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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2024

Or

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

For the transition period from to

Commission file number **1-16811**

United States Steel Corporation

(Exact name of registrant as specified in its charter)

Delaware	**25-1897152**
(State or other jurisdiction of incorporation)	(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
United States Steel Corporation Common Stock	X	New York Stock Exchange
United States Steel Corporation Common Stock	X	Chicago Stock Exchange

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Common stock outstanding at April 29, 2024 – 224,849,607 shares

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains information regarding the Company and NSC that may constitute "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995 and other securities laws, that are subject to risks and uncertainties. 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," "plan," "goal," "future," "will," "may" and similar expressions or by using future dates in connection with any discussion of, among other things, statements expressing general views about future operating or financial results, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, anticipated cost savings, potential capital and operational cash improvements and changes in the global economic environment, the construction or operation of new or existing facilities or capabilities, statements regarding our greenhouse gas emissions reduction goals, as well as statements regarding the proposed transaction, including the timing of the completion of the transaction. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements include all statements that are not historical facts, but instead represent only the Company's beliefs regarding future goals, plans and expectations about our prospects for the future and other events, many of which, by their nature, are inherently uncertain and outside of the Company's or NSC's control. It is possible that the Company's or NSC's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management of the Company 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. In addition, forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections. Risks and uncertainties include without limitation: the ability of the parties to consummate the proposed transaction on a timely basis or at all; the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement and plan of merger relating to the proposed transaction (the "Merger Agreement"); the risk that the parties to the Merger Agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; certain restrictions during the pendency of the proposed transaction that may impact the Company's ability to pursue certain business opportunities or strategic transactions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the Company's common stock; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of the Company or NSC to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; and the risk the pending proposed transaction could distract management of the Company. The Company directs readers to its Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 and Form 10-K for the year ended December 31, 2023, and the other documents it files with the SEC for other risks associated with the Company's future performance. These documents contain and identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements. All information in this report is as of the date above. The Company does not undertake any duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations whether as a result of new information, future events or otherwise, except as required by law.

References in this Quarterly Report on Form 10-Q to (i) "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 and (ii) "Big River Steel" refer to Big River Steel Holdings LLC and its direct and indirect subsidiaries unless otherwise indicated by the context.

UNITED STATES STEEL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

(Dollars in millions, except per share amounts)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net sales:		
Net sales	**$ 3,500**	$ 3,912
Net sales to related parties (Note 19)	**660**	558
Total (Note 6)	**4,160**	4,470
Operating expenses (income):		
Cost of sales (excludes items shown below)	**3,665**	3,953
Selling, general and administrative expenses	**119**	99
Depreciation, depletion and amortization	**210**	221
(Earnings) loss from investees	**(14)**	13
Asset impairment charges	**7**	4
Restructuring and other charges (Note 20)	**6**	1
Other losses (gains), net	**13**	(10)
Total	**4,006**	4,281
Earnings before interest and income taxes	**154**	189
Interest expense	**2**	27
Interest income	**(32)**	(30)
Loss on debt extinguishment	**1**	—
Other financial costs	**11**	6
Net periodic benefit income	**(33)**	(42)
Net gain from investments related to active employee benefits (Note 16)	**(4)**	(22)
Net interest and other financial benefits	**(55)**	(61)
Earnings before income taxes	**209**	250
Income tax expense (Note 12)	**38**	51
Net earnings	**171**	199
Less: Net earnings attributable to noncontrolling interests	**—**	—
Net earnings attributable to United States Steel Corporation	**$ 171**	$ 199
Earnings per common share (Note 13):		
Earnings per share attributable to United States Steel Corporation stockholders:		
-Basic	**$ 0.76**	$ 0.87
-Diluted	**$ 0.68**	$ 0.78

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

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

(Dollars in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net earnings	**$ 171**	$ 199
Other comprehensive income (loss), net of tax:		
Changes in foreign currency translation adjustments	**(36)**	32
Changes in pension and other employee benefit accounts	**(7)**	(10)
Changes in derivative financial instruments	**43**	(44)
Changes in fair value of active employee benefit investments	**—**	3
Total other comprehensive income (loss), net of tax	**—**	(19)
Comprehensive income including noncontrolling interest	**171**	180
Comprehensive income attributable to noncontrolling interest	**—**	—
Comprehensive income attributable to United States Steel Corporation	**$ 171**	$ 180

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

UNITED STATES STEEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(Dollars in millions)	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents (Note 7)	**$ 2,221**	$ 2,948
Receivables, less allowance of $39 and $38	**1,530**	1,390
Receivables from related parties (Note 19)	**192**	158
Inventories (Note 8)	**2,157**	2,128
Other current assets	**321**	319
Total current assets	**6,421**	6,943
Long-term restricted cash (Note 7)	**32**	32
Operating lease assets	**99**	109
Property, plant and equipment	**24,557**	23,975
Less accumulated depreciation and depletion	**13,750**	13,582
Total property, plant and equipment, net	**10,807**	10,393
Investments and long-term receivables, less allowance of $3 in both periods	**785**	761
Intangibles, net (Note 9)	**431**	436
Deferred income tax benefits (Note 12)	**12**	19
Goodwill (Note 9)	**920**	920
Other noncurrent assets	**941**	838
Total assets	**$ 20,448**	$ 20,451
Liabilities		
Current liabilities:		
Accounts payable and other accrued liabilities	**$ 2,749**	$ 2,889
Accounts payable to related parties (Note 19)	**199**	139
Payroll and benefits payable	**322**	442
Accrued taxes	**223**	222
Accrued interest	**55**	70
Current operating lease liabilities	**41**	44
Short-term debt and current maturities of long-term debt (Note 15)	**159**	142
Total current liabilities	**3,748**	3,948
Noncurrent operating lease liabilities	**65**	73
Long-term debt, less unamortized discount and debt issuance costs (Note 15)	**4,082**	4,080
Employee benefits	**116**	126
Deferred income tax liabilities (Note 12)	**629**	587
Deferred credits and other noncurrent liabilities	**516**	497
Total liabilities	**9,156**	9,311
Contingencies and commitments (Note 21)		
Stockholders' Equity (Note 17):		
Common stock (287,604,696 and 285,959,739 shares issued) (Note 13)	**288**	286
Treasury stock, at cost (62,771,459 shares and 62,288,523 shares)	**(1,441)**	(1,418)
Additional paid-in capital	**5,266**	5,253
Retained earnings	**7,040**	6,880
Accumulated other comprehensive income (Note 18)	**46**	46
Total United States Steel Corporation stockholders' equity	**11,199**	11,047
Noncontrolling interests	**93**	93
Total liabilities and stockholders' equity	**$ 20,448**	$ 20,451

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

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

(Dollars in millions)	Three Months Ended March 31, 2024	2023
Increase (decrease) in cash, cash equivalents and restricted cash		
Operating activities:		
Net earnings	**$ 171**	$ 199
Adjustments to reconcile to net cash (used in) provided by operating activities:		
Depreciation, depletion and amortization	**210**	221
Asset impairment charges	**7**	4
Restructuring and other charges (Note 20)	**6**	1
Loss on debt extinguishment	**1**	—
Pensions and other postretirement benefits	**(28)**	(41)
Active employee benefit investments	**30**	(3)
Deferred income taxes (Note 12)	**36**	38
Net gain on sale of assets	**—**	(2)
Equity investee (earnings) loss, net of distributions received	**(18)**	13
Changes in:		
Current receivables	**(191)**	(178)
Inventories	**(43)**	(167)
Current accounts payable and accrued expenses	**(78)**	298
Income taxes receivable/payable	**5**	10
All other, net	**(136)**	(212)
Net cash (used in) provided by operating activities	**(28)**	181
Investing activities:		
Capital expenditures	**(640)**	(740)
Proceeds from sale of assets	**—**	2
Other investing activities	**(5)**	—
Net cash used in investing activities	**(645)**	(738)
Financing activities:		
Repayment of long-term debt (Note 15)	**(14)**	(10)
Common stock repurchased (Note 22)	**—**	(75)
Other financing activities	**(32)**	(32)
Net cash used in financing activities	**(46)**	(117)
Effect of exchange rate changes on cash	**(7)**	8
Net decrease in cash, cash equivalents and restricted cash	**(726)**	(666)
Cash, cash equivalents and restricted cash at beginning of year (Note 7)	**2,988**	3,539
Cash, cash equivalents and restricted cash at end of period (Note 7)	**$ 2,262**	$ 2,873
Non-cash investing and financing activities:		
Change in accrued capital expenditures	**$ (102)**	$ (226)
U. S. Steel common stock issued for employee/non-employee director stock plans	**35**	28
Capital expenditures funded by finance lease borrowings	**32**	24
Export Credit Agreement (ECA) financing	**—**	1

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

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Significant Accounting Policies

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 condensed 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, including assessment of certain accounting matters using all available information such as consideration of forecasted financial information in context with other information reasonably available to us. However, our future assessment of our current expectations could result in material impacts to our consolidated financial statements in future reporting periods. All such adjustments are of a normal recurring nature unless disclosed otherwise. These condensed financial statements, including notes, have been prepared in accordance with the applicable rules of the SEC 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, 2023, which should be read in conjunction with these condensed financial statements.

Agreement and Plan of Merger with Nippon Steel Corporation

On December 18, 2023, the Company entered into an Agreement and Plan of Merger (such agreement, as it may be amended, modified or supplemented from time to time, the “Merger Agreement”) by and among the Company, Nippon Steel North America, Inc., a New York corporation (“Purchaser”), 2023 Merger Subsidiary, Inc., a Delaware corporation and a wholly owned subsidiary of Purchaser (“Merger Sub”), and solely as provided in Section 9.13 therein, Nippon Steel Corporation, a Japanese corporation (“NSC”). Pursuant to the Merger Agreement, and upon the terms and subject to the conditions described therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of Purchaser (the “Merger”). On April 12, 2024, the Company obtained the approval of its stockholders required to adopt the Merger Agreement. U. S. Steel stockholders approved the Merger with 98.8% approval of shares voted, satisfying a significant condition to closing. Subject to the terms and conditions set forth in the Merger Agreement, each share of the Company's common stock, par value $1.00 per share, outstanding immediately prior to the effective time of the Merger (the "Effective Time") will, at the Effective Time, automatically be converted into the right to receive $55.00 per share in cash, without interest, subject to any required tax withholding.

The Merger Agreement requires us to operate in the ordinary course of business and restricts us, without the consent of Purchaser, from taking certain specified actions agreed by the parties to be outside the ordinary course of business until the pending Merger occurs or the Merger Agreement terminates.

2. New Accounting Standards

During the three months ended March 31, 2024 and the twelve months ended December 31, 2023, there were no accounting standards and interpretations issued which are expected to have a material impact on the Company's financial position, operations or cash flows.

In March 2024, the Securities and Exchange Commission (SEC) adopted final rules that will require certain climate related disclosures. Certain disclosures will be required in a footnote to the audited financial statements beginning in fiscal year 2025. The audited financial statement disclosures include capitalized costs and expenses related to severe weather events and other natural conditions subject to certain materiality thresholds. Beginning in annual disclosures for fiscal year 2026, certain greenhouse gas emission disclosures will also be required. In April 2024, the SEC issued a stay on the rules until legal challenges to the rule are addressed. U. S. Steel is monitoring the legal challenges and assessing the impact of the rules on its disclosures.

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2023-09, *Improvements to Income Tax Disclosures* (ASU 2023-09). ASU 2023-09 includes requirements that an entity disclose specific categories in the rate reconciliation, provide additional information for reconciling items that are greater than 5 percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate, and income taxes paid by jurisdiction that are greater than 5 percent of total income taxes paid. The standard also requires that entities disclose income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) each disaggregated between domestic and foreign. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. U. S. Steel is currently assessing the impact of ASU 2023-09 on its disclosures.

In November 2023, the FASB issued Accounting Standards Update 2023-07, *Improvements to Reportable Segment Disclosures* (ASU 2023-07). ASU 2023-07 includes requirements that an entity disclose the title of the chief operating decision maker (CODM) and on an interim and annual basis, significant segment expenses and the composition of other segment items for each segment's reported profit. The standard also permits disclosure of additional measures of segment profit. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. U. S. Steel is currently assessing the impact of ASU 2023-07 on its disclosures.

