UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
April 25, 2017

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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On April 25, 2017, United States Steel Corporation (the "Corporation") posted to its website an earnings presentation and a question and answer document related to the Corporation's financial results for the first quarter of 2017. In accordance with General Instruction B.2 of Form 8-K, the information contained in this Item 7.01 and the earnings presentation and question and answer document are being furnished under Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information and exhibits be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. Both documents are filed with this current report on Form 8-K as Exhibits 99.1 and 99.2.

Item 8.01. Other Events.

On April 26, 2017, the Corporation will conduct a conference call to discuss its results for the first quarter 2017.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 First Quarter 2017 Earnings Presentation and Remarks.

99.2 First Quarter 2017 Question and Answer document.

SIGNATURE

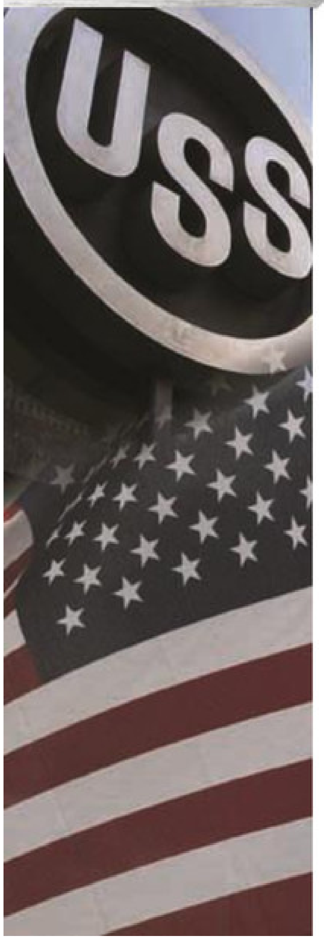
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED STATES STEEL CORPORATION

By /s/ Colleen M. Darragh

Colleen M. Darragh
Vice President and Controller

Dated: April 25, 2017



United States Steel Corporation

First Quarter 2017
Earnings Presentation

April 25, 2017

Forward-looking Statements

These slides and remarks are being provided to assist readers in understanding the results of operations, financial condition and cash flows of United States Steel Corporation for the first quarter of 2017. They should be read in conjunction with the consolidated financial statements and Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K and Quarterly Report on Forms 10-Q filed with the Securities and Exchange Commission.

This presentation contains information that may constitute “forward-looking statements” within the meaning of Section 27 of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “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 “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References to "we," "us," "our," the "Company," and "U. S. Steel," refer to United States Steel Corporation and its Consolidated Subsidiaries.

Explanation of Use of Non-GAAP Measures

We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share, earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA) and adjusted EBITDA, which are all non-GAAP measures, as additional measurements to enhance the understanding of our operating performance.

Net debt is a non-GAAP measure calculated as total debt less cash and cash equivalents. We believe net debt is a useful measure in calculating enterprise value. We believe that EBITDA considered along with the net earnings (loss), is a relevant indicator of trends relating to cash generating activity and provides management and investors with additional information for comparison of our operating results to the operating results of other companies. Both EBITDA and net debt are used by analysts to refine and improve the accuracy of their financial models which utilize enterprise value.

Adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share are non-GAAP measures that exclude the effects of restructuring charges, impairment charges, and losses on debt extinguishment that are not part of the Company's core operations. Adjusted EBITDA is also a non-GAAP measure that excludes the effects of restructuring charges and impairment charges. We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA to enhance the understanding of our ongoing operating performance and established trends affecting our core operations, particularly cash generating activity, by excluding the effects of restructuring charges, impairment charges, losses on debt extinguishment, and losses associated with non-core operations that can obscure underlying trends. U. S. Steel's management considers adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA useful to investors by facilitating a comparison of our operating performance to the operating performance of our competitors, many of which use adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA as alternative measures of operating performance. Additionally, the presentation of adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA provides insight into management's view and assessment of the Company's ongoing operating performance, because management does not consider the adjusting items when evaluating the Company's financial performance or in preparing the Company's annual financial Outlook. Adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA should not be considered a substitute for net earnings (loss), earnings (loss) per diluted share or other financial measures as computed in accordance with U.S. GAAP and is not necessarily comparable to similarly titled measures used by other companies.

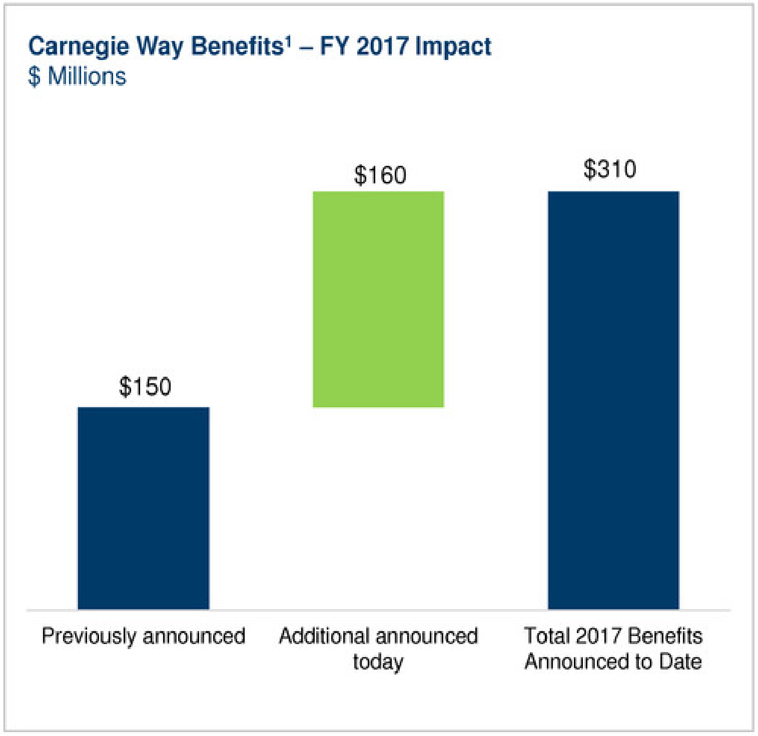
2017 Outlook

- If market conditions, which include spot prices, raw material costs, customer demand, import volumes, supply chain inventories, rig counts and energy prices, remain at their current levels, we expect:
  - 2017 net earnings of approximately $260 million, or $1.50 per share, and adjusted EBITDA of approximately $1.1 billion;
  - Results for our Flat-Rolled, European, and Tubular segments to be higher than 2016; and
  - Other Businesses to be comparable to 2016 and approximately $50 million of postretirement benefit expense.
- We believe market conditions will change, and as changes occur during the balance of 2017, we expect these changes to be reflected in our net earnings and adjusted EBITDA.

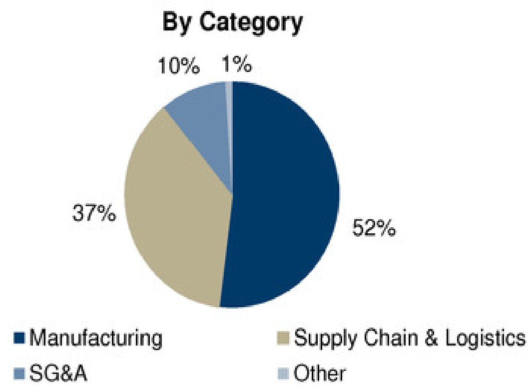
Market conditions have continued to improve, and we will realize greater benefits as these improved conditions are recognized more fully in our future results. We are focused on long-term and sustainable improvements in our business model that will position us to continue to be a strong business partner that creates value for our customers. This remains a cyclical industry and we will not let favorable near-term business conditions distract us from taking the outages we need to revitalize our assets in order to achieve more reliable and consistent operations, improve quality and cost performance, and generate more consistent financial results. We issued equity last August to give us the financial strength and liquidity to position us to establish an asset revitalization plan large enough to resolve our issues, and to see that plan through to completion. As we get deeper into our asset revitalization efforts, we are seeing opportunities for greater efficiency in implementing our plan. We believe we can create more long-term and sustainable value by moving faster now. We have made the strategic decision to accelerate our efforts to resolve the issues that challenge our ability to achieve sustainable long-term profitability. We believe our objective to achieve economic profit across the business cycle will result in true value creation for all of our stakeholders over the long-term.

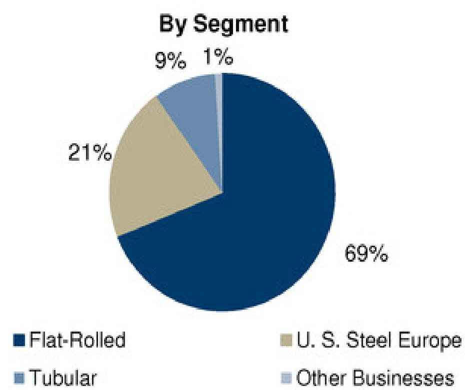
See the Appendix for the reconciliation of the Outlook net earnings to adjusted EBITDA.

Carnegie Way – Accumulating Benefits



[1] Carnegie Way benefits are based on the incremental impact in 2017 as compared to 2016 as the base year.





Our Carnegie Way methodology continues to yield meaningful improvements for the organization. There is room to grow as each Commercial Entity continues to drive the Carnegie Way method tools deeper into their organization.

Including the benefits from projects we implemented during the first quarter, our new total for the full year impact from Carnegie Way benefits in 2017 is $310 million as compared to 2016 as the base year.

Top Carnegie Way Projects in the first quarter include:

- Caster yield improvements at Great Lakes Works
- Pellet production optimization at Minntac
- Coal blend improvements

Our pace of progress on the Carnegie Way transformation continues to exceed our expectations. The continuing benefits are improving our ability to earn the right to grow and then drive sustainable profitable growth over the long-term as we deal with the cyclicality and volatility of the global steel industry. We completed nearly 450 projects in the quarter and have many opportunities ahead of us, with over 3,500 active projects in the pipeline.

Capitalization and Depreciation Method

Change in Accounting Estimate – Capitalization and Depreciation Method

Changing from group depreciation to unitary depreciation

Unitary depreciation is the preferred method under U.S. GAAP

Maintenance and outage spending that had previously been expensed will now be capitalized if it extends the useful life of the related asset

New depreciation method is consistent with our competitors

During the first quarter of 2017, we completed a review of our accounting policy for property, plant and equipment depreciated on a group basis. As a result of this review, we changed our accounting method for property, plant and equipment from the group method of depreciation to the unitary method of depreciation, effective as of January 1, 2017. The change from the group method to the unitary method is preferable under accounting principles generally accepted in the U.S. as it will result in a more precise estimate of depreciation expense. Additionally, the change to the unitary method of depreciation is consistent with the depreciation method applied by our competitors and improves the comparability of our results to our competitors' results. Due to the application of the unitary method of depreciation and resultant change in our capitalization policy, maintenance and outage spending that had previously been expensed will now be capitalized if it extends the useful life of the related asset. The 2017 estimated impact is an approximately $175 million decrease in operating expense.

