mine Safety Disclosure
(Unaudited)

For the quarter ended March 31, 2015

Mine (Federal Mine Safety and Health Administration (MSHA) ID)	Total # of Significant & Substantial violations under §104(a) [(a)]	Total # of orders under §104(b) [(a)]	Total # of unwarrantable failure citations and orders under §104(d) [(a)]	Total # of violations under §110(b)(2) [(a)]	Total # of orders under §107(a) [(a)]	Total dollar value of proposed assessments from MSHA	Total # of mining related fatalities	Received Notice of Pattern of Violations under §104(e) [(a)] (yes/no)?	Received Notice of Potential to have Pattern under §104(e) [(a)] (yes/no)?	Total # of Legal Actions Pending with the Mine Safety and Health Review Commission as of Last Day of Period [(b)]	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Mt. Iron (2100820, 2100282)	32	—	—	—	—	$26,618	—	no	no	76	1	—
Keewatin (2103352)	21	—	—	—	—	$14,940	—	no	no	28	—	—

(a) References to Section numbers are to sections of the Federal Mine Safety and Health Act of 1977.

(b) Includes all legal actions pending before the Federal Mine Safety and Health Review Commission, together with the Administrative Law Judges thereof, for each of our iron ore operations. These actions may have been initiated in prior quarters. All of the legal actions were initiated by us to contest citations, orders or proposed assessments issued by the Federal Mine Safety and Health administration, and if we are successful, may result in the reduction or dismissal of those citations, orders or assessments. As of the last day of the period, all 104 legal actions were to contest citations and proposed assessments.