3. Recently Adopted Accounting Standards

In September 2022, the FASB issued Accounting Standards Update 2022-04, *Disclosure of Supplier Finance Program Obligations* (ASU 2022-04). ASU 2022-04 requires that an entity disclose certain information about supplier finance programs used in connection with the purchase of goods and services. ASU 2022-04 is effective for all entities with fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, except for the amendment on annual roll-forward information, which is effective for fiscal years beginning after December 15, 2023. U. S. Steel adopted this guidance effective January 1, 2023, with the exception of the amendment on roll-forward information, which will be adopted in our fiscal year beginning on January 1, 2024.

The Company has a SCF arrangement with a third-party administrator which allows participating suppliers, at their sole discretion, to make offers to sell payment obligations of the Company prior to their scheduled due dates at a discounted price to a participating financial institution. The third-party administrator entered into a separate agreement with the Export Import Bank of the United States to guarantee 90 percent of supplier obligations sold for up to $200 million. No guarantees or collateral are provided by the Company or any of its subsidiaries under the SCF program, and the Company does not benefit from any preferential payment terms or discounts as a result of supplier participation.

The Company's goal is to capture overall supplier savings and improve working capital efficiency. The agreements facilitate the suppliers' ability to sell payment obligations, while providing them with greater working capital flexibility. The Company has no economic interest in the sale of the suppliers' receivables and no direct financial relationship with the financial institution concerning these services. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to sell amounts under the arrangements. The SCF program requires the Company to pay the third-party administrator the stated amount of the confirmed participating supplier invoices. The payment terms for confirmed invoices range from 75 to 90 days after the end of the month in which the invoice was issued.

The underlying costs from suppliers that elected to participate in the SCF program are generally recorded in cost of sales in the Company's Condensed Consolidated Statement of Operations. Amounts due to suppliers who participate in the SCF program are reflected in accounts payable and accrued expenses on the Company's Condensed Consolidated Balance Sheet and payments on the obligations by our suppliers are included in cash used in operating activities in the Condensed Consolidated Statement of Cash Flows. As of March 31, 2024, accounts payable and accrued expenses included $63 million of outstanding payment obligations which suppliers elected to sell to participating financial institutions.

In October 2021, the FASB issued Accounting Standards Update 2021-08, *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (ASU 2021-08). ASU 2021-08 requires that an entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, *Revenue from Contracts with Customers*. ASU 2021-08 is effective for public companies with fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, with early adoption of all amendments in the same period permitted. U. S. Steel adopted this guidance effective January 1, 2023, and will apply it to any future business combinations.

4. Segment Information

U. S. Steel has four reportable segments: North American Flat-Rolled (Flat-Rolled), Mini Mill, U. S. Steel Europe (USSE), and Tubular Products (Tubular). The results of our real estate businesses are disclosed in the Other category.

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. Earnings (loss) before interest and income taxes for reportable segments and the Other category does not include net interest and other financial costs (income), income taxes, stock-based compensation expense, and certain other items that management believes are not indicative of future results.

The accounting principles applied at the operating segment level in determining earnings (loss) before interest and income taxes are generally the same as those applied at the consolidated financial statement level. 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 based on measures of activity that management believes are reasonable.

The results of segment operations for the three months ended March 31, 2024, and 2023 are:

(In millions) Three Months Ended March 31, 2024	Customer Sales	Intersegment Sales	Net Sales	Earnings (loss) from investees	Earnings (loss) before interest and income taxes
Flat-Rolled	$ 2,391	$ 62	$ 2,453	$ 5	$ 34
Mini Mill	578	125	703	—	99
USSE	918	7	925	—	16
Tubular	271	4	275	9	57
Total reportable segments	4,158	198	4,356	14	206
Other	2	—	2	—	(2)
Reconciling Items and Eliminations	—	(198)	(198)	—	(50)
Total	$ 4,160	$ —	$ 4,160	$ 14	$ 154
Three Months Ended March 31, 2023					
Flat-Rolled	$ 2,570	$ 90	$ 2,660	$ (16)	$ (7)
Mini Mill	553	70	623	—	12
USSE	838	6	844	—	(34)
Tubular	505	1	506	3	232
Total reportable segments	4,466	167	4,633	(13)	203
Other	4	—	4	—	3
Reconciling Items and Eliminations	—	(167)	(167)	—	(17)
Total	$ 4,470	$ —	$ 4,470	$ (13)	$ 189

A summary of total assets by segment is as follows:

(In millions)	March 31, 2024	December 31, 2023
Flat-Rolled	$ 7,443	$ 7,546
Mini Mill [(a)]	8,059	7,569
USSE	2,351	2,229
Tubular	1,001	1,002
Total reportable segments	$ 18,854	$ 18,346
Other	$ 132	$ 140
Corporate, reconciling items, and eliminations [(b)]	1,462	1,965
Total assets	$ 20,448	$ 20,451

[(a)] Includes assets of $3.4 billion and $3.0 billion at March 31, 2024, and December 31, 2023, respectively, related to a new technologically advanced flat rolled steelmaking facility, Big River 2 (BR2), currently under construction near Osceola, Arkansas.
[(b)] The majority of corporate, reconciling items, and eliminations is comprised of cash and the elimination of intersegment amounts.

The following is a schedule of reconciling items to consolidated earnings before interest and income taxes:

	Three Months Ended March 31,	
(In millions)	**2024**	**2023**
Items not allocated to segments:		
Restructuring and other charges (Note 20)	**$ (6)**	$ (1)
Stock-based compensation expense (Note 11)	**(11)**	(11)
Asset impairment charges	**(7)**	(4)
Environmental remediation charges	**(2)**	—
Strategic alternatives review process costs	**(23)**	—
Granite City idling costs	**(1)**	—
Other charges, net	**—**	(1)
Total reconciling items	**$ (50)**	$ (17)

5. Disposition

In January 2022, the Company informed its employees, customers, and other key stakeholders that the Company would be idling its subsidiary in Pittsburg, California, USS-UPI, LLC ("UPI"), at the end of 2023. UPI primarily produces galvanized sheet and tin mill products. In September 2023, the Company issued WARN notices to employees at UPI to notify them of employment losses resulting from the idling of operations and production was indefinitely idled in December 2023. The Company had accrued a total of $66 million and $108 million for severance, exit costs and employee benefits as of March 31, 2024 and December 31, 2023, respectively. Payments of $40 million for these items were made during the three months ended March 31, 2024. The Company has previously committed to, and continues to intend to, pursue the disposition of certain assets related to the UPI facility.

6. Revenue

Revenue is generated primarily from contracts to produce, ship and deliver steel products, and to a lesser extent, raw materials sales such as iron ore pellets and coke by-products and real estate sales. Generally, U. S. Steel's performance obligations are satisfied and revenue is recognized when title transfers to our customer for product shipped or services are provided. Revenues are recorded net of any sales incentives. Shipping and other transportation costs charged to customers are treated as fulfillment activities and are recorded in both revenue and cost of sales at the time control is transferred to the customer. Costs related to obtaining sales contracts are incidental and are expensed when incurred. Because customers are invoiced at the time title transfers and U. S. Steel's right to consideration is unconditional at that time, U. S. Steel does not maintain contract asset balances. Additionally, U. S. Steel does not maintain contract liability balances, as performance obligations are satisfied prior to customer payment for product. U. S. Steel offers industry standard payment terms.

The following tables disaggregate our revenue by product for each of the reportable business segments for the three months ended March 31, 2024, and 2023, respectively (Net Sales by Product, in millions, excluding intersegment sales):

Three Months Ended March 31, 2024	**Flat-Rolled**	**Mini Mill**	**USSE**	**Tubular**	**Other**	**Total**
Semi-finished	**$ 28**	**$ —**	**$ 25**	**$ —**	**$ —**	**$ 53**
Hot-rolled sheets	**492**	**314**	**475**	**—**	**—**	**1,281**
Cold-rolled sheets	**945**	**98**	**77**	**—**	**—**	**1,120**
Coated sheets	**760**	**165**	**300**	**—**	**—**	**1,225**
Tubular products	**—**	**—**	**12**	**268**	**—**	**280**
All Other [a]	**166**	**1**	**29**	**3**	**2**	**201**
Total	**$ 2,391**	**$ 578**	**$ 918**	**$ 271**	**$ 2**	**$ 4,160**

[a] Consists primarily of sales of raw materials and coke making by-products.

Three Months Ended March 31, 2023	Flat-Rolled	Mini Mill	USSE	Tubular	Other	Total
Semi-finished	$ 59	$ —	$ 32	$ —	$ —	$ 91
Hot-rolled sheets	554	332	348	—	—	1,234
Cold-rolled sheets	901	72	71	—	—	1,044
Coated sheets	853	148	340	—	—	1,341
Tubular products	—	—	12	500	—	512
All Other [(a)]	203	1	35	5	4	248
Total	$ 2,570	$ 553	$ 838	$ 505	$ 4	$ 4,470

[(a)] Consists primarily of sales of raw materials and coke making by-products.

7. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within U. S. Steel's Condensed Consolidated Balance Sheets that sum to the total of the same amounts shown in the Condensed Consolidated Statement of Cash Flows:

(In millions)	March 31, 2024	December 31, 2023	March 31, 2023
Cash and cash equivalents	**$ 2,221**	$ 2,948	$ 2,837
Restricted cash in other current assets	**9**	8	4
Long-term restricted cash	**32**	32	32
Total cash, cash equivalents and restricted cash	**$ 2,262**	$ 2,988	$ 2,873

Amounts included in restricted cash represent cash balances which are legally or contractually restricted, primarily for insurance purposes, environmental liabilities and certain capital projects.

8. Inventories

The last-in, first-out (LIFO) method is the predominant method of inventory costing for our Flat-Rolled and Tubular segments. The first-in, first-out (FIFO) and moving average methods are the predominant inventory costing methods for our Mini Mill segment and the FIFO method is the predominant inventory costing method for our USSE segment. At March 31, 2024, and December 31, 2023, the LIFO method accounted for 52 percent and 53 percent of total inventory values, respectively.

(In millions)	March 31, 2024	December 31, 2023
Raw materials	**$ 925**	$ 773
Semi-finished products	**834**	877
Finished products	**351**	428
Supplies and sundry items	**47**	50
Total	**$ 2,157**	$ 2,128

Current acquisition costs for LIFO inventories were estimated to exceed the above inventory values by $1.3 billion and $1.2 billion at March 31, 2024, and December 31, 2023, respectively. As a result of the liquidation of LIFO inventories, cost of sales decreased and earnings before interest and income taxes increased by $1 million and $9 million for the three months ended March 31, 2024 and 2023, respectively.

9. Intangible Assets and Goodwill

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

		As of March 31, 2024			As of December 31, 2023		
(In millions)	**Useful Lives**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Amount**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Amount**
Customer relationships	22 Years	**$ 413**	**$ 60**	**$ 353**	$ 413	$ 56	$ 357
Patents	5-15 Years	**17**	**14**	**3**	17	13	4
Energy Contract	2 Years	**—**	**—**	**—**	54	54	—
Total amortizable intangible assets		**$ 430**	**$ 74**	**$ 356**	$ 484	$ 123	$ 361

Amortization expense was $5 million and $11 million for the three months ended March 31, 2024 and 2023, respectively.

Total estimated amortization expense for the remainder of 2024 is $15 million. We expect approximately $97 million in total amortization expense from 2025 through 2029 and approximately $244 million in remaining amortization expense thereafter.

The carrying amount of acquired water rights with indefinite lives as of March 31, 2024, and December 31, 2023, totaled $75 million.