Market Updates*

Major industry summary and market fundamentals

Flat-Rolled

March U.S. light vehicle sales 1.7% lower versus last year

Line pipe orders to our Flat-Rolled segment have increased since January 2017

The March Architectural Billing Index (construction leading indicator) up nearly 5% versus last year

March MSCI carbon flat-rolled inventory at a low 1.8 months (unadjusted). Flat-rolled shipments up over 10% versus March last year

Tubular

Increased drilling rates during 4Q

WTI oil prices averaged $52/barrel in 1Q

OCTG inventory continues to decline – months supply is below 2

During 1Q, imports share of U.S. OCTG apparent market demand is projected to exceed 50%

U. S. Steel Europe

V4** car production is expected to shrink by 0.5% in 2017

Appliance sector in Central Europe expected to grow 1.9% in 2017, while the appliance sector in the broader EU is expected to grow by 0.3%

2017 EU construction output to grow 2.1% in the EU and 3.5% in Central Europe

** Visegrad Group – Czech Republic, Hungary, Poland and Slovakia

*See Appendix for additional detail and data sources.

We constantly monitor trends in the markets we serve, and receive updates in those markets directly from our customers as well as external publications. This information indicates:

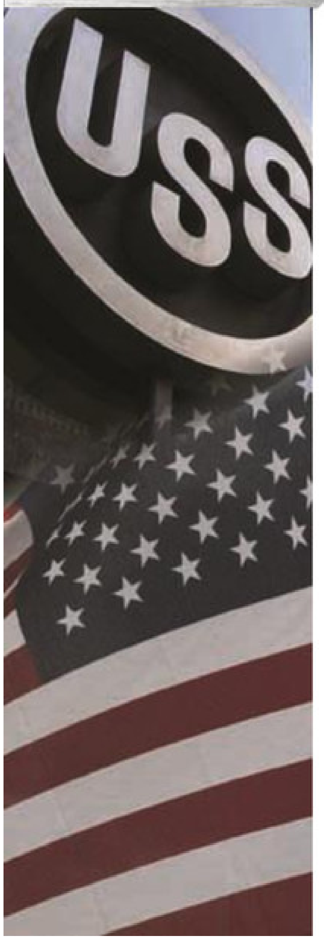
- U.S. light vehicle sales were down 1.7% in March year-over-year, but still near elevated levels of the past few years.

- Service Center flat-rolled inventories are at the unusually low level of 1.8 months. This could lead to a re-stocking later in the year.

- OCTG inventories are below 2 months of supply. This is the lowest level since Preston Tube began tracking this metric in 1998.

- Total U.S. rig count stands at 857 on April 21, an increase of 112% over the lowest point in May 2016. The increase in the rig count is related to onshore activity which will primarily benefit our Fairfield seamless and Lone Star welded operations. The offshore rig count has actually declined over the same time period. Our seamless Lorain #3 mill produces large diameter pipe that is historically used for offshore drilling.

- The home market of our European operations remains a good place to do business. Construction and appliance growth in 2017 is expected to outstrip overall European Union growth. Auto growth in our home market is expect to decline slightly in 2017, down 0.5%, due to a change in produced car models.



Operating updates

- Iron ore mining facilities
- Steelmaking facilities
- Flat-Rolled finishing facilities
- Tubular facilities
- U. S. Steel Europe

At our Flat-Rolled segment iron ore mining operations, we continue to operate our Minntac facility. Our Keetac facility successfully resumed pellet production on February 24 after having been idled for nearly 2 years. The restart of Keetac will allow us to engage in third party pellet sales while continuing to meet our current domestic steelmaking needs.

We are currently operating the steelmaking and finishing facilities at our Gary, Great Lakes and Mon Valley Works. We continue to operate finishing facilities at our Granite City Works, and began rolling slabs on the hot strip mill on February 14. The steelmaking operations at Granite City Works remain idled. We continue to operate the finishing facilities at our Fairfield, Midwest, East Chicago, and Fairless Hills locations. We continuously review market conditions and the restart of idled facilities in the context of sustainable increases in steel demand that would support operating rates at profitable levels.

On April 11, there was a process waste water release at our Midwest Plant in Portage, Indiana that impacted a water outfall that discharges to Burns Waterway near Lake Michigan. We identified the source of the process release and made the necessary repairs. We determined that all repairs were safely working as intended and, on April 14, we resumed operations in a controlled, phased and highly monitored approach with extensive input from participating government agencies. We continue to work with our customers to mitigate any supply disruptions to them as well as financial impacts to U. S. Steel. We are working with the participating government agencies to resolve this issue. At this time, we are unable to reliably estimate the amount of any potential liability or compliance costs associated with this incident.

We are currently operating our seamless mills in Fairfield, AL and Lorain, OH. Our seamless mill in Fairfield produces mid-range diameter pipe, while our Lorain #3 mill produces large diameter pipe that is historically used for off-shore drilling. We are currently purchasing rounds from third parties to feed our seamless mills. We are in the process of restarting our Lone Star #2 mill and expect production to resume in May. We announced our intention to permanently shut down the Lorain #6 Quench and Temper mill. However, we have decided to relocate the Lorain #6 Quench and Temper equipment to one of several other sites under consideration to optimize our operations.

Our European operations are seeing stable market conditions and are running at high levels.

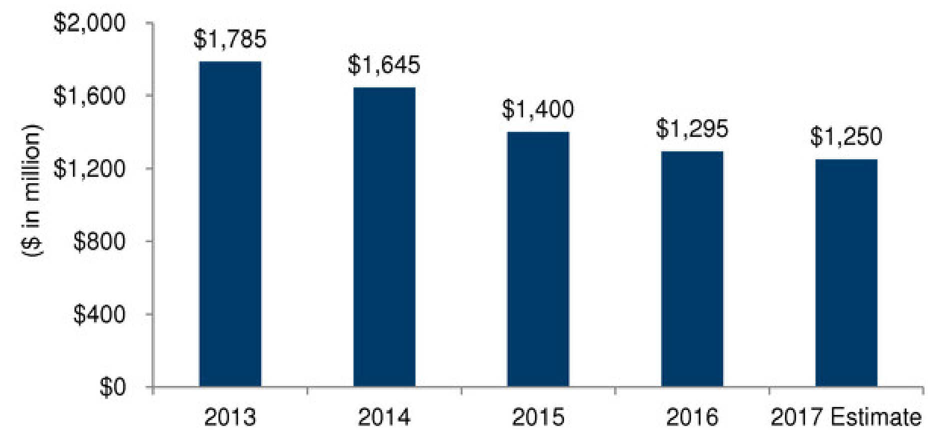
Strategic Approach

Carnegie Way transformation

Phase 1: Earning the right to grow:

- *Economic profits*
- *Customer satisfaction and loyalty*
- *Process improvements and focused investment*

Economic Profit – EBITDA break-even point



The Carnegie Way is the framework for who we want – and need – to be as a company and how we can get there. At its heart, the Carnegie Way is about creating real and sustainable value for all of our stakeholders.

It's about differentiating ourselves from our competition through the development of innovative products, processes and approaches to doing business; to be a true business partner and solutions provider to our customers. It's also about creating a culture that is rooted in time-tested principles and commitment to collaboration, accountability and results at all levels.

Our aspiration to become sustainably profitable, of earning economic profit across the cycle and being profitable across the trough remains unchanged, and the Carnegie Way is helping us get closer to that goal.

The three factors that have the most significant impact on achieving economic profit are increased margins, more efficient deployment of capital, and reducing our weighted average cost of capital (WACC).

Our Carnegie Way efforts are addressing each of these factors and we have lowered our break-even point to generate economic profit by over $500 million since 2013.

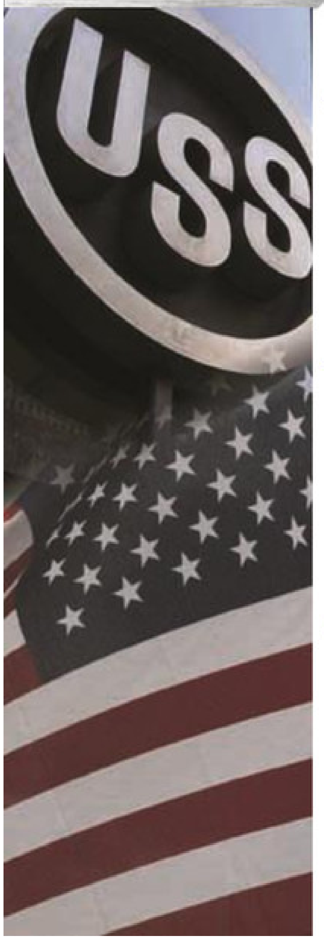
We are focused on increasing our margins by lowering our costs, improving our operational performance, and improving our product mix.

We have eliminated non-competitive facilities and are deploying our capital at the facilities that will provide the quality and reliability to support our stronger product mix, and the development of the future products that will make us a business partner that creates value for our customers. We are taking a disciplined approach that is centered on projects with lower implementation risks and faster returns on our investments.

As we improve our costs, mix and our operating consistency and reliability, we will generate more stable earnings. Lower earnings volatility will help to lower our beta and reduce our cost of equity, ultimately reducing our WACC.

Carnegie Way transformation

Asset revitalization plan



A comprehensive plan to:

- Improve our profitability and competitiveness
- Meet the increasing expectations of our customers

A structured and flexible plan:

- Smaller and less complex projects to reduce execution risk
- Adaptable to changing business conditions

Multi-year implementation timeline to:

- Minimize disruptions to our operations
- Ensure we continue to support our customers

What is it?

Our asset revitalization plan is a comprehensive investment plan, anchored in the Carnegie Way, to improve our profitability and competitiveness through projects designed to improve product capability and quality, and our operating reliability, efficiency and cost. The program focus is on investments in our existing Flat-Rolled segment assets, our people, and our processes. This targeted investment program will ensure maximum impact to our stockholders, customers and employees.

Why are you doing it?

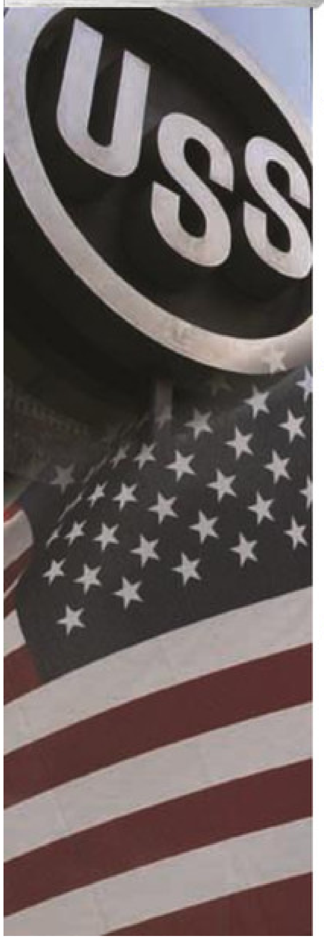
The performance expectations of our customers are constantly increasing, and we need to be investing in our assets at a pace that will allow us to keep up with these increasing standards. On the quality side, we need to reduce our existing diversion, retreat and claim rates, and on the delivery side, consistency is the key. We will increase our spending on critical infrastructure in order to reduce major events that disrupt our entire supply chain, and to reduce our unplanned downtime and improve our reliability centered maintenance capabilities.