Below is a summary of goodwill by segment for the three months ended March 31, 2024:

	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Balance at December 31, 2023	**$ —**	**$ 916**	**$ 4**	**$ —**	**$ 920**
Additions	**—**	**—**	**—**	**—**	**—**
Balance at March 31, 2024	**$ —**	**$ 916**	**$ 4**	**$ —**	**$ 920**

10. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost (income) for the three months ended March 31, 2024, and 2023:

	Pension Benefits		Other Benefits	
(In millions)	**2024**	**2023**	**2024**	**2023**
Service cost	**$ 7**	$ 8	**$ 1**	$ 1
Interest cost	**53**	55	**15**	17
Expected return on plan assets	**(74)**	(82)	**(18)**	(15)
Amortization of prior service cost (credit)	**4**	5	**(7)**	(6)
Amortization of actuarial net loss (gain)	**11**	3	**(16)**	(18)
Net periodic benefit cost (income), excluding below	**1**	(11)	**(25)**	(21)
Multiemployer plans	**20**	21	**—**	—
Net periodic benefit cost (income)	**$ 21**	$ 10	**$ (25)**	$ (21)

Employer Contributions

During the first three months of 2024, U. S. Steel made cash payments of $21 million to the Steelworkers Pension Trust and $0.3 million of pension payments not funded by trusts.

During the first three months of 2024, cash payments of $4 million were made for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled $11 million and $12 million for the three months ended March 31, 2024, and 2023, respectively.

11. Stock-Based Compensation Plans

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

Plan) and the 2016 Omnibus Incentive Compensation Plan, as amended and restated (the Omnibus Plan). On April 26, 2016, the Company's stockholders approved the Omnibus Plan and, between 2016 and the present, authorized the Company to issue up to 32,700,000 shares in the aggregate of U. S. Steel common stock under the Omnibus Plan. While the awards that were previously granted under the 2005 Plan remain outstanding, all future awards will be granted under the Omnibus Plan. As of March 31, 2024, there were 3,520,973 shares available for future grants under the Omnibus Plan.

Recent grants of stock-based compensation consist of restricted stock units, total stockholder return (TSR) performance awards and return on capital employed (ROCE) performance awards. Shares of common stock under the Omnibus Plan are issued from authorized, but unissued stock. The following table is a summary of the awards made under the Omnibus Plan during the first three months of 2024 and 2023.

	2024		2023	
Grant Details	**Shares[(a)]**	**Fair Value[(b)]**	**Shares[(a)]**	**Fair Value[(b)]**
Restricted Stock Units	**796,820**	**$ 47.36**	1,274,520	$ 29.90
Performance Awards [(c)]				
TSR	**—**	**$ —**	185,120	$ 37.41
ROCE [(d)]	**230,350**	**$ 46.96**	357,020	$ 29.35

[(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 period.
[(c)] The number of performance awards shown represents the target share grant of the award.
[(d)] A portion of ROCE awards granted in 2024 and 2023 are not shown in the table because they were granted in cash.

U. S. Steel recognized pretax stock-based compensation expense in the amount of $11 million in both the three-month periods ended March 31, 2024, and 2023.

As of March 31, 2024, total future compensation expense related to nonvested stock-based compensation arrangements was $75 million, and the weighted average period over which this expense is expected to be recognized is approximately 28 months.

Stock Options
There have been no stock options granted since 2017 other than the 171,000 performance-based stock options granted in December 2021, which are further described below.

The 171,000 performance-based stock options granted in December 2021, which were valued using a lattice model, do not become vested and exercisable until the Company's 20-trading day average closing stock price meets or exceeds the following stock price hurdles during the seven-year period beginning on the grant date, as follows:

20-trading day Average Closing Stock Price Achievement During 7-Year Period Beginning on Grant Date[(a)]	Percentage of Performance-Based Stock Options Exercisable
$ 35.00	33.33 %
$ 45.00	33.33 %
$ 55.00	33.34 %

[(a)] The $35.00 tranche vested in April 2022 and the $45.00 tranche vested in January 2024.

Stock Awards
Restricted stock units awarded as part of annual grants generally vest ratably over three years. Their fair value is the average market price of the underlying common stock on the date of grant. Restricted stock units granted in connection with new-hire or retention grants generally cliff vest three years from the date of the grant.

TSR performance awards may vest at varying levels at the end of a three-year performance period if U. S. Steel's total shareholder return compared to the total shareholder return of a peer group of companies meets performance criteria during the three-year performance period. TSR is calculated as follows: 20 percent for each year in the three-year performance period and 40 percent for the full three-year period. TSR performance awards may vest and pay out 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level. Payment for performance in between the threshold percentages will be interpolated. The fair value of the performance awards is calculated using a Monte-Carlo simulation.

ROCE performance awards may vest at the end of a three-year performance period contingent upon meeting ROCE performance goals approved by the Committee. For the ROCE performance awards, each year in the three-year performance period is weighted at 20 percent and the full three-year period is weighted at 40 percent of the total award. ROCE performance awards may vest and pay out 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level. Payment for performance in between the threshold percentages will be interpolated.

The fair value of the ROCE performance awards is the average market price of the underlying common stock on the date of grant.

In December 2021, and August 2022, special performance-based restricted stock unit awards (PSUs) were granted to members of the Company’s executive leadership team. Shares are earned based on the achievement of certain pre-set quantitative performance criteria during the four-year performance period, January 1, 2022, through December 31, 2025. Shares may vest following the expiration of the Performance Period if the Company satisfies the performance criteria.

The Chief Executive Officer was granted PSUs that vest with the following, equally weighted, performance metrics: (i) EBITDA margin expansion, (ii) greenhouse gas emissions intensity reduction, (iii) asset portfolio optimization, (iv) leverage metrics and (v) corporate relative valuation. Other members of the executive leadership team were granted PSUs that vest with performance criteria related to: (i) on time and on budget completion of BR2 (30% of the grant), (ii) EBITDA margin expansion (40% of the grant) and (iii) greenhouse gas emissions intensity reduction (30% of the grant).

For the PSU awards, a payout is achievable at threshold (50% of target), target (100% of target) or maximum (200% of target) performance achievement. Payout amounts will be interpolated between the threshold, target and maximum amounts.

12. Income Taxes

Tax provision

For the three months ended March 31, 2024, and 2023, the Company recorded a tax provision of $38 million and $51 million, respectively. The tax provisions for the first three months of 2024 and 2023 were based on an estimated annual effective rate, which requires management to make its best estimate of annual pretax income or loss and discrete items recognized during the period, if applicable.

Throughout 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 2024 pretax results for U.S. and foreign income or loss vary from estimates applied herein, the actual tax provision or benefit recognized in 2024 could be materially different from the forecasted amount used to estimate the tax provision for the three months ended March 31, 2024.

In March 2022, the Company and the Arkansas Economic Development Commission entered into the Recycling Tax Credit Incentive Agreement, whereby the Company may earn state income tax credits in an amount equal to 30 percent of the cost of waste reduction, reuse, or recycling equipment, subject to meeting the requirements of the Arkansas Code Ann. Section 26-51-506, for BR2 which is currently under construction near Osceola, Arkansas. Documentation supporting the Company's investment in qualifying equipment must be submitted as part of an application for certification expected to be completed on or before 2025. In March 2022, the Company received a lump-sum payment of approximately $82 million as proceeds from the sale of a portion of expected future tax credits to be earned by the Company (see Note 21 for additional information). The Company estimates that it could earn tax credits in excess of $700 million, exclusive of the amount sold in March 2022, which the Company will recognize in the year the assets are placed into service and meet the requirements of Arkansas Code Ann. Section 26-51-506. Any unused tax credit that cannot be claimed in a tax year may be carried forward indefinitely by the Company and applied to its future state tax liability.

On August 16, 2022, H.R. 5376 (commonly called the Inflation Reduction Act of 2022) was signed into law, which, among other things, implemented a corporate alternative minimum tax (CAMT) of 15 percent on net book income of certain large corporations adjusted for certain items prescribed by the legislation.

The Organization for Economic Co-operation and Development (the “OECD”), an international association of 38 countries including the U.S., has proposed changes to numerous long-standing tax principles, including a global minimum tax initiative. On December 12, 2022, the European Union member states agreed to implement the OECD’s Pillar 2 global corporate minimum tax rate of 15 percent on companies with revenues of at least €750 million, which went into effect in 2024. The law on minimum top-up tax for multinational enterprise groups and large-scale domestic groups in Slovakia was approved by the parliament on December 8, 2023 and signed by the President on December 21, 2023, with an effective date of December 31, 2023.

The tax provision for the three months ended March 31, 2024, reflects the impact of CAMT and Pillar 2, which were not material to the Condensed Consolidated Financial Statements.

13. Earnings and Dividends Per Common Share

Earnings Per Share Attributable to United States Steel Corporation Stockholders

The effect of dilutive securities on weighted average common shares outstanding included in the calculation of diluted earnings per common share for the three months ended March 31, 2024, and March 31, 2023, were as follows.

(Dollars in millions, except per share amounts)	Three Months Ended March 31, 2024	2023
Earnings attributable to United States Steel Corporation stockholders:		
Basic	**$ 171**	$ 199
Interest expense on Senior Convertible Notes, net of tax	**3**	3
Diluted	**$ 174**	$ 202
Weighted-average shares outstanding (in thousands):		
Basic	**224,099**	227,332
Effect of Senior Convertible Notes	**26,168**	26,194
Effect of stock options, restricted stock units and performance awards	**4,317**	3,921
Diluted	**254,584**	257,447
Earnings per share attributable to United States Steel Corporation stockholders:		
Basic	**$ 0.76**	$ 0.87
Diluted	**$ 0.68**	$ 0.78

Excluded from the computation of diluted earnings per common share due to their anti-dilutive effect were 0.3 million and 0.9 million outstanding securities granted under the Omnibus Plan for the three months ended March 31, 2024, and 2023 respectively.

The dividend for each of the first quarter of 2024 and 2023 was five cents per common share.

14. Derivative Instruments

U. S. Steel uses foreign exchange forward sales contracts (foreign exchange forwards) with maturities up to 11 months to manage our currency requirements and exposure to foreign currency exchange rate fluctuations. The USSE and Flat-Rolled segments use hedge accounting for their foreign exchange forwards.

U. S. Steel also uses financial swaps to protect from the commodity price risk associated with purchases of natural gas, zinc, tin, electricity and iron ore (commodity purchase swaps). We elected cash flow hedge accounting for commodity purchase swaps for natural gas, zinc, tin, iron ore, and electricity. The commodity purchase swaps where hedge accounting was elected have maturities of up to 9 months.

U. S. Steel has entered into financial swaps that are used to partially manage the sales price risk of certain hot-rolled coil sales and iron ore sales (sales swaps). The sales swaps are accounted for using hedge accounting and have maturities of up to 9 months.

The table below shows the outstanding swap quantities used to hedge forecasted purchases and sales as of March 31, 2024, and March 31, 2023:

Hedge Contracts	Classification	March 31, 2024	March 31, 2023
Natural gas (in mmbtus)	Commodity purchase swaps	**15,688,000**	32,976,000
Tin (in metric tons)	Commodity purchase swaps	**—**	1,045
Zinc (in metric tons)	Commodity purchase swaps	**18,933**	23,783
Electricity (in megawatt hours)	Commodity purchase swaps	**110,880**	367,200
Iron ore (in metric tons)	Commodity purchase swaps	**—**	280,000
Iron ore (in metric tons)	Sales swaps	**408,233**	1,087,500
Hot-rolled coils (in tons)	Sales swaps	**202,000**	215,000
Foreign currency (in millions of euros)	Foreign exchange forwards	**€ 428**	€ 383
Foreign currency (in millions of dollars)	Foreign exchange forwards	**$ 16**	$ 85

The following summarizes the fair value amounts included in our Condensed Consolidated Balance Sheets as of March 31, 2024, and December 31, 2023:

Balance Sheet Location (in millions)	March 31, 2024	December 31, 2023
Designated as Hedging Instruments		
Accounts receivable	**$ 15**	$ 4
Accounts payable	**30**	81
Other long-term liabilities	**—**	2

The table below summarizes the effect of hedge accounting on Accumulated Other Comprehensive Income (AOCI) and amounts reclassified from AOCI into earnings for the three months ended March 31, 2024, and 2023:

	Gain (Loss) on Derivatives in AOCI			Amount of Gain (Loss) Recognized in Income	
(In millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Location of Reclassification from AOCI	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Sales swaps	**$ 50**	$ (31)	Net sales	**$ (30)**	$ 3
Commodity purchase swaps	**(3)**	(18)	Cost of sales [a]	**(16)**	(9)
Foreign exchange forwards	**12**	(8)	Cost of sales	**1**	4

[a] Costs for commodity purchase swaps are recognized in cost of sales as products are sold.