How are you doing it?

Importantly, while this is a large program, the majority of projects are not large, complex projects. Forty percent of the total program spend is expected to be on projects that cost less than $10 million, and sixty percent of the total program spend is expected to be on projects that cost less than $20 million. This means that assumptions are more accurate, and projects are easier to execute. Due to the smaller nature of many of the projects, we do not have to complete the entire program in order to start seeing benefits. Also, by breaking the program down into a series of smaller projects, we have greater flexibility to adjust the scope and pace of project implementation based on changes in business conditions.

Carnegie Way transformation

Asset revitalization plan



A comprehensive plan to:

- Improve our profitability and competitiveness
- Meet the increasing expectations of our customers

A structured and flexible plan:

- Smaller and less complex projects to reduce execution risk
- Adaptable to changing business conditions

Multi-year implementation timeline to:

- Minimize disruptions to our operations
- Ensure we continue to support our customers

How long will it take?

In order to ensure that we obtain the desired results from our asset revitalization efforts, it was necessary to properly plan and schedule a large number of projects. The development and scheduling of these projects required the input and coordinated efforts of hundreds of people from across the Flat-Rolled segment footprint. Once the project portfolio was prepared and optimized, actual implementation efforts needed to be coordinated with production and maintenance schedules to minimize the disruption to production operations. The work requires outages on many facilities and we are making sure we can support our customers at the same time as we revitalize our assets. As a result, we expect the implementation schedule will stretch over a period of three to four years.

How much will it cost?

We currently expect our investment in asset revitalization in 2017 to be approximately $300 million higher compared with 2016. As noted above, we have the ability to adjust the scope and pace of implementing our plan based on changes in business conditions.

How does it create value?

Our asset revitalization plan is not just sustaining capital and maintenance spending; these projects will deliver both operational and commercial benefits, with most of the benefits coming from operational improvements. The commercial benefits we expect to realize will be driven primarily by things we can control, such as better product quality, improved delivery performance, and increased throughput on constrained assets.

After we complete our full asset revitalization plan, we will have well maintained facilities with a strong core infrastructure, and strong reliability centered maintenance organizations. We will deliver products to our customers with improved reliability and quality.

Executing this plan is a critical milestone in the Carnegie Way journey to take us from “earning the right to grow” to “driving and sustaining profitable growth.”

Asset Revitalization

Targeted Improvement – Gary Works Hot Strip Mill

Investment will drive significant improvement in quality, reliability and cost metrics with attractive returns

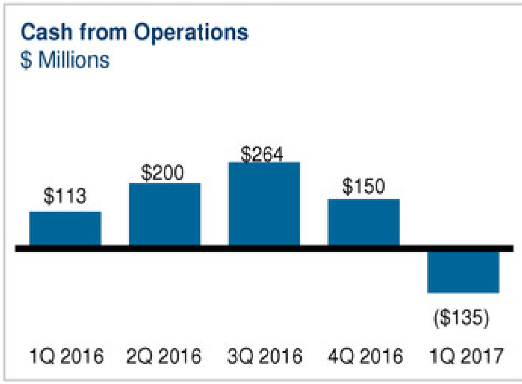
	Improvement from 2016 – year end run rate:		
Key Performance Indicators	**2017**	**2018**	**2019**
Production volume	5%	10%	13%
Unplanned downtime	40%	50%	60%
Operating cost	2%	5%	12%
Quality	20%	50%	70%

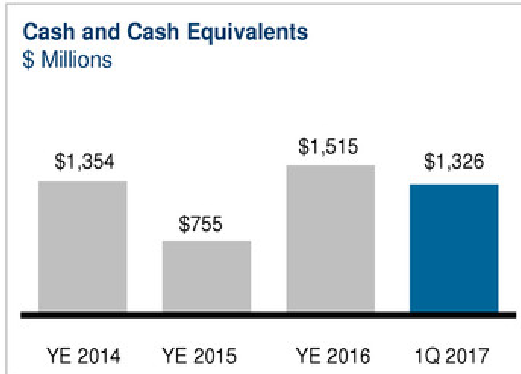
As we have stated, our asset revitalization plan will take three to four years to complete. But we will not have to wait until it is fully implemented to begin realizing benefits.

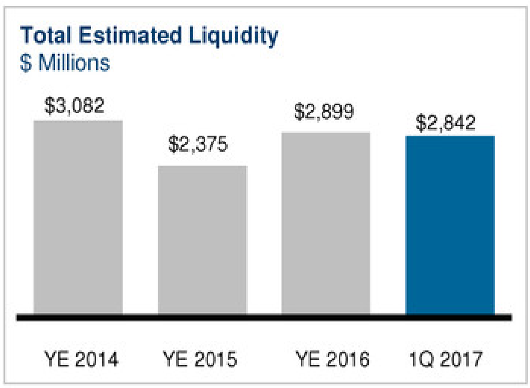
This table shows the operational improvement we are targeting at our Gary Works hot strip mill as we complete a series of projects over the next three years. After we complete our investments in this asset, we will have significantly improved our production capability and reliability, lowered our costs, and improved our quality.

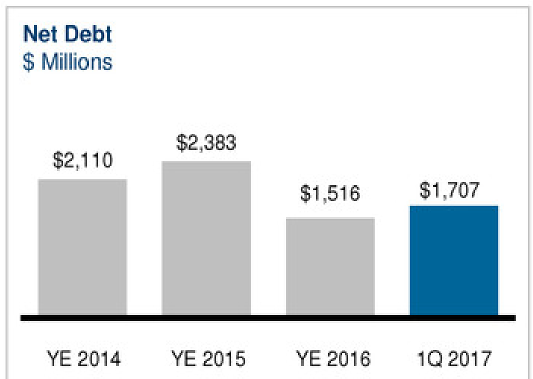
Financial Flexibility

Strong cash and liquidity positions









Cash from Operations declined in 1Q due to working capital build

Cash conversion cycle improved by 4 days due primarily to improved inventory management

Strong cash and liquidity despite working capital build in the quarter

Note: For reconciliation of non-GAAP amounts see Appendix

Net cash used in operating activities was $135 million in the first quarter compared to net cash provided by operating activities of $113 million in the same period last year. The change is primarily due to an increase in working capital period over period, partially offset by improved financial results.

The quarter end cash balance was $1.3 billion, down from year-end levels due to investments in working capital. We anticipate a release of cash from working capital in the latter part of the second quarter. The cash conversion cycle improved by four days (to 39 days) as a result of on-going inventory initiatives.

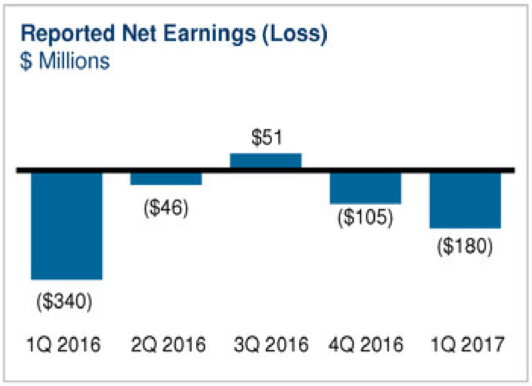
Total liquidity declined in the first quarter due to lower cash levels partially offset by higher Asset Based Loan availability, which was driven by higher levels of collateral (inventory and accounts receivable).

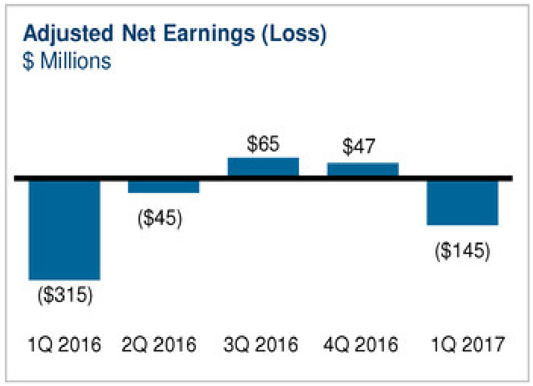
The increase in net debt was a result of our lower cash balance in the quarter.

Our strong cash and liquidity position supports our strategic decision to accelerate our asset revitalization efforts.

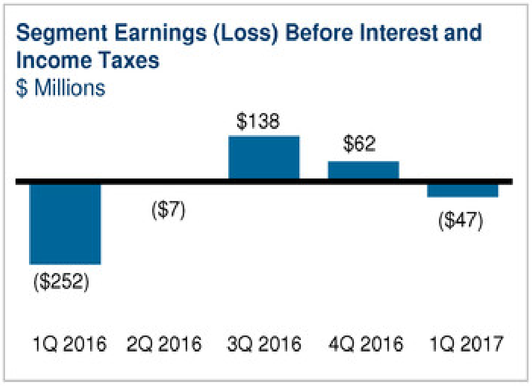
First Quarter 2017 Results

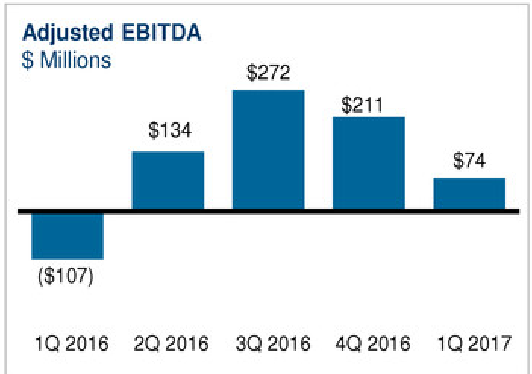
Headwinds in our Flat-Rolled segment impacted results





All segments show improved results compared with 1Q 2016





Accelerating our Asset Revitalization Plan

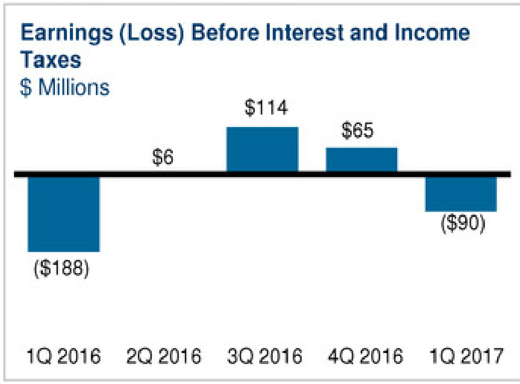
Note: For reconciliation of non-GAAP amounts see Appendix

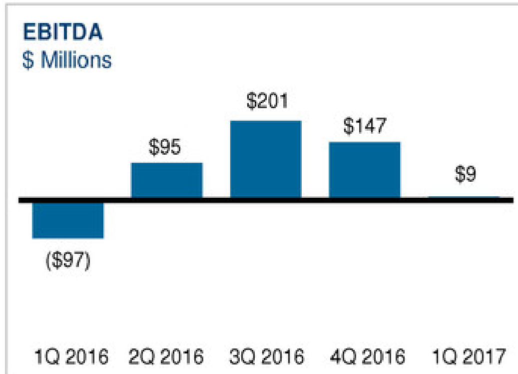
We reported a first quarter 2017 net loss of $180 million, or $1.03 per diluted share, which included an unfavorable adjustment of $35 million, or $0.20 per diluted share, associated with the loss on the shutdown of certain tubular assets.