At current contract values, $20 million currently in AOCI as of March 31, 2024, will be recognized as an increase in cost of sales over the next year and $4 million currently in AOCI as of March 31, 2024, will be recognized an increase in net sales over the next year.

Foreign exchange forwards and commodity purchase swaps where hedge accounting was not elected generated a net loss of $1 million and $10 million for the three months ended March 31, 2024, and 2023, respectively.

15. Debt

(In millions)	Issuer/Borrower	Interest Rates %	Maturity	March 31, 2024	December 31, 2023
2037 Senior Notes	U. S. Steel	6.650	2037	**274**	274
2026 Senior Convertible Notes	U. S. Steel	5.000	2026	**349**	350
2029 Senior Notes	U. S. Steel	6.875	2029	**475**	475
2029 Senior Secured Notes	Big River Steel	6.625	2029	**720**	720
Environmental Revenue Bonds	U. S. Steel	4.125 - 6.750	2024 - 2053	**1,164**	1,164
Environmental Revenue Bonds	Big River Steel	4.500 - 4.750	2049	**752**	752
Finance leases and all other obligations	U. S. Steel	Various	2024 - 2029	**177**	157
Finance leases and all other obligations	Big River Steel	Various	2024 - 2027	**167**	167
Export Credit Agreement	U. S. Steel	Variable	2031	**97**	97
Credit Facility Agreement	U. S. Steel	Variable	2027	**—**	—
Big River Steel ABL Facility	Big River Steel	Variable	2026	**—**	—
USSK Credit Agreement	U. S. Steel Kosice	Variable	2026	**—**	—
USSK Credit Facility	U. S. Steel Kosice	Variable	2024	**—**	—
Total Debt				**4,175**	4,156
Less unamortized discount, premium, and debt issuance costs				**(66)**	(66)
Less short-term debt, long-term debt due within one year, and short-term issuance costs				**159**	142
Long-term debt				**$ 4,082**	$ 4,080

Arkansas Development Finance Authority Environmental Improvement Revenue Bonds, Series 2023

On May 18, 2023, U. S. Steel closed on an offering consisting of an aggregate principal amount of $240 million unsecured Arkansas Development Finance Authority environmental improvement revenue bonds, which carry a green bond designation. The bonds, issued through Arkansas Development Finance Authority, have a coupon rate of 5.700% and carry a final maturity of 2053 (2053 ADFA Green Bonds). U. S. Steel received net proceeds of approximately $238 million after fees of approximately $2 million related to the underwriting and third-party expenses, and will pay semiannual interest. The net proceeds from the issuance of the 2053 ADFA Green Bonds were used to partially fund work related to BR2, currently under construction near Osceola, Arkansas.

On and after May 1, 2026, the Company may redeem the 2053 ADFA Green Bonds at its option, at any time in whole or from time to time in part at the redemption prices (expressed in percentages of principal amount) listed below, plus accrued and unpaid interest on the 2053 ADFA Green Bonds, if any, to, but excluding, the applicable redemption date, if redeemed during the twelve-month period beginning on May 1 of each of the years indicated below.

Year	Redemption Price
2026	105.000 %
2027	104.000 %
2028	103.000 %
2029	102.000 %
2030	101.000 %
2031 and thereafter	100.000 %

At any time prior to May 1, 2026, U. S. Steel may also redeem the 2053 ADFA Green Bonds, at our option, in whole or in part, or from time to time, at a price equal to the greater of 100 percent of the principal amount of the 2053 ADFA Green Bonds plus accrued and unpaid interest, if any, or the sum of the present value of the redemption price of the 2053 ADFA Green Bonds if they were redeemed on May 1, 2026, plus interest payments due through May 1, 2026, discounted to the date of redemption on a semi-annual basis at the applicable tax-exempt municipal bond rate, plus accrued and unpaid interest, if any.

2026 Senior Convertible Notes

In October 2019, U. S. Steel issued $350 million of 5.00% Senior Convertible Notes due November 1, 2026 (2026 Senior Convertible Notes). Interest on the 2026 Senior Convertible Notes is payable semi-annually on May 1 and November 1 of each year. The initial conversion rate for the 2026 Senior Convertible Notes is 74.8391 shares of U. S. Steel common stock per $1,000 principal amount, equivalent to an initial conversion price of approximately $13.36 per share of common stock, subject to adjustment pursuant to the 2026 Senior Convertible Notes indenture. Based on the initial conversion rate, the 2026 Senior Convertible Notes are convertible into 26,155,592 shares of U. S. Steel common stock and we reserved for the possible issuance of 33,348,361 shares, which is the maximum amount that could be issued upon conversion at maturity. Prior to August 1, 2026, holders of notes may convert all or a portion of their notes at their option only upon the satisfaction of specified conditions and during certain periods. On or after August 1, 2026, holders may convert all or a portion of their notes prior to the maturity date. Upon conversion, we will satisfy the obligation with cash, common stock, or a combination thereof, at our election. Anytime prior to August 1, 2026, if the price per share of U. S. Steel's common stock has been at least 130% of the conversion price for specified periods, U. S. Steel may redeem all or a portion of the 2026 Senior Convertible Notes at a cash redemption price of 100% of the principal amount, plus accrued and unpaid interest.

If U. S. Steel undergoes a fundamental change, as defined in the 2026 Senior Convertible Notes, holders may require us to repurchase the 2026 Senior Convertible Notes in whole or in part for cash at a price equal to 100% of the principal amount of the 2026 Senior Convertible Notes to be purchased plus any accrued and unpaid interest up to, but excluding the repurchase date.

Big River Steel - Sustainability Linked ABL Facility
Big River Steel's amended senior secured asset-based revolving credit facility (Big River Steel ABL Facility) matures on July 23, 2026. The facility is secured by first-priority liens on accounts receivable and inventory and certain other assets and second priority liens on most tangible and intangible assets of Big River Steel in each case subject to permitted liens. Additionally, the amendment includes sustainability targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™.

The Big River Steel ABL Facility provides for borrowings for working capital and general corporate purposes in an amount equal up to the lesser of (a) $350 million and (b) a borrowing base calculated based on specified percentages of eligible accounts receivables and inventory, subject to certain adjustments and reserves.

Big River Steel LLC must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent twelve consecutive months when availability under the Big River Steel ABL Facility is less than the greater of ten percent of the borrowing base availability and $13 million. Based on the most recent four quarters as of March 31, 2024, Big River Steel would have met the fixed charge coverage ratio test. The facility includes affirmative and negative covenants and events of default that are customary for facilities of this type.

There were no loans outstanding under the Big River Steel ABL Facility at March 31, 2024. Availability under the Big River Steel ABL Facility, pursuant to the available borrowing base was $350 million at March 31, 2024.

U. S. Steel - Sustainability Linked Credit Facility Agreement
On May 27, 2022, U. S. Steel entered into the Sixth Amended and Restated Credit Facility Agreement (Credit Facility Agreement) to replace the existing Fifth Amended and Restated Credit Facility Agreement (Fifth Credit Facility Agreement). The Credit Facility Agreement has substantially the same terms as the Fifth Credit Facility Agreement, except the Credit Facility Agreement references the Secured Overnight Financing Rate instead of the London Interbank Offered Rate, adjusts the individual lenders' commitments, and renews the five-year maturity to May 27, 2027. The Credit Facility Agreement also adjusts the threshold for the fixed charge coverage ratio. The total availability under the facility remained the same at $1,750 million, and the financial impact from replacing the Fifth Credit Facility Agreement was immaterial. Consistent with the Fifth Credit Facility Agreement, the Credit Facility Agreement is secured by first-priority liens on certain accounts receivable and inventory and includes targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™.

The Credit Facility Agreement provides for borrowings for working capital and general corporate purchases in an amount equal to the lesser of (a) $1,750 million or (b) a borrowing base calculated based on specified percentages of eligible accounts receivable and inventory, subject to certain adjustments and reserves. As of March 31, 2024, there were approximately $4 million of letters of credit issued and no amounts drawn under the Credit Facility Agreement. U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Credit Facility Agreement is less than the greater of ten percent of the maximum facility availability and $140 million. Based on the most recent four quarters as of March 31, 2024, the Company would have met the fixed charge coverage ratio test.

U. S. Steel Košice (USSK) Credit Facilities
On September 28, 2023, the Company elected to reduce the size of the USSK Credit Agreement from €300 million to €150 million (approximately $162 million). The reduced credit facility size supports USSK’s liquidity needs and is consistent with efforts to optimize costs and the global liquidity position. The USSK Credit Agreement matures in 2026 and contains sustainability targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™.

Under the USSK Credit Agreement, USSK is required to maintain a net debt to EBITDA ratio of less than 3.50:1.00 (the “EBITDA Ratio Covenant”), as measured on a rolling twelve month basis on June 30th and December 31st of each year. At March 31, 2024, USSK was in compliance with the EBITDA Ratio Covenant and the USSK Credit Agreement was undrawn and fully available.

During the first quarter of 2023, USSK increased the size of its €20 million credit facility to €30 million (approximately $32 million) (the USSK Credit Facility). At March 31, 2024, USSK had no borrowings under the USSK Credit Facility, and the availability was approximately $16 million due to approximately $16 million of customs and other guarantees outstanding.

16. Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, current accounts and notes receivable, accounts payable and accrued interest included in the Condensed Consolidated Balance Sheet approximate fair value. See Note 14 for disclosure of U. S. Steel’s derivative instruments, which are accounted for at fair value on a recurring basis.

Stelco Option for Minntac Mine Interest
On April 30, 2020, the Company entered into an Option Agreement with Stelco, Inc. (Stelco), that grants Stelco the option to purchase a 25 percent interest (Option Interest) in a to-be-formed entity (Joint Venture) that will own the Company’s

current iron ore mine located in Mt. Iron, Minnesota (Minntac Mine). As consideration for the Option Interest, Stelco paid the Company an aggregate amount of $100 million in five $20 million installments during the year-ended December 31, 2020, which are recorded net of transaction costs in noncontrolling interests in the Condensed Consolidated Balance Sheet. The option can be exercised any time before January 31, 2027, and in the event Stelco exercises the option, Stelco will contribute an additional $500 million to the Joint Venture, which amount shall be remitted solely to U. S. Steel in the form of a one-time special distribution, and the parties will engage in good faith negotiations to finalize the master agreement (pursuant to which Stelco will acquire the Option Interest) and the limited liability company agreement of the Joint Venture.

Surplus VEBA assets

During the fourth quarter 2022, U. S. Steel and the United Steelworkers (USW) agreed to utilize the overfunded OPEB plans to support the benefits provided to active represented employees. Beginning January 1, 2023, this agreement allows the Company to use a certain amount of surplus VEBA assets (the surplus amount) to pay for legally permissible benefits under Section 501(c)(9) of the Internal Revenue Code for active employees and retirees of the USW. The surplus amount of $595 million was determined as of December 31, 2022, and was the balance of VEBA assets in excess of 135% of the retiree obligation at that time. On January 1, 2023, a subaccount was created and consisted of a pro-rata share of the existing trust. On February 1, 2023, using January 31, 2023 asset values, a new investment strategy was implemented and comprised of existing investments from the VEBA trust and cash. On February 1, 2023, certain assets were transferred from the VEBA to the subaccount. The Company is permitted to withdraw a target of $75 million annually, with a guaranteed annual minimum of $50 million, on a quarterly pro rata basis, from the subaccount to cover the cost of the permissible benefits for active USW employees and USW retirees. The surplus VEBA assets subaccount portfolio consists of fixed income securities including corporate bonds, U.S. government bonds, a commingled equity fund, and U.S. Treasury notes, in addition to alternatives including investments in private credit partnerships and real estate funds. A portion of the corporate bonds are classified as available-for-sale debt securities, with unrealized gains and losses reported in Accumulated other comprehensive loss. Upon sale, realized gains and losses are reported in earnings. All other investments in the subaccount are financial instruments measured at fair value or net asset value, with gains and losses recognized through net earnings and are reported as Net gain from investments related to active employee benefits on the Company's Condensed Consolidated Statements of Operations.

As of March 31, 2024, the fair value of the surplus VEBA assets subaccount portfolio was $540 million, with $75 million in Other current assets and $465 million in Other noncurrent assets on the Condensed Consolidated Balance Sheet.

As of December 31, 2023, the fair value of the surplus VEBA assets subaccount portfolio was $570 million, with $89 million in Other current assets and $481 million in Other noncurrent assets on the Consolidated Balance Sheet.

The value of corporate bonds classified as available-for-sale debt securities was $192 million and $208 million as of March 31, 2024, and December 31, 2023, respectively. A total pretax net gain related to available for sale securities of $7 million was included in Accumulated other comprehensive income at both March 31, 2024, and December 31, 2023.

During the three months ended March 31, 2024, pretax net gains of $4 million and an immaterial amount were recognized in Net gain from investments related to active employee benefits and in Accumulated other comprehensive income, respectively. During the three months ended March 31, 2023, pretax net gains of $22 million and $4 million were recognized in Net gain from investments related to active employee benefits and in Accumulated other comprehensive income, respectively.

The fair value of the subaccount portfolio by asset category as of March 31, 2024, and December 31, 2023, were as follows (in millions):

	March 31, 2024					December 31, 2023				
	Level 1	Level 2	Level 3	measured at NAV [a]	Total	Level 1	Level 2	Level 3	measured at NAV [a]	Total
Asset Category										
Fixed Income										
Corporate bonds - U.S.	$ —	$ 179	$ —	$ —	$ 179	$ —	$ 191	$ —	$ —	$ 191
Corporate bonds - Non-U.S.	—	54	—	—	54	—	56	—	—	56
U.S. government bonds	—	59	—	—	59	—	86	—	—	86
Mortgage and asset-backed securities	—	15	—	—	15	—	12	—	—	12
Total fixed income	$ —	$ 307	$ —	$ —	$ 307	$ —	$ 345	$ —	$ —	$ 345
Alternatives										
Private credit partnerships	—	—	57	69	126	—	—	58	64	122
Other alternatives	—	—	—	18	18	—	—	—	18	18
Total alternatives	$ —	$ —	$ 57	$ 87	$ 144	$ —	$ —	$ 58	$ 82	$ 140
Commingled Funds	—	—	—	62	62	—	—	—	61	61
Other [b]	27	—	—	—	27	25	—	(1)	—	24
Total assets at fair value	$ 27	$ 307	$ 57	$ 149	$ 540	$ 25	$ 345	$ 57	$ 143	$ 570

[a] In accordance with ASC Topic 820, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

[b] Includes cash, accrued income, and miscellaneous payables.

The following table summarizes U. S. Steel's financial liabilities that were not carried at fair value at March 31, 2024, and December 31, 2023. The fair value of long-term debt was determined using Level 2 inputs.

	As of March 31, 2024		As of December 31, 2023	
(In millions)	**Fair Value**	**Carrying Amount**	**Fair Value**	**Carrying Amount**
Financial liabilities:				
Long-term debt [a]	**$ 4,595**	**$ 3,897**	$ 4,797	$ 3,899

[a] Excludes finance lease obligations.

17. Statement of Changes in Stockholders' Equity

The following table reflects the first three months of 2024 and 2023 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, 2024 (In millions)	**Total**	**Retained Earnings**	**Accumulated Other Comprehensive Income**	**Common Stock**	**Treasury Stock**	**Paid-in Capital**	**Non-Controlling Interest**
Balance at beginning of year	**$ 11,140**	**$ 6,880**	**$ 46**	**$ 286**	**$ (1,418)**	**$ 5,253**	**$ 93**
Comprehensive income (loss):							
Net earnings	**171**	**171**	**—**	**—**	**—**	**—**	**—**
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	**(7)**	**—**	**(7)**	**—**	**—**	**—**	**—**
Currency translation adjustment	**(36)**	**—**	**(36)**	**—**	**—**	**—**	**—**
Derivative financial instruments	**43**	**—**	**43**	**—**	**—**	**—**	**—**
Active employee benefit investments	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Employee stock plans	**(8)**	**—**	**—**	**2**	**(23)**	**13**	**—**
Dividends paid on common stock	**(12)**	**(12)**	**—**	**—**	**—**	**—**	**—**
Other	**1**	**1**	**—**	**—**	**—**	**—**	**—**
Balance at March 31, 2024	**$ 11,292**	**$ 7,040**	**$ 46**	**$ 288**	**$ (1,441)**	**$ 5,266**	**$ 93**

Three Months Ended March 31, 2023 (In millions)	**Total**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Common Stock**	**Treasury Stock**	**Paid-in Capital**	**Non-Controlling Interest**
Balance at beginning of year	$ 10,311	$ 6,030	$ (85)	$ 283	$ (1,204)	$ 5,194	$ 93
Comprehensive income (loss):							
Net earnings	199	199	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(10)	—	(10)	—	—	—	—
Currency translation adjustment	32	—	32	—	—	—	—
Derivative financial instruments	(44)	—	(44)	—	—	—	—
Active employee benefit investments	3	—	3	—	—	—	—
Employee stock plans	(9)	—	—	2	(22)	11	—
Common stock repurchased	(75)	—	—	—	(75)	—	—
Dividends paid on common stock	(12)	(12)	—	—	—	—	—
Balance at March 31, 2023	$ 10,395	$ 6,217	$ (104)	$ 285	$ (1,301)	$ 5,205	$ 93

18. Reclassifications from Accumulated Other Comprehensive Income (AOCI)

(In millions)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized (Loss) Gain on Derivatives	Active Employee Benefit Investments	Total
Balance at December 31, 2023	$ (241)	$ 334	$ (52)	$ 5	$ 46
Other comprehensive (loss) income before reclassifications	**—**	**(36)**	**16**	**—**	**(20)**
Amounts reclassified from AOCI [(a)]	**(7)**	**—**	**27**	**—**	**20**
Net current-period other comprehensive (loss) income	**(7)**	**(36)**	**43**	**—**	**—**
Balance at March 31, 2024	**$ (248)**	**$ 298**	**$ (9)**	**$ 5**	**$ 46**
Balance at December 31, 2022	$ (322)	$ 280	$ (43)	$ —	$ (85)
Other comprehensive income (loss) before reclassifications	1	32	(65)	3	(29)
Amounts reclassified from AOCI [(a)]	(11)	—	21	—	10
Net current-period other comprehensive (loss) income	(10)	32	(44)	3	(19)
Balance at March 31, 2023	$ (332)	$ 312	$ (87)	$ 3	$ (104)

[(a)] See table below for further details.

Details about AOCI components (in millions)	Amount reclassified from AOCI Three Months Ended March 31, 2024	 2023
Amortization of pension and other benefit items [(a)]		
Prior service credits	**$ (3)**	$ (1)
Actuarial gains	**(6)**	(16)
Total pensions and other benefits items	**(9)**	(17)
Derivative reclassifications to Condensed Consolidated Statements of Operations	**38**	28
Total before tax	**29**	11
Tax benefit	**(9)**	(1)
Net of tax	**$ 20**	$ 10

[(a)] These AOCI components are included in the computation of net periodic benefit cost. See Note 10 for additional details.

19. Transactions with Related Parties

Related party sales and service transactions are primarily related to equity investees and were $660 million and $558 million for the three months ended March 31, 2024, and 2023, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of $197 million and $137 million at March 31, 2024, and December 31, 2023, respectively for invoicing and receivables collection services provided by U. S. Steel on PRO-TEC's behalf. 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 totaled $2 million for both periods ending March 31, 2024 and December 31, 2023, respectively.

Purchases from related parties for outside processing services provided by equity investees amounted to $5 million and $7 million for the three months ended March 31, 2024, and 2023, respectively. Purchases of iron ore pellets from related parties amounted to $19 million and $21 million for the three months ended March 31, 2024, and 2023, respectively.

On December 18, 2023, the Company entered into the Merger Agreement by and among the Company, Purchaser, Merger Sub, and solely as provided in Section 9.13 therein, NSC. Pursuant to the Merger Agreement, and upon the terms and subject to the conditions described therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of Purchaser.

Wheeling-Nippon Steel, Inc., ("WNS") a wholly owned subsidiary of NSC (party to the Merger Agreement described above), currently is a customer of the Company. Net sales to related parties pertaining to business with WNS during the three months ended March 31, 2024 were $93 million. Receivables from related parties as of March 31, 2024 include $7 million due from WNS.

20. Restructuring and Other Charges

During the three months ended March 31, 2024, the Company recorded restructuring and other charges of $6 million, which related primarily to restructuring of the Company's Corporate information technology function. Cash payments related to previously accrued restructuring programs made during the three months ended March 31, 2024, were approximately $52 million.

During the three months ended March 31, 2023, the Company recorded restructuring and other charges of $1 million, which related to the planned idling and disposition of UPI. Cash payments related to restructuring made during the three months ended March 31, 2023, were approximately $46 million.

The activity in the accrued balances incurred in relation to restructuring during the three months ended March 31, 2024, was as follows:

(In millions)	Employee Related Costs	Exit Costs	Non-cash Charges	Total
Balance at December 31, 2023	$ 110	$ 30	$ —	$ 140
Additional charges	**1**	**5**	**—**	**6**
Cash payments/utilization[b]	**(44)**	**(8)**	**—**	**(52)**
Balance at March 31, 2024	**$ 67**	**$ 27**	**$ —**	**$ 94**

[a] Includes releases of accruals to reflect the current estimate of costs to complete approved restructuring programs.

[b] $10 million of payments were made from the pension fund trust assets in the Employee Related Costs column during the three months ended March 31, 2024.

Accrued liabilities for restructuring programs are recorded primarily in payroll and benefits and accounts payable on the Condensed Consolidated Balance Sheet.

21. 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 Condensed 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 and the costs are reasonably estimable.

Asbestos matters – As of March 31, 2024, U. S. Steel was a defendant in approximately 915 active asbestos cases involving approximately 2,500 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,545, or approximately 62 percent, of these plaintiff claims are currently pending in a jurisdiction which permits filings with massive numbers of plaintiffs. At December 31, 2023, U. S. Steel was a defendant in approximately 915 active asbestos cases involving approximately 2,505 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.

The following table shows the number of asbestos claims in the current period and the prior three years:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2021	2,445	200	260	2,505
December 31, 2022	2,505	230	235	2,510
December 31, 2023	2,510	235	230	2,505
March 31, 2024	2,505	70	65	2,500

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.

Further, U. S. Steel does not believe that an accrual for unasserted claims is required. At any given reporting date, it is probable that there are unasserted claims that will be filed against the Company in the future. The Company engages an outside valuation consultant to assist in assessing its ability to estimate an accrual for unasserted claims. This assessment is based on the Company's settlement experience, including recent claims trends. The analysis focuses on settlements made over the last several years as these claims are likely to best represent future claim characteristics. After review by the valuation consultant and U. S. Steel management, it was determined that the Company could not estimate an accrual for unasserted 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.

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, 2024
Beginning of period	**$ 107**
Accruals for environmental remediation deemed probable and reasonably estimable	**—**
Adjustments for changes in estimates	**—**
Obligations settled	**(1)**
End of period	**$ 106**

Accrued liabilities for remediation activities are included in the following Condensed Consolidated Balance Sheet lines:

(In millions)	As of March 31, 2024	As of December 31, 2023
Accounts payable	**$ 28**	$ 27
Deferred credits and other noncurrent liabilities	**78**	80
Total	**$ 106**	$ 107

Expenses related to remediation are recorded in cost of sales and were immaterial for the three-month periods ended March 31, 2024, and March 31, 2023, respectively. It is not currently 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 15 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, the Company categorizes projects as follows:

(1) *Projects with Ongoing Study and Scope Development* - 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/or cost estimates cannot be determined. Therefore, significant costs, in addition to the accrued liabilities for these projects, are reasonably possible. There are two environmental remediation projects where additional costs for completion are not currently estimable but could be material. These projects are at UPI and the former steelmaking plant at Joliet, Illinois. As of March 31, 2024, accrued liabilities for these projects totaled $4 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 $8 million to $11 million.