Segment results improved by $205 million compared to the first quarter of 2016, as results improved for all of our reportable segments.

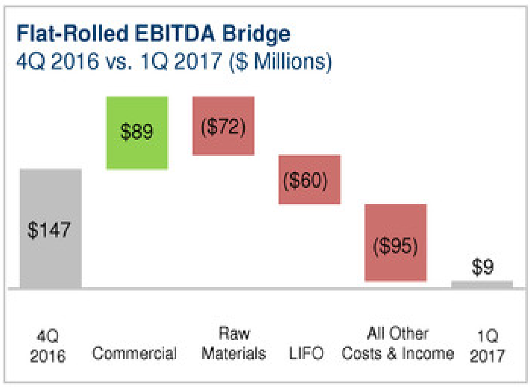
First Quarter 2017 Flat-Rolled Segment

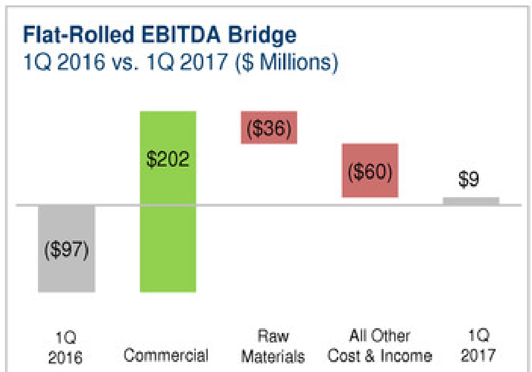
Market conditions and operating challenges create earnings volatility





Significant headwinds quarter-over-quarter





Strong improvement year-over-year

Note: For reconciliation of non-GAAP amounts see Appendix

Last quarter we disclosed several headwinds that would impact our first quarter Flat-Rolled results:

- Higher raw material costs;
- Higher energy costs;
- Higher maintenance and outage costs; and
- Facility restarts at Keetac and the Granite City hot strip mill

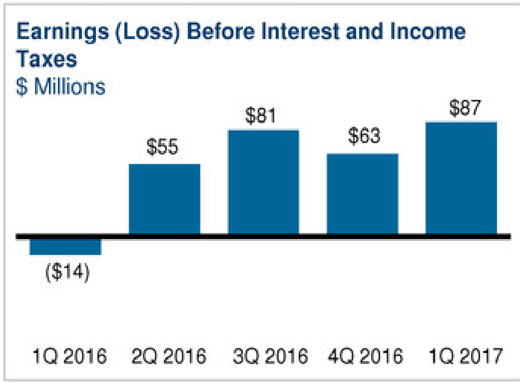
In addition to these items, the normal seasonal impact on our mining operations always has an adverse effect in the first quarter compared to the fourth quarter.

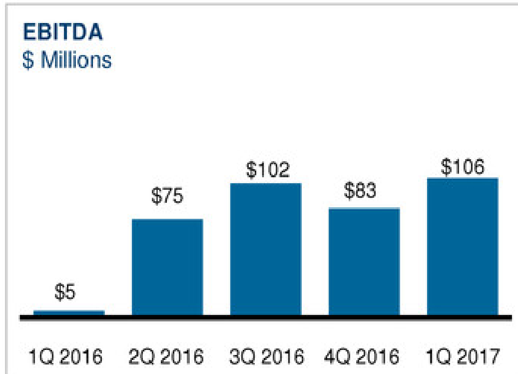
First quarter results for our Flat-Rolled segment declined significantly compared with the fourth quarter, as we expected, primarily due to higher raw material costs, increased planned outage costs, seasonally lower results from our mining operations, and restart costs associated with the Granite City hot strip mill and our Keetac iron ore mine. Also contributing to the decline in results was a $20 million charge from using the last-in-first-out (LIFO) inventory method in the first quarter, while we recognized a $40 million LIFO benefit in the fourth quarter. These factors were only partially offset by higher average realized prices and benefits from slightly increased shipments that were limited by operating challenges at our facilities.

The increase in Flat-Rolled results for the three months ended March 31, 2017 compared to the same period in 2016 resulted from higher average realized prices as a result of improved market conditions, partially offset by higher raw materials costs (including higher energy costs), increased planned outage costs and other operating expenses, lower results from our mining operations, and restart costs associated with the Granite City hot strip mill and our Keetac iron ore mine.

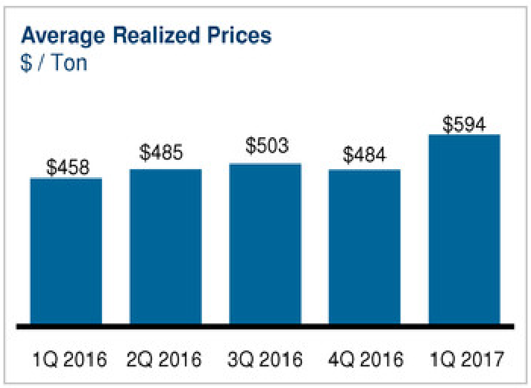
First Quarter 2017 U. S. Steel Europe Segment

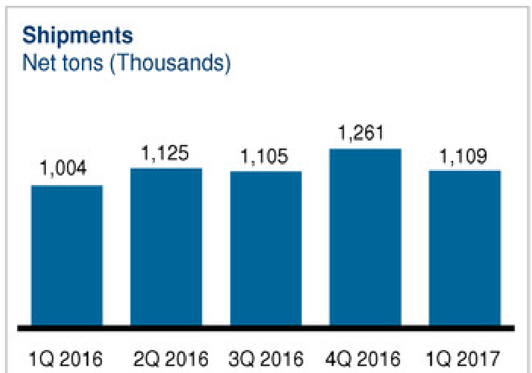
Europe continues its strong operating performance





Solid market conditions reflected in segment results





Operations running at high levels

Note: For reconciliation of non-GAAP amounts see Appendix

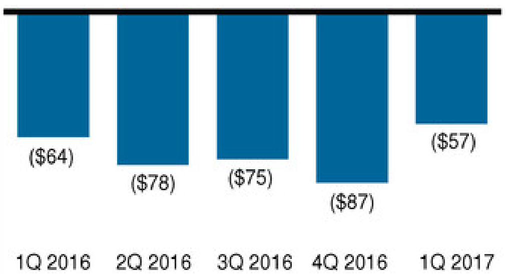
First quarter results for our European segment improved compared with the fourth quarter due to increased average realized prices and a favorable first-in-first-out (FIFO) inventory impact. These benefits were partially offset by lower shipment volumes and higher raw material costs, particularly for coking coal and iron ore.

The increase in USSE results for the three months ended March 31, 2017 compared to the same period in 2016 was primarily due to higher average realized euro-based prices and a favorable first-in-first out (FIFO) inventory impact, partially offset by higher raw materials costs.

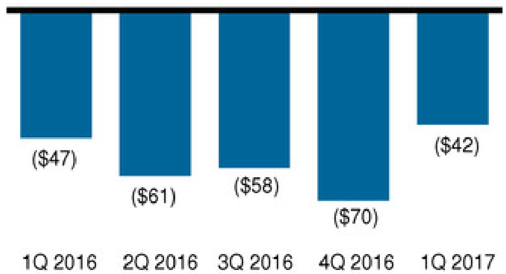
First Quarter 2017 Tubular Segment

Results starting to reflect improving market conditions

Loss Before Interest and Income Taxes
$ Millions

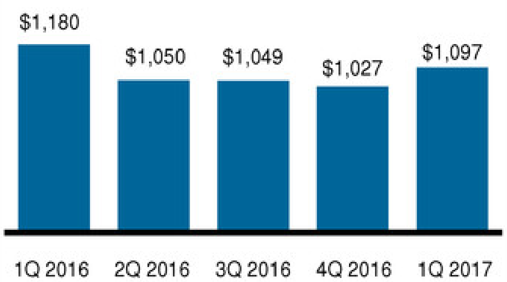


EBITDA
$ Millions

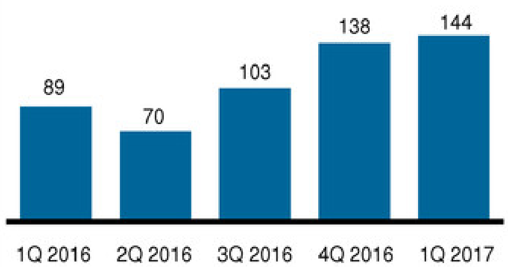


Lone Star welded mill to resume operations in May

Average Realized Prices
$ / Ton



Shipments
Net tons (Thousands)

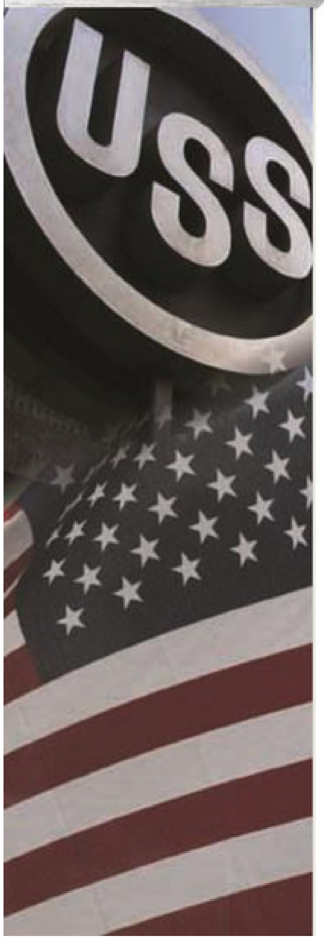


Market prices remain low despite improvement versus 4Q 2016

Note: For reconciliation of non-GAAP amounts see Appendix

First quarter results for our Tubular segment improved compared with the fourth quarter due to higher prices, increased shipments, lower spending and the absence of an unfavorable lower of cost or market adjustment for obsolete inventory taken in the fourth quarter. These benefits were partially offset by increased substrate costs.

The increase in Tubular results for the three months ended March 31, 2017 as compared to the same period in 2016 was primarily due to increased shipment volumes as a result of improving market conditions and decreased labor and other operating costs, partially offset by higher substrate costs.