(2) Projects with Significant Accrued liabilities with a Defined Scope - As of March 31, 2024, there are four significant projects with defined scope greater than or equal to $5 million each, with a total accrued liability of $60 million. These projects are Gary Resource Conservation and Recovery Act (accrued liability of $24 million), Duluth Works (accrued liability of $10 million), Fairfield Works (accrued liability of $8 million) and the former Geneva facility (accrued liability of $18 million).

(3) Other Projects with a Defined Scope - These projects involve relatively small accrued liabilities for which we believe that, while additional costs are possible, they are not likely to be significant, and also include those projects for which we do not yet possess sufficient information to estimate potential costs to U. S. Steel. 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, 2024, was $6 million. These projects have progressed through a significant portion of the design phase and material additional costs are not expected.

The remaining environmental remediation projects each have an accrued liability of less than $1 million each. The total accrued liability for these projects at March 31, 2024, was approximately $4 million. The Company does 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 $23 million at March 31, 2024, and were based on known scopes of work.

Administrative and Legal Costs – As of March 31, 2024, U. S. Steel had an accrued liability of $9 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.

Capital Expenditures – For a number of years, U. S. Steel has made substantial capital expenditures to comply with various regulations, laws and other requirements relating to the environment. Such capital expenditures totaled $12 million and $11 million in the first three months of 2024 and 2023, respectively. U. S. Steel anticipates making additional such expenditures in the future, which may be material; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

European Union (the EU) Environmental Requirements - Phase IV of the EU Emissions Trading System (the EU ETS) commenced on January 1, 2021, and will finish on December 31, 2030. The European Commission issued final approval of the updated 2021-2025 Slovak National Allocation table in February 2022. The Slovak Ministry of Environment has allocated 6.2 million metric tons of European Union Emission Allowances (EUA) at no charge (free allowances or free allocation) to USSE. As of March 31, 2024, we have pre-purchased and settled approximately 2.08 million EUA totaling €151 million (approximately $163 million) via spot purchases or settled forwards to cover the expected 2024 shortfall of emission allowances and a portion of the 2025 shortfall.

The EU's Industrial Emissions Directive requires implementation of EU-determined best available techniques (BAT) for Iron and Steel production to reduce environmental impacts as well as compliance with BAT associated emission levels. Total capital expenditures for projects to go beyond BAT requirements were €138 million (approximately $149 million). These costs were partially offset by the EU funding received and may be mitigated over the next measurement periods if USSK complies with certain financial covenants, which are assessed annually. If we are unable to meet these covenants in the future, USSK might be required to provide additional collateral (e.g., bank guarantee) to secure 50 percent of the EU funding received. USSK complied with these covenants as of March 31, 2024, and no additional collateral will be required by the end of June 30, 2024. By this next assessment date, we expect that two projects of the total fifteen will pass the sustainability monitoring and will be excluded from further assessment to provide additional collateral if the covenants are not met. The last assessment of financial covenants will be performed as of June 30, 2026.

Environmental indemnifications – Throughout its history, U. S. Steel has sold numerous properties and businesses and many of these sales included indemnifications and cost sharing agreements related to the assets that were divested. The amount of potential environmental liability associated with these transactions and properties is not estimable due to the nature and extent of the unknown conditions related to the properties divested and deconsolidated. Aside from the environmental liabilities already recorded as a result of these transactions due to specific environmental remediation activities and cases (included in the $106 million of accrued liabilities for remediation discussed above), there are no other known probable and estimable environmental liabilities related to these transactions.

Guarantees – The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled $7 million at March 31, 2024.

Other contingencies – Under certain 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, 2024). No liability has been recorded for these guarantees as the potential loss is not probable.

The Company's BR2 project near Osceola, Arkansas qualifies for financing and related economic incentives associated with the acquisition, development, construction, and operation of the facility. These incentives consist of advance lump-sum payments which are included in deferred credits and other noncurrent liabilities on the Condensed Consolidated Balance Sheet. In March 2022, the Company received a lump-sum payment of approximately $82 million as proceeds from the sale of a portion of expected future tax credits to be earned by the Company under the State of Arkansas's Recycling Tax Credit program. These funds are to be used primarily for the acquisition of project related equipment, however they may also be used for the training and development of new employees hired for the project. The Company is contingently liable for certain repayment penalties if the Company fails to meet certain employment requirements in any given period. In April 2022, the Company received a $3 million grant from Mississippi County, Arkansas, and in May 2022, the Company received a $50 million grant from the State of Arkansas Quick Action Closing Fund. Both grants pertain to the reimbursement of qualifying project costs. Deferred liabilities were recognized for each of these grants and are included in deferred credits and other noncurrent liabilities on the Condensed Consolidated Balance Sheet. For each of these incentives and grants, the balance of deferred income will be recognized into other gains, net in the accompanying Condensed Consolidated Statements of Operations on a systematic basis over the periods in which the Company earns the granted funds by complying with the investment and employment requirements of the grant programs.

We have incurred and expect to continue to incur significant expenses in connection with the pending Merger, including legal and investment banking fees. If the Merger is not consummated, we may under certain circumstances be required to pay to Purchaser a termination fee of $565 million.

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 $191 million as of March 31, 2024, 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 the Credit Facility Agreement. 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 $41 million and $40 million at March 31, 2024, and December 31, 2023, respectively.

Capital Commitments – At March 31, 2024, U. S. Steel’s contractual commitments to acquire property, plant and equipment totaled $1.269 billion.

***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 2024	2025	2026	2027	2028	Later Years	Total
$422	$299	$267	$208	$164	$711	$2,071

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 14 months to 20 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 a minimum volume of the expected targeted annual production 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, 2024, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of $32 million.

As a result of the indefinite idling of Granite City Works, there were $77 million and $86 million of liabilities for unconditional purchase obligations as of March 31, 2024, and December 31, 2023, respectively.

Total payments relating to unconditional purchase obligations were $200 million and $275 million for the three months ended March 31, 2024, and 2023, respectively.

22. Common Stock Repurchased

On July 25, 2022, the Board of Directors authorized a new share repurchase program that allows for the repurchase of up to $500 million of its outstanding common stock from time to time in the open market or privately negotiated transactions at the discretion of management. The Company's share repurchase program does not obligate it to acquire any specific number of shares.

U. S. Steel repurchased 2.8 million shares of common stock for approximately $75 million under this program during the three months ended March 31, 2023. We do not expect to utilize the remainder of this authorization. No share repurchases were completed in the three months ended March 31, 2024 as the Merger Agreement prohibits us from engaging in additional share repurchases without the consent of Purchaser.

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

Overview

As previously disclosed, on December 18, 2023, the Company entered into the Merger Agreement by and among the Company, Purchaser, Merger Sub, and solely as provided in Section 9.13 therein, NSC. Pursuant to the Merger Agreement, and upon the terms and subject to the conditions described therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of Purchaser (the "Merger").

On April 12, 2024, the Company obtained the approval of its stockholders required to adopt the Merger Agreement. U. S. Steel stockholders approved the Merger with 98.8% approval of shares voted, satisfying a significant condition to closing.

The Company and NSC each received, and are working to respond to, a request for additional information and documentary materials from the U.S. Department of Justice in connection with the antitrust review of the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The completion of the Merger also remains subject to the receipt of pending regulatory approvals in the European Union, Mexico, and Slovakia. The regulatory approvals required in Turkey and Serbia have been received.

The Company currently expects that the Merger will be completed in the second half of 2024, subject to the fulfillment of the remaining, customary closing conditions.

U. S. Steel's results in the first quarter of 2024 reflects sizeable contributions from each operating segment.

The Flat-Rolled segment results were favorable compared to the fourth quarter 2023, primarily as a result of higher overall selling prices and the favorable impact from fixed-priced contracts. Diverse end-market exposure kept the order book robust in the first quarter. The Company expects seasonally higher iron ore sales to benefit segment performance in the second quarter.

The Mini Mill segment results were favorable compared to the fourth quarter 2023, primarily as a result of higher average selling prices which were partially offset by increased raw material costs. Second quarter results are expected to be favorably impacted by lower average selling prices, partially offset by higher demand. Lower market prices for key metallic inputs are expected to favorably impact input costs in the second quarter, partially offset by higher zinc costs attributable to the start up of the Big River Steel duel coating line (CGL2).

The U. S. Steel Europe segment results were favorably impacted primarily by higher average selling prices compared to the fourth quarter 2023. Muted customer demand and the high level of imports are expected to result in lower steel pricing which is expected to negatively impact the segment's average selling price in the second quarter. In March of 2024, the Company decided to extend the first quarter planned maintenance outage of Blast Furnace #2 at USSE (BF2) based on market conditions. BF2 remains temporarily idle and the Company anticipates restarting its operation in the second quarter.

The Tubular segment results were lower than fourth quarter 2023 as a result of lower average selling prices and lower volumes. The lower pricing and demand environment were driven primarily by lower natural gas prices reflecting another mild winter, range-bound oil prices, and continued high levels of imports. The Company expects the flow-through of lower OCTG pipe prices to continue into the second quarter.

The Company continued to advance its Best for All® strategy during the first quarter. Construction of Big River 2 near Osceola, Arkansas continued during the quarter, and this project remains on track to be completed in the second half of 2024. Also, the construction of a 325 thousand ton galvanize/Galvalume® dual coating line at Big River Steel was completed on-time and on-budget in the second quarter. Capital expenditures for strategic projects were $468 million during the three months ended March 31, 2024.

Fluctuations in the market price of raw materials and other inflationary impacts have affected the results of each of our reportable segments, and fluctuations going-forward are reasonably likely to have a material impact on future results. We could experience inflation related headwinds for certain raw materials and other costs.

RESULTS OF OPERATIONS

U. S. Steel's results in the three months ended March 31, 2024, compared to the same period in 2023, improved for the North American Flat-Rolled, Mini Mill and U. S. Steel Europe segments and declined for the Tubular segment.

- **North American Flat-Rolled (Flat-Rolled):** Flat-Rolled results for the three months ended March 31, 2024 improved compared to the prior period quarter, primarily due to lower energy costs.

- **Mini Mill:** Mini Mill results for the three months ended March 31, 2024 improved compared to the prior period quarter, primarily due to higher sales prices across all product categories.

- **U. S. Steel Europe (USSE):** USSE results for the three months ended March 31, 2024 improved compared to the prior period quarter, primarily due to lower raw material and energy costs.

- **Tubular:** Tubular results for the three months ended March 31, 2024 decreased compared to the prior period quarter, primarily due to lower sales price and volume.

Net sales by segment for the three months ended March 31, 2024 and 2023 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	% Change
Flat-Rolled	**$ 2,391**	$ 2,570	(7)%
Mini Mill	**578**	553	5%
USSE	**918**	838	10%
Tubular	**271**	505	(46)%
Total sales from reportable segments	**4,158**	4,466	(7)%
Other	**2**	4	(50)%
Net sales	**$ 4,160**	$ 4,470	(7)%

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, 2024, versus the three months ended March 31, 2023:

	Steel Products [a]					
	Volume	Price	Mix	FX [b]	Other [c]	Net Change
Flat-Rolled	(9)%	2 %	1 %	— %	(1)%	(7)%
Mini Mill	(14)%	16 %	2 %	— %	— %	4 %
USSE	21 %	(8)%	(4)%	1 %	— %	10 %
Tubular	(12)%	(36)%	2 %	— %	— %	(46)%

[a] Excludes intersegment sales.

[b] Foreign currency translation effects.

[c] Primarily sales of raw materials and coke making by-products.

Net sales for the three months ended March 31, 2024, compared to the same period in 2023 were $4,160 million and $4,470 million, respectively.

- For the Flat-Rolled segment, the decrease in sales primarily resulted from decreased shipments (229 thousand tons) across most products, partially offset by higher average realized prices ($42 per ton) across most products.
- For the Mini Mill segment, the increase in sales primarily resulted from higher average realized prices ($183 per ton) across all products, partially offset by decreased shipments (91 thousand tons) from lower value products.
- For the USSE segment, the increase in sales primarily resulted from increased shipments (189 thousand tons) across most products, partially offset by lower average realized prices ($79 per ton) across all products.
- For the Tubular segment, the decrease in sales primarily resulted from lower average realized prices ($1,490 per ton) and decreased shipments (17 thousand tons).