Appendix

Flat-Rolled Segment

Sources: Wards / AHAM / US DOC / Customer Reports / AISI / US Census Bureau / FW Dodge / Dept of Commerce / AIA / MSCI / worldsteel

Major end markets summary

Automotive	March vehicle sales fell by 1.7% versus last year to 1.54 million units, suggesting a sales SAAR of 16.53 million. 1Q'17 sales were 17.1 million (SAAR), down from 17.2 million in 1Q'16. Inventory on March 31 increased to 4.145 million, with days' supply down 2 to 72.
Industrial Equipment	Market appears relatively flat at this time, as manufacturers continue to wait for details on the proposed infrastructure bill and impact to yellow goods. Railcar industry optimistic; any slowing in tankers due to pipeline construction could be offset by (coal) hopper cars.
Tin Plate	Domestic tin mill shipments decreased 8% for the first two months of 2017. 1Q'17 tin mill imports up 12% y-o-y, continuing to take domestic market share.
Appliance	March AHAM6 appliance shipments totaled 4.456 million units, flat versus February and up only 0.6% y-o-y. For the first quarter 2017, units shipments are +2.5% versus the year ago period.
Pipe and Tube	Structural tubing sentiment remains positive; following projected construction season increases. Line pipe orders have increased since January 2017, and numerous high volume project inquiries outstanding as well. OCTG demand improving and current supply chain is tight despite high imports.
Construction	March housing starts annualized at 1.215 million, up 9.2% y-o-y, and completions up 13.4% y-o-y. Construction spending up 3.0% y-o-y in February; private residential solid (+6.2%), gov't weak(-7.2% y-o-y). March Dodge Momentum Index score increased 0.9% versus February to 144.4, higher than year ago levels and improved 6 consecutive months, suggesting forward looking non-residential construction improvement. March Architectural Billings Index (ABI) increased 7.1% versus February to 54.3, and is 4.6% higher than March 2016.
Service Center	March MSCI carbon flat-rolled increase to best month since March '14. 106,700 tons per day shipped represents an increase of 352,000 tons versus February, and a >10% improvement versus March 2016. Carbon Flat Roll inventories dropped to 1.8 months, a reduction of 156,000 from February, and a 535,000 ton (-10.7%) drop from the same period last year.

Tubular Segment

Sources: Baker Hughes, US Energy Information Administration, Preston Publishing, Internal

Market industry summary

Oil Directed Rig Count	U.S. energy companies continued to increase drilling rates during 1Q. The oil directed rig count averaged 593 during 1Q, an increase of 26% quarter over quarter (q-o-q). As of April 21, 2017, there were 688 active oil rigs.
Gas Directed Rig Count	Improving natural gas market fundamentals and outlook resulted in increased drilling during 1Q. The natural gas directed rig count averaged 148 during 1Q, an increase of 28% q-o-q. As of April 21, 2017, there were 167 active natural gas rigs.
Natural Gas Storage Level	As of March 31, 2017, there was 2.1 Tcf of natural gas in storage, down 17% y-o-y.
Oil Price	The West Texas Intermediate oil price averaged $52 per barrel during 1Q, up $3 or 6% q-o-q.
Natural Gas Price	The Henry Hub natural gas price averaged $3.02 per million btu during 1Q, down $0.02 or 1% q-o-q.
Imports	Imports of OCTG remain high. During 1Q, import share of OCTG apparent market demand is projected to exceed 50%.
OCTG Inventory	Overall, OCTG supply chain inventory continues to decline. Months supply is below 2.

U. S. Steel Europe Segment

Sources: Eurofer, USSK Marketing, IHS, Eurometal, Euroconstruct

Major end markets summary

Automotive

EU car production reached 5.1 million units in 1Q '17, an increase of 3.6% y-o-y. EU car production is projected to fall by 5.2% y-o-y in 2Q to 4.9 million units. Increase of 1% y-o-y to 18.8 million units is currently projected for 2017. Total V4 car production reached 0.92 million units in 1Q '17, an increase of 2.9% y-o-y. V4 car production is anticipated to decrease by 6.7% y-o-y in 2Q to 0.9 million units. V4 car production is expected to decrease by 0.5% y-o-y in 2017 close to 3.5 million units. The reason for the small decrease is the change in produced models.

Appliance

The EU appliance sector in 1Q '17 is expected to be flat y-o-y. 2Q '17 is expected to decrease by 1% y-o-y. Overall in 2017, the appliance market is anticipate to grow by 0.3% y-o-y in the EU. In Central Europe, as a result of expected residential construction sector performance and increased demand for home appliances, the sector is projected to grow by 1.9 % y-o-y.

Tin Plate

Due to lower demand caused by higher prices, EU tin consumption in 1Q decreased by 7% y-o-y. Asian imports are low. 2Q '17 consumption is expected to increase by 10% q-o-q. 2017 demand is expected to increase 1% versus 2016.

Construction

Total construction activity in EU is forecasted to expand by 1.4% y-o-y in 1Q '17 and by 1.8% y-o-y in 2Q '17. The strength of the residential sector will continue in many Western European countries. In the UK, Brexit is expected to impact construction demand due to reduced investor confidence. The availability of EU funds for infrastructure projects in Central Europe will lead to a resumption of construction sector activity growth in this region. Total output is anticipated to grow by 2.1% in EU and by 3.5% in Central Europe for 2017.

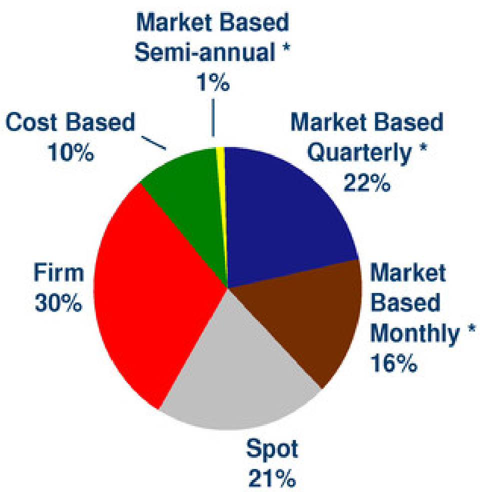
Service Centers

Although the end-user market has been rather healthy in March, demand from steel service centers and distributors has not strengthened due to high inventory level as they bought large volumes in the past months. Buyers remain in wait-and-see mode and are closely monitoring developments in the EU as well as global markets.

U. S. Steel Commercial – Contract vs. Spot

Contract vs. spot mix – twelve months ended March 31, 2017

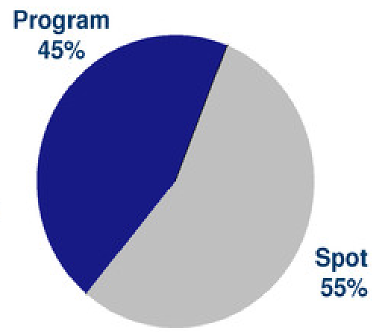
Flat-Rolled



Contract: 79%

Spot: 21%

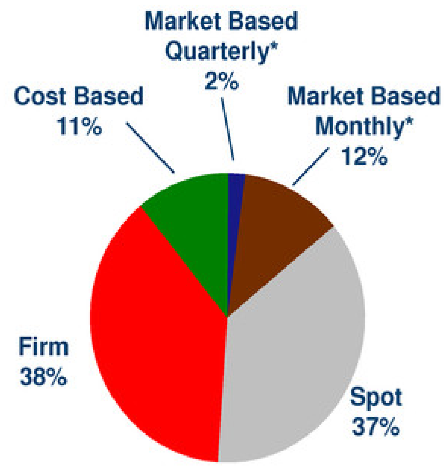
Tubular



Program: 45%

Spot: 55%

U. S. Steel Europe



Contract: 63%

Spot: 37%

*Annual contract volume commitments with price adjustments in stated time frame

Other Items

Capital Spending*
2016 actual $306 million
2017 estimate $625 million

Depreciation, Depletion and Amortization*
2016 actual $507 million
2017 estimate $500 million

Pension and Other Benefits Costs
2016 actual $101 million
2017 estimate $182 million

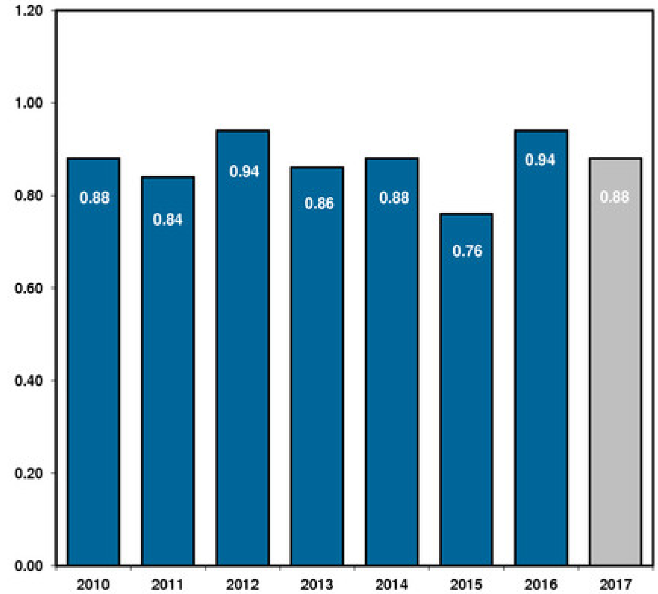
Pension and Other Benefits Cash Payments
(excluding voluntary pension contributions)
2016 actual $150 million
2017 estimate $129 million

*2017 estimates includes the application of the unitary method of depreciation

Safety Performance Rates

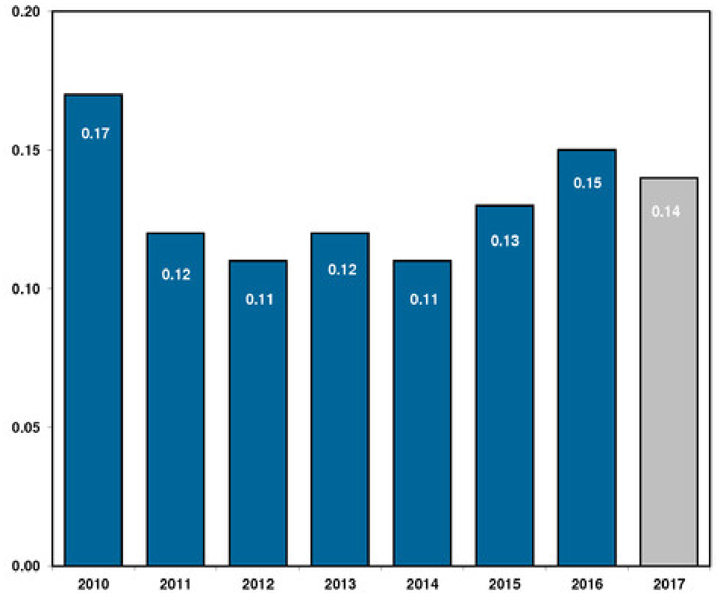
Global OSHA Recordable Incidence Rates 2010 through March 2017

75% better than BLS 47% better than AISI



Global Days Away From Work Incidence Rates 2010 through March 2017

86% better than BLS 65% better than AISI



Frequency of Injuries (per 200,000 manhours)
Data for 2010 forward includes Lone Star Tubular Operations, Bellville Tubular Operations, Rig Site Services, Tubular Processing Houston, Offshore Operations Houston, and Wheeling Machine Products. Data for 2011 forward includes Transtar. Data for 2010 through 2011 includes U. S. Steel Serbia. Data for 2010 through 2014 includes Canada.
BLS = U.S. Bureau of Labor Statistics
AISI = American Iron and Steel Institute

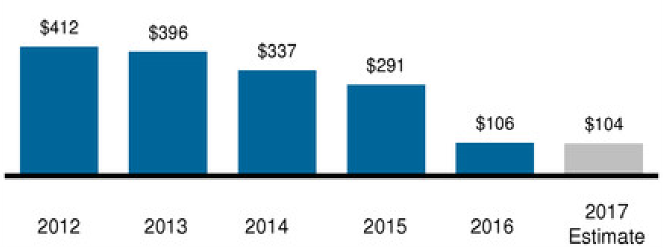
Pension

Expense and funded status

Participants by Type of Plan

Type of Plan	12/31/2003	12/31/2016	Increase/ (Decrease)
Defined Benefit	15,574	4,710	(10,864)
Multiemployer	6,043	9,730	3,687
Defined Contribution	1,627	3,535	1,908
Total	23,244	17,975	(5,269)

Pension – Expense
$ Millions



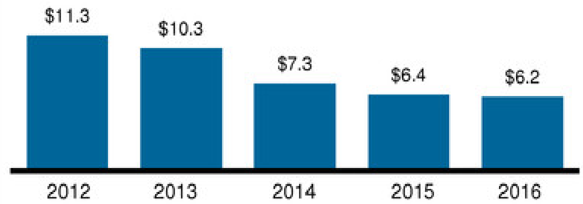
Major Assumptions:

Discount rate expense: 4.50% for 2012, 3.75% for 2013, 4.50% for 2014, 3.75% for 2015, 4.25% for 2016, and 4.00% for 2017E

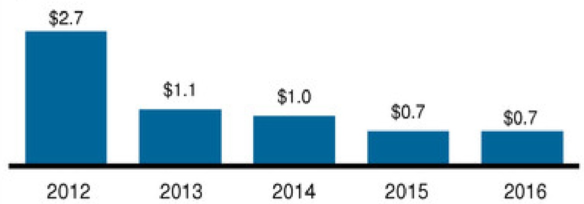
Expected rate of return on assets: 7.75% in U.S. & 7.25% in Canada for 2012 through 2014, 7.50% in U.S. for 2015 and 2016, for 2017E: 7.25%

Includes U. S. Steel Canada up until the deconsolidation on September 16, 2014

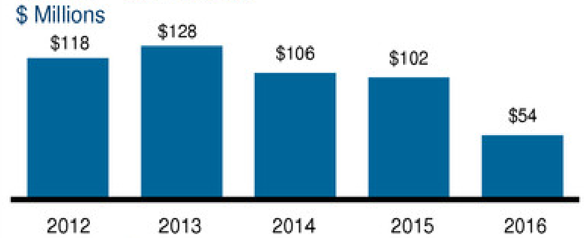
Pension – Benefit Obligations
$ Billions



Pension – Underfunded Status
$ Billions

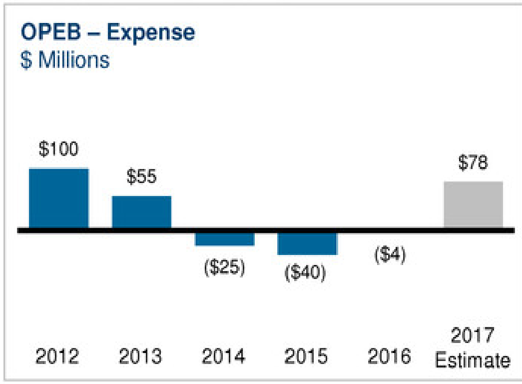


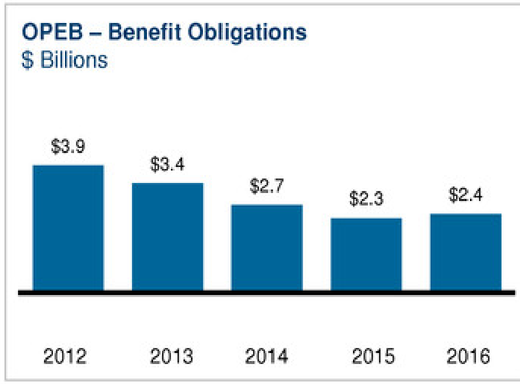
Pension – Service Cost
$ Millions

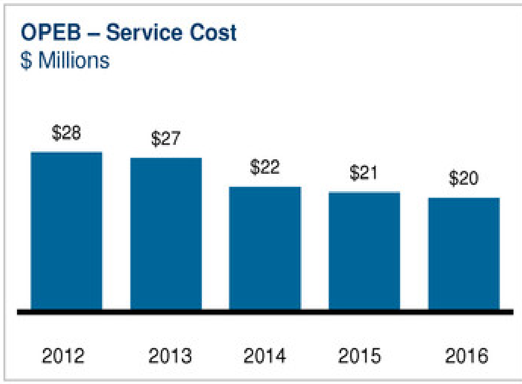


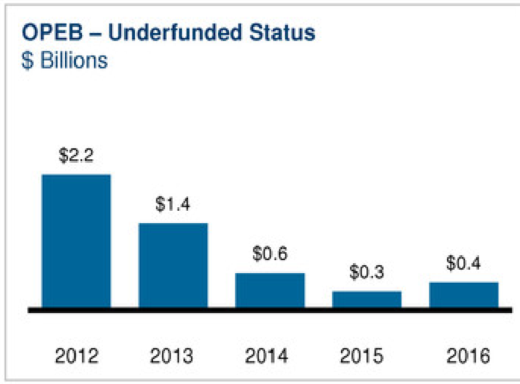
OPEB

Expense and funded status









Major Assumptions:

Discount rate expense: 4.50% for 2012, 3.75% for 2013, 4.50% for 2014, 3.75% for 2015, 4.25% for 2016, and 4.00% for 2017E

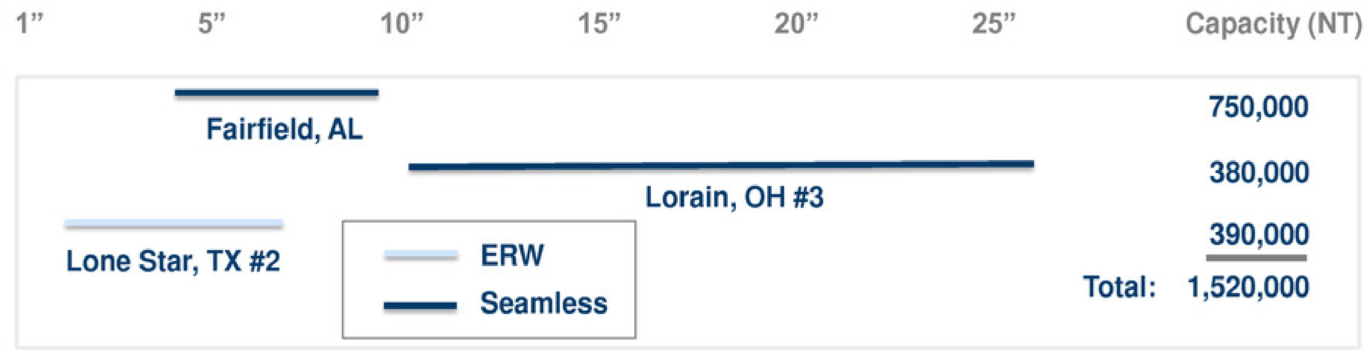
Expected rate of return on assets: 7.75% in U.S. & 7.25% in Canada for 2012 through 2014, 7.50% in U.S. for 2015 and 2016, for 2017E: 3.25%

Includes U. S. Steel Canada up until the deconsolidation on September 16, 2014

Tubular Segment

Footprint after facility shutdowns announce in 2016

Size range of OCTG and standard and line pipe product capabilities



Alloy products (% of total shipments)

2010A shipments: 1,551,000 tons **2016A shipments: 400,000 tons**

Shift in mix to value-added alloy products

Adjusted Results

Reconciliation of segment EBITDA

Segment EBITDA – Flat-Rolled ($ millions)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Segment earnings (loss) before interest and income taxes	($188)	$6	$114	$65	($90)
Depreciation	91	89	87	82	99
Segment EBITDA	($97)	$95	$201	$147	$9

Segment EBITDA – Tubular ($ millions)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Segment loss before interest and income taxes	($64)	($78)	($75)	($87)	($57)
Depreciation	17	17	17	17	15
Segment EBITDA	($47)	($61)	($58)	($70)	($42)

Segment EBITDA – U. S. Steel Europe ($ millions)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Segment earnings (loss) before interest and income taxes	($14)	$55	$81	$63	$87
Depreciation	19	20	21	20	19
Segment EBITDA	$5	$75	$102	$83	$106

Net Earnings and Adjusted EBITDA Included in Outlook

Reconciliation of net earnings to adjusted EBITDA included in Outlook

($ millions)	FY 2017
Projected net earnings attributable to United States Steel Corporation included in Outlook	$260
Estimated income tax expense	60
Estimated net interest and other financial costs	245
Estimated depreciation, depletion and amortization	500
Loss on shutdown of certain tubular assets	35
Projected annual adjusted EBITDA included in Outlook	$1,100

Net Debt

Reconciliation of net debt

Net Debt ($ millions)	YE 2014	YE 2015	YE 2016	1Q 2017
Short-term debt and current maturities of long-term debt	$378	$45	$50	$281
Long-term debt, less unamortized discount	3,086	3,093	2,981	2,752
Total Debt	$3,464	$3,138	$3,031	$3,033
Less: Cash and cash equivalents	1,354	755	1,515	1,326
Net Debt	$2,110	$2,383	$1,516	$1,707

Adjusted Results

Reconciliation of reported and adjusted net earnings (losses)

($ millions)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Reported net earnings (loss)	($340)	($46)	$51	($105)	($180)
Supplemental unemployment and severance costs and other charges	25	(23)	–	(4)	–
Loss on shutdown of certain tubular assets	–	–	–	126	35
Loss on debt extinguishment	–	24	–	–	–
Granite City Works temporary idling charges	–	–	–	18	–
Impairment of equity investment	–	–	–	12	–
Impairment of intangible assets	–	–	14	–	–
Adjusted net earnings (loss)	($315)	($45)	$65	$47	($145)

Note: The adjustments included in the table have been tax effected at a 0% rate due to the recognition of a full valuation allowance.

Adjusted Results

Reconciliation of reported and adjusted diluted EPS (LPS)

($ per share)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Reported diluted EPS (LPS)	($2.32)	($0.32)	$0.32	($0.61)	($1.03)
Supplemental unemployment and severance costs and other charges	0.17	(0.16)	–	(0.03)	–
Loss on shutdown of certain tubular assets	–	–	–	0.73	0.20
Loss on debt extinguishment	–	0.17	–	–	–
Granite City Works temporary idling charges	–	–	–	0.11	–
Impairment of equity investment	–	–	–	0.07	–
Impairment of intangible assets	–	–	0.08	–	–
Adjusted diluted EPS (LPS)	($2.15)	($0.31)	$0.40	$0.27	($0.83)

Note: The adjustments included in the table have been tax effected at a 0% rate due to the recognition of a full valuation allowance.