Selling, general and administrative expenses

Selling, general and administrative expenses were $119 million and $99 million for the three months ended March 31, 2024 and 2023, respectively. The change between periods was primarily due to increased costs related to the Company's strategic alternatives review process.

Restructuring and other charges

During the three months ended March 31, 2024, the Company recognized restructuring and other charges of $6 million compared to charges of $1 million three months ended March 31, 2023, respectively. See Note 20 to the Condensed Consolidated Financial Statements for further details.

Operating configuration adjustments

The Company adjusts its operating configuration in response to changes in market conditions, global overcapacity, import competition arising from unfair trade practices, and changes in customer demand. These operating configuration adjustments can include indefinitely and temporarily idling certain of its facilities as well as re-starting production at certain of its facilities.

Idled Operations

In 2023, the Company indefinitely idled the iron and steel making assets at Granite City Works and the operations of UPI. These facilities remain indefinitely idled as of March 31, 2024. The net book value of the related fixed assets is immaterial.

In 2022, U. S. Steel indefinitely idled the majority of the tin mill operations at Gary Works. This included the Tin Line #5 and the Tin Line #6. As of March 31, 2024, the carrying value of the indefinitely idled tin mill operations assets at Gary Works is $70 million. Tin mill operations continue to operate at the Midwest plant.

The Company's Lorain Tubular Operations and Lone Star Tubular Operations was initially idled in 2020 and remains indefinitely idled as of March 31, 2024. The carrying value of the Lorain Tubular Operations assets are $55 million as of March 31, 2024.

Earnings (loss) before interest and income taxes by segment is set forth in the following table:

	Three Months Ended March 31,		
(Dollars in millions)	**2024**	2023	% Change
Flat-Rolled	**$ 34**	$ (7)	586 %
Mini Mill	**99**	12	725 %
USSE	**16**	(34)	147 %
Tubular	**57**	232	(75)%
Total earnings from reportable segments	**206**	203	1 %
Other	**(2)**	3	(167)%
Segment earnings before interest and income taxes	**204**	206	(1)%
Items not allocated to segments:			
Restructuring and other charges	**(6)**	(1)	
Stock-based compensation expense	**(11)**	(11)	
Asset impairment charges	**(7)**	(4)	
Environmental remediation charges	**(2)**	—	
Strategic alternatives review process costs	**(23)**	—	
Granite City idling costs	**(1)**	—	
Other charges, net	**—**	(1)	
Total earnings before interest and income taxes	**$ 154**	$ 189	(19)%

Segment results for Flat-Rolled

	Three months ended March 31,		
	2024	**2023**	% Change
Earnings (loss) before interest and taxes ($ millions)	**$ 34**	$ (7)	(586)%
Gross margin	**9 %**	9 %	— %
Raw steel production (mnt)	**2,111**	2,393	(12)%
Capability utilization	**64 %**	74 %	(10)%
Steel shipments (mnt)	**2,049**	2,278	(10)%
Average realized steel price per ton	**$ 1,054**	$ 1,012	4 %

The increase in Flat-Rolled results for the three months ended March 31, 2024, compared to the same period in 2023 was primarily due to:

- higher average realized prices, including mix (approximately $75 million)
- higher other sales (approximately $15 million)
- lower raw material costs, including inventory revaluations (approximately $5 million)
- lower energy costs (approximately $55 million),

these changes were partially offset by:
- decreased shipments, including non-prime (approximately $70 million)
- higher operating costs (approximately $20 million)
- higher other costs, including equity investees income (approximately $15 million).

Gross margin for the three months ended March 31, 2024, compared to the same period in 2023 was unchanged.

Segment results for Mini Mill

	Three Months Ended March 31,		% Change
	2024	**2023**	
Earnings before interest and taxes ($ millions)	**$ 99**	12	725 %
Gross margin	**29 %**	10 %	19 %
Raw steel production (mnt)	**717**	759	(6)%
Capability utilization	**87 %**	93 %	(6)%
Steel shipments (mnt)	**568**	659	(14)%
Average realized steel price per ton	**$ 977**	$ 794	23 %

The increase in Mini Mill results for the three months ended March 31, 2024, compared to the same period in 2023 was primarily due to:
- higher average realized prices, including mix (approximately $140 million)
- lower raw material costs (approximately $50 million),

these changes were partially offset by:
- decreased shipments (approximately $60 million)
- higher operating costs (approximately $20 million)
- higher other costs, primarily strategic projects startup costs (approximately $25 million).

Gross margin for the three months ended March 31, 2024, compared to the same period in 2023 increased primarily as a result of higher average realized prices, partially offset by lower sales volume.

Segment results for USSE

	Three Months Ended March 31,		% Change
	2024	**2023**	
Earnings (loss) before interest and taxes ($ millions)	**$ 16**	$ (34)	147 %
Gross margin	**6 %**	— %	6 %
Raw steel production (mnt)	**1,079**	1,092	(1)%
Capability utilization	**87 %**	89 %	(2)%
Steel shipments (mnt)	**1,072**	883	21 %
Average realized steel price per ($/ton)	**$ 830**	$ 909	(9)%
Average realized steel price per (€/ton)	**€ 764**	€ 847	(10)%

The increase in USSE results for the three months ended March 31, 2024, compared to the same period in 2023 was primarily due to:
- increased shipments (approximately $10 million)
- lower raw material costs, including inventory revaluations (approximately $85 million)
- lower energy costs (approximately $50 million),

these changes were partially offset by:
- lower average realized prices, including mix (approximately $65 million)
- lower other sales (approximately $5 million)
- higher operating costs (approximately $15 million)
- higher other costs (approximately $10 million).

Gross margin for the three months ended March 31, 2024, compared to the same period in 2023 increased primarily as a result of higher sales volume, partially offset by lower average realized prices.

Segment results for Tubular

	Three Months Ended March 31,		% Change
	2024	**2023**	
Earnings before interest and taxes ($ millions)	**$ 57**	$ 232	(75)%
Gross margin	**24 %**	49 %	(25)%
Raw steel production (mnt)	**146**	171	(15)%
Capability utilization	**65 %**	77 %	(12)%
Steel shipments (mnt)	**114**	131	(13)%
Average realized steel price per ton	**$ 2,267**	$ 3,757	(40)%

The decrease in Tubular results for the three months ended March 31, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices (approximately $195 million)
- decreased shipments, including volume inefficiencies (approximately $15 million),

these changes were partially offset by:

- lower raw material costs (approximately $5 million)
- lower operating costs (approximately $15 million)
- lower other costs, primarily variable compensation (approximately $15 million).

Gross margin for the three months ended March 31, 2024, compared to the same period in 2023 decreased primarily as a result lower average realized prices and of lower sales volume.

Net interest and other financial benefits

(Dollars in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	% Change
Interest expense	**$ 2**	$ 27	93 %
Interest income	**(32)**	(30)	7 %
Loss on debt extinguishment	**1**	—	nm
Other financial costs	**11**	6	(83)%
Net periodic benefit income	**(33)**	(42)	(21)%
Net gain from investments related to active employee benefits	**(4)**	(22)	(82)%
Total net interest and other financial benefits	**$ (55)**	$ (61)	(10)%

Net interest and other financial benefits declined in the three months ended March 31, 2024, as compared to the same period in 2023 primarily due to reduced net periodic benefit income from increases in actuarial losses, and reduced investment gains related to active employee benefits from lower 2024 asset performance. These were partially offset by lower interest expense as a result of increased capitalized interest.

Income Taxes

Income tax expense was $38 million and $51 million in the three months ended March 31, 2024, and 2023, respectively. The change from the prior year period was primarily due to a decrease in earnings before taxes.

Net earnings

Net earnings attributable to United States Steel Corporation were $171 million and $199 million in the three months ended March 31, 2024 and 2023, respectively. The changes primarily reflect the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash (Used In) Provided by Operating Activities

Net cash used in operating activities was $28 million for the three months ended March 31, 2024, compared to net cash provided by operating activities of $181 million in the same period in 2023. The period over period decrease in cash from operations from the prior year period was primarily due to lower net earnings and changes in working capital. 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.

As shown below our cash conversion cycle for the first quarter of 2024 was unchanged as compared to the fourth quarter of 2023.

Cash Conversion Cycle	**First Quarter of 2024**		**Fourth Quarter of 2023**	
	$ millions	Days	$ millions	Days
Accounts receivable, net [(a)]	**$1,723**	**36**	$1,549	34
+ Inventories [(b)]	**$2,157**	**53**	$2,128	53
- Accounts Payable and Other Accrued Liabilities [(c)]	**$2,810**	**70**	$2,867	68
= Cash Conversion Cycle [(d)]		**19**		19

[(a)] Calculated as Average Accounts Receivable, net divided by total Net Sales multiplied by the number of days in the period.
[(b)] Calculated as Average Inventory divided by total Cost of Sales multiplied by the number of days in the period.
[(c)] Calculated as Average Accounts Payable and Other Accrued Liabilities less bank checks outstanding and other current liabilities divided by total Cost of Sales multiplied by the number of days in the period.
[(d)] Calculated as Accounts Receivable Days plus Inventory Days less Accounts Payable Days.

The cash conversion cycle is a non-generally accepted accounting principles (non-GAAP) financial measure. We believe the cash conversion cycle is a useful measure in providing investors with information regarding our cash management performance and is a widely accepted measure of working capital management efficiency. The cash conversion cycle should not be considered in isolation or as an alternative to other GAAP metrics as an indicator of performance.

The last-in, first-out (LIFO) inventory method is the predominant method of inventory costing for our Flat-Rolled and Tubular segments. Based on the Company’s latest internal forecasts and its inventory requirements, management does not believe there will be significant permanent LIFO liquidations that would impact earnings for the remainder of 2024.

Net Cash Used in Investing Activities

Net cash used in investing activities was $645 million for the three months ended March 31, 2024, compared to $738 million in the same period in 2023. The period over period decrease in net cash used in investing activities was primarily due to decreased capital expenditures (discussed in more detail below).

Capital expenditures for the three months ended March 31, 2024, were $640 million, compared with $740 million in the same period in 2023. Mini Mill capital expenditures were $463 million and included $403 million for BR2, exclusive of the air separation unit, as well as spending for the dual Galvalume®/galvanized coating and color coating lines at the existing Big River Steel facility. Flat-Rolled capital expenditures were $139 million which includes spending for the DR grade pellet facility at Keetac, as well as for mining equipment, and other infrastructure and environmental projects across the Flat-Rolled footprint. USSE capital expenditures were $28 million and included spending for the blast furnace stove repairs and upgrades, enterprise resource planning (ERP) project, 5-stand control system upgrades, and various other projects. Tubular capital expenditures were $10 million and included spending to support steelmaking, infrastructure, and environmental projects within the Tubular footprint.

Net Cash Used in Financing Activities

Net cash used in financing activities was $46 million for the three months ended March 31, 2024, compared to $117 million in the same period last year. The period over period change in financing activities was primarily due to the absence of repurchases of common stock in the current year period.

Financing

Certain of our credit facilities, including the Credit Facility Agreement, the Big River Steel ABL Facility, the USSK Credit Agreement and the Export Credit Agreement, contain standard terms and conditions including customary material adverse change clauses. If a material adverse change was to occur, our ability to fund future operating and capital requirements could be negatively impacted.

We use surety bonds, trusts and letters of credit to provide whole or partial 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 approximately $191 million of liquidity sources for financial assurance purposes as of March 31, 2024. Changes in certain of these commitments which use collateral are reflected within cash, cash equivalents and restricted cash on the Condensed Consolidated Statement of Cash Flows.

Share Repurchases

On July 25, 2022, the Board of Directors authorized a new share repurchase program that allows for the repurchase of up to $500 million of its outstanding common stock from time to time in the open market or privately negotiated transactions at the discretion of management. The Company's share repurchase program does not obligate it to acquire any specific number of shares. There was no common stock repurchased under our share repurchase programs in the three months ended March 31, 2024 and we do not expect to utilize the remainder of this authorization as the Merger Agreement prohibits us from engaging in additional share repurchases without the consent of Purchaser. See Note 22 to the Condensed Consolidated Financial Statements for further details.