Adjusted Results

Reconciliation of adjusted EBITDA

($ millions)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Reported net earnings (loss)	($340)	($46)	$51	($105)	($180)
Income tax provision (benefit)	14	(7)	19	(2)	19
Net interest and other financial costs	65	81	62	43	63
Reported earnings (loss) before interest and income taxes	($261)	$28	$132	($64)	($98)
Depreciation, depletion and amortization expense	129	129	126	123	137
EBITDA	($132)	$157	$258	$59	$39
Supplemental unemployment and severance costs and other charges	25	(23)	—	(4)	—
Loss on shutdown of certain tubular assets	—	—	—	126	35
Granite City Works temporary idling charges	—	—	—	18	—
Impairment of equity investment	—	—	—	12	—
Impairment of intangible assets	—	—	14	—	—
Adjusted EBITDA	($107)	134	$272	$211	$74

United States Steel Corporation

First Quarter 2017

Questions and Answers

April 25, 2017

Cautionary Note Regarding Forward-Looking Statements

This document contains information that may constitute “forward-looking statements” within the meaning of Section 27 of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “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 “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References to "we," "us," "our," the "Company," and "U. S. Steel," refer to United States Steel Corporation and its Consolidated Subsidiaries.

1. Please explain the change in capitalization and depreciation method?

During 1Q 2017, we completed a review of our accounting policy for property, plant and equipment depreciated on a group basis. As a result of this review, we changed our accounting method for property, plant and equipment from the group method of depreciation to the unitary method of depreciation, effective as of January 1, 2017. The change from the group method to the unitary method is preferable under accounting principles generally accepted in the U.S. as it will result in a more precise estimate of depreciation expense. Additionally, the change to the unitary method of depreciation is consistent with the depreciation method applied by our competitors, and improves the comparability of our results to our competitors' results. Due to the application of the unitary method of depreciation and resultant change in our capitalization policy, maintenance and outage spending that had previously been expensed will now be capitalized if it extends the useful life of the related asset. The 2017 estimated impact is an approximately $175 million decrease in operating expense.

2. How are you responding to the threat from alternate materials and solutions in the auto industry?

We currently expect that advanced high strength steel (AHSS) demand in automotive will continue to grow. We believe AHSS provides a strong and viable solution for our customers and we are leading the development and commercialization of AHSS in North America.

The continued development of AHSS, particularly Generation 1 Plus and Generation 3 AHSS, enables us to provide our automotive customers with a steel intensive total vehicle solution. These solutions will help our customers meet the CAFÉ and safety standards of future vehicles at a very attractive and competitive value proposition compared with potential alternative materials.

We have made progress developing AHSS for automotive applications up to and including Generation 3 steels that possess unique properties in terms of strength, formability and toughness for light weighting and crash worthiness. We are working closely with customers on specific applications for their use incorporating advanced analytic techniques for geometry, grade and gauge redesign.

3. What is your current Tubular operating configurations?

We mitigated losses from the energy sector downturn in our Tubular segment by idling certain facilities within the segment while permanently shutting down other facilities. We permanently shut down the Lorain Tubular #4 mill, Lone Star #1 mill, and Bellville Tubular Operations. The assets at our McKeesport Operations have been sold. We also announced our intention to permanently shut down the Lorain #6 Quench and Temper mill. However, we have decided to relocate the Lorain #6 Quench and Temper equipment to one of several other sites under consideration to optimize our operations.

We are currently operating our seamless mills in Fairfield, AL and Lorain, OH. Our seamless mill in Fairfield produces mid-range diameter pipe, while our Lorain #3 mill produces large diameter pipe that is historically used for off-shore drilling. We are currently purchasing rounds from third parties to feed our seamless mills. We are in the process of restarting our Lone Star #2 mill and expect production to resume in May.

The construction of the EAF at Fairfield Works, which began in 2Q 2015, was suspended in December 2015 until market conditions in both the oil and gas and steel industries improve. A decision to resume the EAF project would require sustainable conditions in the oil and gas market, most likely driven by less volatile oil prices that would keep rig counts at consistently high levels. Should the EAF be completed, it will be part of the Tubular segment and supply rounds to our Fairfield and Lorain seamless mills.

The Tubular segment would become self-sufficient for its rounds needs, and given the permanent shut down of over half of our welded capacity, future substrate requirements from the Flat-Rolled segment will be significantly lower than in the past.

We are also evaluating if producing slabs using the EAF could provide more flexibility to meet our Flat-Rolled customers' needs. In such a scenario, the Tubular segment would be selling slabs to the Flat-Rolled segment at market prices.

4. Can you tell us more about your asset revitalization plan?

What is it?

Our asset revitalization plan is a comprehensive investment plan, anchored in the Carnegie Way, to improve our profitability and competitiveness through projects designed to improve product capability and quality, and our operating reliability, efficiency and cost. The program focus is on investments in our existing Flat-Rolled segment assets, our people, and our processes. This targeted investment program will ensure maximum impact to our stockholders, customers and employees.

Why are you doing it?

The performance expectations of our customers are constantly increasing, and we need to be investing in our assets at a pace that will allow us to keep up with these increasing standards. On the quality side, we need to reduce our existing diversion, retreat and claim rates, and on the delivery side, consistency is the key. We will increase our spending on critical infrastructure in order to reduce major events that disrupt our entire supply chain, and to reduce our unplanned downtime and improve our reliability centered maintenance capabilities.

How are you doing it?

Importantly, while this is a large program, the majority of projects are not large, complex projects. Forty percent of the total program spend is expected to be on projects that cost less than $10 million, and sixty percent of the total program spend is expected to be on projects that cost less than $20 million. This means that assumptions are more accurate, and projects are easier to execute. Due to the smaller nature of many of the projects, we do not have to complete the entire program in order to start seeing benefits. Also, by breaking the program down into a series of smaller projects, we have greater flexibility to adjust the scope and pace of project implementation based on changes in business conditions.

How long will it take?

In order to ensure that we obtain the desired results from our asset revitalization efforts, it was necessary to properly plan and schedule a large number of projects. The development and scheduling of these projects required the input and coordinated efforts of hundreds of people from across the Flat-Rolled segment footprint. Once the project portfolio was prepared and optimized, actual implementation efforts needed to be coordinated with production and maintenance schedules to minimize the disruption to production operations. The work requires outages on many facilities and we are making sure we can support our customers at the same time as we revitalize our assets. As a result, we expect the implementation schedule will stretch over a period of three to four years.

How much will it cost?

We currently expect our investment in asset revitalization in 2017 to be approximately $300 million higher compared with 2016. As noted above, we have the ability to adjust the scope and pace of implementing our plan based on changes in business conditions.

How does it create value?

Our asset revitalization plan is not just sustaining capital and maintenance spending; these projects will deliver both operational and commercial benefits, with most of the benefits coming from operational improvements. The commercial benefits we expect to realize will be driven primarily by things we can control, such as better product quality, improved delivery performance, and increased throughput on constrained assets.

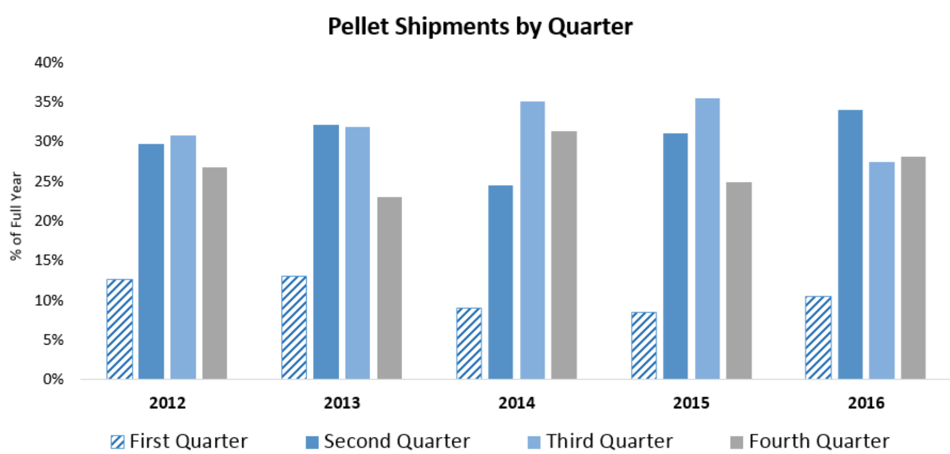
After we complete our full asset revitalization plan, we will have well maintained facilities with a strong core infrastructure, and strong reliability centered maintenance organizations. We will deliver products to our customers with improved reliability and quality.

Executing this plan is a critical milestone in the Carnegie Way journey to take us from “earning the right to grow” to “driving and sustaining profitable growth.”

5. How do seasonally lower iron ore shipments in the first quarter negatively impact your financial results?

Our mining operations are unable to ship pellets to our blast furnaces in the U.S. and to our third party customers for much of 1Q because the Soo Locks, which connect Lake Superior with the lower Great Lakes, are closed from mid-January to late March. Our mining operations still produce pellets in those months, but at a lower volume. This scenario negatively impacts our financial results due to the operating inefficiencies that result from running at lower production volumes with increased spending due to planned maintenance resulting in a higher cost per ton.

The table below illustrates the seasonality of pellet shipments.



6. Can you provide more details on your agreements to sell iron ore pellets to third party customers, and how you will be reporting earnings for these sales?

We have entered into iron ore pellet supply agreements with both North American and international customers, under various terms and conditions. There are both short-term and multi-year agreements. Pricing terms include both fixed and adjustable arrangements. There also are both fixed and requirements based volume arrangements. Our iron ore mining operations are part of our Flat-Rolled segment. Results from iron ore pellet sales to third party customers are reported in our Flat-Rolled segment results and are not reported separately.

7. What is your exposure to changes in global metallurgical coal costs?

Our delivered coal cost for our U.S. operations is expected to increase by $19/ton in 2017 compared to 2016 coal costs.

Our annual coal requirements have decreased as we permanently shut down cokemaking capacity concurrent with the permanent shutdown of steelmaking capacity in 2014. Our current domestic cokemaking operations, plus the Suncoke Gateway operations, running at full capacity would consume approximately 6.5 to 7.0 million tons of coal annually, which would support approximately 16 million tons of raw steelmaking capacity.

We purchase coal for our European operations under arrangements that typically have quarterly pricing resets. Our European cokemaking operations running at full capacity would consume approximately 2 million tons of coal annually, which would support approximately 4.5 million tons of raw steelmaking capacity.

8. What is the status of the U. S. Steel Canada (USSC) Companies' Creditors Arrangement Act (CCAA) process?

We announced in November 2016 that we had agreed to proposed terms with Bedrock Industries Group LLC ("Bedrock") regarding the sale and transition of ownership of USSC to Bedrock. Since then, USSC was granted an order approving Bedrock as the successful bidder under the Sale and Investment Solicitation Process Order which authorized USSC to enter into a CCAA Acquisition and Plan Sponsor Agreement with Bedrock and a Province Support Agreement with the Province of Ontario relating to the restructuring transaction with Bedrock.

After extensive negotiations with us and other key stakeholders, USSC was granted an order accepting the filing of a plan of compromise, arrangement and reorganization ("Plan") with the Court and authorizing USSC to hold meetings of its creditors to vote on the Plan. The meetings of the two classes of creditors will be held on April 27, 2017.

The Plan provides numerous conditions that must be satisfied prior to the closing of the transaction. We remain engaged with USSC and the other key stakeholders in the negotiation of the definitive agreements and the satisfaction of the closing conditions to the Plan.

As part of the proposed transition in ownership, we will continue to provide certain shared services to USSC. Should the transaction ultimately close, we expect to receive approximately $127 million in satisfaction of our secured and unsecured claims, including accrued interest. The proposed terms of the agreement also provide for a release of all claims against us regarding environmental, pension and other liabilities. We also expect to enter into an agreement to supply all of the iron ore requirements at the acquired USSC operations through 2021.

9. What are the latest developments regarding the Vietnam circumvention trade case?

In September 2016, we, along with other steel producers, filed requests with the U.S. Department of Commerce ("DOC") to investigate whether imports of cold-rolled steel and CORE steel from Vietnam are circumventing

existing antidumping / countervailing duty orders on these products from China. These cases were brought to address concerns that Chinese producers have been diverting merchandise to Vietnam to undergo minor processing, before exporting these products to the United States. The DOC initiated the investigation in November 2016 and in December 2016 identified and sent questionnaires to Vietnamese producers, requesting confidential quantity and value information. The DOC received responses from Vietnamese producers on December 28, 2016. The entire proceeding should be completed within 300 days of the date of publication of its initiation determination, unless the deadline is extended by the DOC. A link to the filing is available on the DOC's electronic filing site
(https://access.trade.gov/). Applicable case numbers include: A-570-026, C-570-027, A-570-029, and C-570-030.

10. What is the current status of your Section 337 filing?

In April 2016, we launched a case under Section 337 of the Tariff Act of 1930 against ten of the eleven largest Chinese producers and their distributors. The complaint alleged three causes of action: 1) illegal conspiracy to fix prices and control output and export volumes; 2) the theft of trade secrets through industrial espionage; 3) circumvention of duties by false labeling and transshipment. On May 26, 2016, the International Trade Commission (ITC) instituted an investigation on all three causes. On February 15, 2017, we voluntarily withdrew our trade secret claim. We continue to vigorously pursue public policy efforts to address cyber theft. The Section 337 claims relating to the antitrust and false designation of origin claims continue to be aggressively litigated.

On November 25, 2016, the Administrative Law Judge (ALJ) issued an order dismissing the antitrust claims. However, The ITC granted our petition to review the ALJ's initial determination to terminate the antitrust portion of the litigation. All parties submitted their briefs on the antitrust review and oral argument was held before the ITC Commisioners on April 20, 2017.

On January 11, 2017, the ALJ issued an order dismissing the false designation of origin claims. We filed a petition to review the ALJ's order with the ITC commissioners, and the ITC reinstated the false designation of origin claim on February 27, 2017. A new scheduling order was entered and the target date to conclude the investigation has been set for April 2018, with hearings on the foreign designation of origin claim starting on September 25, 2017. The remedy sought in the petition is the barring of all Chinese carbon and steel and alloy steel products from the U.S. market.

11. What is the expected impact of the Section 232?

We are pleased with the executive memorandum signed by President Trump on April 20 which begins an investigation by the DOC into the implications of foreign steel imports on America's national security under Section 232 of the Trade Expansion Act of 1962. Steel is a core industry to our nation and a critical building block of our economy and national security, and we cannot afford to be undermined due to unfair trade practices and other abuses that target our steel makers and steel jobs. For too long, China and other nations have been conducting economic warfare against the American steel industry by subsidizing their steel industries, distorting global markets, and dumping excess steel into the United States. The effects have been staggering. Tens of thousands of workers in the American steel industry, the industry's supply chain and the communities in which our industry operates have lost their jobs due to unfair and illegal practices by foreign producers. We have offered the DOC our full cooperation during its investigation.

12. What is the expected impact of Buy America, Hire America?

We are pleased with the "Buy American" portion of the Executive Order signed by President Trump on April 18. It is a positive step in ensuring full enforcement of existing Buy America laws and ensuring the steel industry remains competitive. Strong Buy America domestic procurement preferences for federally funded infrastructure projects are vital to the health of the domestic steel industry. The foundation of a strong Buy America program is the longstanding requirement that all iron and steel-making process occur in the U.S. for the product to be Buy America compliant - from the actual steel production to the finishing processes. This “melted and poured” standard has been successfully applied since 1983 and must continue to be the standard used in federal Buy America rules for steel procurement. We applaud the President for affirming his commitment to full and effective enforcement of our Buy America laws, and to addressing the issue of unfairly dumped and subsidized steel. We look forward to working with the Administration on these matters.

13. What is the current status of the flat-rolled trade cases?

We, along with other steel producers, continue to defend the recent orders imposed in the flat-rolled cases at the Court of International Trade. The affirmative decisions reached in 2016 will directly benefit us by limiting subject imports that are being unfairly traded from entering our markets and helping to provide a more level playing field.

Please refer to our Form 10-Q, to be filed with the Securities and Exchange Commission on April 26, 2017, for a detailed discussion of International Trade matters.

Corrosion-Resistant

	Countervailing Duties	Antidumping Duties
Country	Final July 25, 2016	Final July 25, 2016
China	39.05 - 241.07%	209.97%
India	8.00 - 29.46%	3.05 - 4.43%
Italy	0.07 - 38.51%	12.63 - 92.12%
Korea	0.72 (de minimis) - 1.19%	8.75 - 47.80%
Taiwan	0.00%	10.34%

Source: U.S. Department of Commerce

Cold-Rolled

	Countervailing Duties	Antidumping Duties
Country	Final July 14/Sept. 20, 2016	Final July 17/Sept. 20, 2016
Brazil	11.09 - 11.31%	19.58 - 35.43%
China	256.44%	265.79%
India	10.00%	7.60%
Japan	---	71.35%
Korea	3.91 - 59.72%	6.32 - 34.33%
Russia[1]	---	---
United Kingdom	---	5.40 - 25.56%

Source: U.S. Department of Commerce

[1] In its final phase investigation, the ITC issued a negative injury determination against Russia. Thus, no AD or CVD Orders were issued against Russia. The DOC’s final countervailing duty rates for Russia were between 0.62 (de minimis) - 6.95% and the final antidumping duty rates for Russia were between 1.04 (de minimis) - 13.36%.

Hot-Rolled

Country	Countervailing Duties Final October 3, 2016	Antidumping Duties Final October 3, 2016
Australia	---	29.58%
Brazil	11.09 - 11.30%	33.14 - 34.28%
Japan	---	4.99 - 7.51%
Korea	3.89 - 58.68%	3.89 - 9.49%
Netherlands	---	3.73%
Turkey	---[2]	3.66 - 7.15%
United Kingdom	---	33.06%

Source: U.S. Department of Commerce

14. What was the outcome of the first period of review in the Korea Oil Country Tubular Goods investigation?

We continue to be actively engaged in relevant administrative reviews and five-year (sunset) reviews before the ITC and the DOC. On March 21, 2017, the U.S. DOC held a hearing for the first period of review in the Korea OCTG investigation. On April 11, 2017, the DOC announced its final determination, indicating that Korean steel producers have been unfairly dumping OCTG in the U.S. market. In calculating the antidumping margins, the DOC stated that it was addressing market distortions in the production of OCTG imports, and calculated dumping margins that also accounted for unfair pricing practices of foreign exporters. As a result, the antidumping margins for many of the respondents changed, with NEXTEEL's duty increased to 24.92%, SeAh Steel decreased to 2.76%, and all other South Korean imports of OCTG set at 13.84%. We will continue to vigorously pursue further increased margins against imports of OCTG from South Korea in annual administrative reviews and five year sunset reviews.

15. What was your utilization rate in 1Q 2017, excluding the temporarily idled Granite City Works?

Our reported Flat-Rolled raw steel capability utilization rate in 1Q 2017 was 65% based on 17 million net tons of annual capability. The Flat-Rolled raw steel capability utilization, excluding the 2.8 million net tons of raw steel capability of Granite City Works that is currently idled, is 78%.

[2] In its final phase investigation, the ITC found that imports of hot-rolled steel that were found to be subsidized by the government of Turkey were negligible. Therefore, no CVD order was issued against Turkey.

16. Where do lead times currently stand?

Lead times for hot-rolled coil products are currently approximately six weeks. Cold-rolled and coated products are approximately eight weeks.

17. Your stock has been very volatile. Why is this so and what are you doing to reduce the impact of cyclicality on your results?

The global steel industry is a cyclical industry and steel selling prices can change fairly quickly. Our operating configuration has significant leverage to steel selling price and volume changes to both the upside and the downside, resulting in significant earnings volatility on a quarter-to- quarter basis. The volatility of our earnings is also affected by the consistency and reliability of our operations. One objective of our Carnegie Way transformation is to create a lower and more flexible cost structure, as well as more flexible and reliable operations in order to mitigate the financial impact of this volatility. Our asset revitalization plan is designed to address several of these factors, including our operating reliability, efficiency and cost. We are reducing our break-even point by adjusting our footprint, improving our hot-rolled band costs, and reducing overhead costs. While we cannot control or reduce the cyclicality of the global steel industry, we can control our costs and create a more flexible business model that will produce stronger and more consistent results across industry cycles.

18. Is the Carnegie Way just a cost cutting initiative?

No - it is much more than a cost cutting initiative, improving all our core business processes, including commercial, manufacturing, supply chain, procurement, innovation, and functional support. Carnegie Way is our culture and the way we run the business. We focus on our strengths and how we can create the most value for our stockholders and best serve our customers.

We have achieved sustainable cost improvements through process efficiencies and our investments in reliability centered maintenance (RCM), and we will continue to find process improvements that enable us to better serve our customers and reward our stakeholders. Additionally, if we find that changes cannot be implemented and value cannot be created for our customers and stockholders, we exit those underperforming areas. Opportunities are greatest where we make money for our stockholders and our customers. When we deliver value, we can provide good jobs and benefits to our employees and help support the communities in which we do business.

19. What portion of the Carnegie Way benefits are cash vs. P&L items?

All disclosed Carnegie Way benefits run through P&L, primarily through cost of sales and selling, general and administrative expenses. We also have Carnegie Way projects that generate cash-only benefits, for example working capital projects, but these are not included in our disclosed Carnegie Way benefits.

20. You have mentioned that there is increased focus on earning economic profit. What is the definition of economic profit?

The term profit typically refers to any positive income for a business enterprise. Economic profit has a higher threshold and refers to income in excess of an enterprise’s weighted average cost of capital, which includes the cost of equity as well as the cost of debt. Economic profit is true value creation as it provides stockholder returns above the weighted average cost of capital.