Capital Requirements

U. S. Steel's contractual commitments to acquire property, plant and equipment at March 31, 2024, totaled $1.269 billion.

Liquidity

The following table summarizes U. S. Steel's liquidity as of March 31, 2024:

(Dollars in millions)		
Cash and cash equivalents	$	2,221
Amount available under Credit Facility Agreement		1,746
Amount available under Big River Steel - Revolving Line of Credit		350
Amount available under USSK Credit Agreement and USSK Credit Facility		178
Total estimated liquidity	$	4,495

We finished the first quarter of 2024 with $2,221 million of cash and cash equivalents and $4,495 million 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. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of a prior election to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

We expect that our estimated liquidity requirements will consist primarily of our 2024 planned strategic capital expenditures, working capital requirements, debt service, and operating costs and employee benefits for our operations. Our available liquidity at March 31, 2024 consists principally of our cash and cash equivalents and available borrowings under the Credit Facility Agreement, Big River Steel ABL Facility, USSK Credit Agreement and the USSK Credit Facility.

Management continues to evaluate market conditions in our industry and our global liquidity position and may consider additional actions to further strengthen our balance sheet and optimize liquidity, including but not limited to the repayment or refinancing of outstanding debt and the incurrence of additional debt to opportunistically finance strategic projects.

U. S. Steel management believes that our liquidity will be adequate to fund our requirements based on our current assumptions with respect to our results of operations and financial condition.

The Company has a supply chain finance (SCF) arrangement with a third-party administrator which allows participating suppliers, at their sole discretion, to make offers to sell payment obligations of the Company prior to their scheduled due dates at a discounted price to a participating financial institution. The third-party administrator entered into a separate agreement with the Export Import Bank of the United States to guarantee 90 percent of supplier obligations sold for up to $200 million. No guarantees or collateral are provided by the Company or any of its subsidiaries under the SCF program.

The Company's goal is to capture overall supplier savings and improve working capital efficiency. The agreements facilitate the suppliers' ability to sell payment obligations, while providing them with greater working capital flexibility. The Company has no economic interest in the sale of the suppliers' receivables and no direct financial relationship with the financial institution concerning these services. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to sell amounts under the arrangements. The SCF program requires the Company to pay the third-party administrator the stated amount of the confirmed participating supplier invoices. The payment terms for confirmed invoices range from 75 to 90 days after the end of the month in which the invoice was issued.

The underlying costs from suppliers that elected to participate in the SCF program are generally recorded in cost of sales in the Company's Condensed Consolidated Statement of Operations. Amounts due to suppliers who participate in the SCF program are reflected in accounts payable and accrued expenses on the Company's Condensed Consolidated Balance Sheet and payments on the obligations by our suppliers are included in cash used in operating activities in the Condensed Consolidated Statement of Cash Flows. As of March 31, 2024, accounts payable and accrued expenses included $63 million of outstanding payment obligations which suppliers elected to sell to participating financial institutions.

Environmental Matters, Litigation and Contingencies

Some of U. S. Steel's facilities were in operation before 1900. Although the Company believes that its environmental practices have either led the industry or at least been consistent with prevailing industry practices, hazardous materials have been and may continue to be released at current or former operating sites or delivered to sites operated by third parties.

Our U.S. facilities are subject to environmental laws applicable in the U.S., including the Clean Air Act (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.

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 the CAA obligations and similar obligations in Europe.

EU Environmental Requirements and Slovak Operations

Phase IV of the EU Emissions Trading System (the EU ETS) commenced on January 1, 2021 and will finish on December 31, 2030. The European Commission issued final approval of the updated 2021-2025 Slovak National Allocation table in February 2022. The Slovak Ministry of Environment has allocated 6.2 million metric tons of European Union Emission Allowances (EUA) at no charge (free allowances or free allocation) to USSE in April 2023. As of March 31, 2024, we have pre-purchased and settled approximately 2.08 million EUA totaling €151 million (approximately $163 million) via spot purchases or settled forwards to cover the expected 2024 shortfall of emission allowances and a portion of the 2025 shortfall.

The EU's Industrial Emissions Directive requires implementation of EU determined best available techniques (BAT) for Iron and Steel production to reduce environmental impacts as well as compliance with BAT associated emission levels. Total capital expenditures for projects to go beyond BAT requirements were €138 million (approximately $149 million). These costs were partially offset by the EU funding received and may be mitigated over the next measurement periods if USSK complies with certain financial covenants, which are assessed annually. If we are unable to meet these covenants in the future, USSK might be required to provide additional collateral (e.g., bank guarantee) to secure 50 percent of the EU funding received. USSK complied with these covenants as of March 31, 2024, and no additional collateral will be required by the end of June 30, 2024. By this next assessment date, we expect that two of the fifteen total projects will pass the sustainability monitoring and will be excluded from further assessment to provide additional collateral if the covenants are not met. The last assessment of financial covenants will be performed as of June 30, 2026.

For further discussion of laws applicable in Slovakia and the EU and their impact on USSE, see Note 21 to the Condensed Consolidated Financial Statements, "Contingencies and Commitments - Environmental Matters, EU Environmental Requirements."

New and Emerging Environmental Regulations

United States and European Greenhouse Gas Emissions Regulations

The Phase IV EU ETS period spans 2021-2030 and began on January 1, 2021.The Phase IV period is divided into two sub periods (2021-2025 and 2026-2030), rules for the first subperiod are finalized, however we expect that rules for the second subperiod may be more stringent than those for the first one. Once approved, the rules may impact subperiod 2026-2030. Currently, the overall EU ETS target is a 40 percent reduction of 1990 emissions by 2030. Free allocation of CO_2 allowances is based on reduced benchmark values which have been published in the first quarter of 2021 and historical levels of production from 2014-2018. Allocations to individual installations may be adjusted annually to reflect relevant increases and decreases in production. The threshold for adjustments is set at 15 percent and will be assessed on the basis of a rolling average of two precedent years. Production data verified by an external service provider shows that USSE's rolling average for 2021-2022 returned to the base limit for hot metal production resulting in an increase to the free allocation for 2023 compared to 2021, however the 2023 free allocation was still slightly reduced due to missing the 15 percent threshold for sinter production. Additionally, lower production in 2019 through 2023 will have an impact on the future free allocation for 2026-2030, where the historical production median for years 2019-2023 will be assessed. Based on actual production data for 2023 which was verified by an external service provider, USSK received for 2024 the same amount for hot metal and a slightly lower allocation for sinter.

In order to achieve the EU political goal of carbon emissions neutrality by 2050, on July 14, 2021, the European Commission released a package of legislative proposals called Fit for 55. The proposals contain significant changes to current EU ETS functions and requirements, including: a new carbon border adjustment mechanism (CBAM) to impose carbon fees on EU imports, further reduction of free CO_2 allowance allocation to heavy industry and measures to strengthen the supply of carbon allowances. The initial phase started on October 1, with only reporting obligation without financial impact. The full scale of CBAM will commence on January 1, 2026. CBAM will have an impact on USSK's free allocation starting in 2026 where initial reduction to 97.5% starts until 2035 with no free allocation. Another implication of CBAM is the customs duty that will require USSK to cover all its imports from third parties with CBAM Certificates representing embedded emissions in goods imported. The legislative process is being impacted by the ongoing Russia-Ukraine crisis. The proposals are subject to the EU legislative process, and we cannot predict their future impact.

U. S. Steel continues to monitor emerging regulations on Per- and Polyfluoroalkyl Substances (PFAS). The U.S. EPA (United States Environmental Protection Agency) has issued regulations on PFAS under several environmental statutes and continues to introduce additional regulations. Thus far, those regulations do not directly impact U. S. Steel because the company does not knowingly introduce PFAS in its manufacturing processes, but U. S. Steel continues to review new regulations related to PFAS and their potential impact to the company.

United States - Air

The CAA imposes stringent limits on air emissions with a federally mandated operating permit program and civil and criminal enforcement sanctions. The CAA requires, among other things, the regulation of hazardous air pollutants through the development and promulgation of National Emission Standards for Hazardous Air Pollutants (NESHAP) and Maximum Achievable Control Technology (MACT) Standards. The U.S. EPA has developed various industry-specific MACT standards pursuant to this requirement. The CAA requires the U.S. EPA to promulgate regulations establishing emission standards for each category of Hazardous Air Pollutants. The U.S. EPA also must conduct risk assessments on each source category that is already subject to MACT standards and determine if additional standards are needed to reduce residual risks.

While our operations are subject to several different CAA rules and categories of NESHAP and MACT standards, the principal impact of these standards on U. S. Steel's operations includes those that are specific to coke making, iron making, steel making and iron ore processing. The U. S. EPA has several rules under consideration that will impact our operations, as described in the sections below. While many of these rules are not finalized and the impacts are not estimable at this time, the overall cumulative impact could be material.

On July 13, 2020, the U.S. EPA published a Residual Risk and Technology Review rule for the Integrated Iron and Steel MACT category in the Federal Register. Based on the results of the U.S. EPA’s risk review, the agency determined that risks due to emissions of air toxics from the Integrated Iron and Steel category are acceptable and that the current regulations provided an ample margin of safety to protect public health. Under the technology review, the U.S. EPA determined that there are no developments in practices, processes or control technologies that necessitate revision of the standards. In September 2020, several petitions for review of the rule, including those filed by the Company, the American Iron and Steel Institute (the AISI), Clean Air Council and others, were filed with the United States Court of Appeals for the D.C. Circuit. The cases were consolidated and are being held in abeyance until the U.S. EPA reviews and responds to administrative petitions for review. The U.S. EPA proposed a revised iron and steel rule on July 31, 2023. U. S. Steel and other entities submitted extensive comments to the U.S. EPA on September 28, 2023. EPA signed the final integrated iron and steel rule on March 11, 2024, and it was published in the Federal Register on April 3, 2024. U. S. Steel is reviewing the revisions to the final iron and steel rule to determine next steps, any impacts are not estimable at this time.

For the Taconite Iron Ore Processing category, based on the results of the U.S. EPA's risk review, the agency promulgated a final rule on July 28, 2020, in which the U.S. EPA determined that risks from emissions of air toxics from this source category are acceptable and that the existing standards provide an ample margin of safety. Furthermore, under the technology review, the agency identified no cost-effective developments in controls, practices, or processes to achieve further emissions reductions. Petitions for review of the rule were filed in the United States Court of Appeals for the D.C. Circuit, in which the Company and the AISI intervened. The U.S. EPA proposed the Taconite Rule on May 15, 2023, and comments were submitted on July 7, 2023. EPA signed the taconite rule on January 31, 2024 and it was published in the Federal Register on March 5, 2024. We are reviewing the revisions to the final taconite rule to determine next steps, any impacts are not estimable at this time.

The U.S. EPA is in the process of conducting its statutorily obligated residual risk and technology review of coke oven standards. The U.S. EPA completed its review of the Coke MACT regulations and published the proposed rule on August 15, 2023, and U. S. Steel and other entities submitted extensive comments to the U.S. EPA on October 2, 2023. Since the rule is not final any impacts related to the U.S. EPA’s review of the coke standards cannot be estimated at this time. The U.S. EPA is under a court-ordered deadline to complete the residual risk and technology rulemaking by May 23, 2024. Since the revisions to the coke standards are not final, any impacts are not estimable at this time.

In response to Court orders that invalidated prior U.S. EPA determinations regarding ozone attainment interference, on April 6, 2022, the U.S. EPA proposed a Federal Implementation Plan (that would replace several pending or disapproved State Implementation Plans) for Regional Ozone Transport for the 2015 Ozone National Ambient Air Quality Standard. The proposed rule would affect electric generating units (EGUs) in 26 states and certain non-EGU industries, including, among several others, coke ovens, taconite production kilns, boilers, blast furnaces, basic oxygen furnaces, reheating furnaces, and annealing furnaces in 23 states, including those where U. S. Steel has operations. The U.S. EPA announced the final rule on March 15, 2023. The final rule only included regulation of boilers and reheat furnaces for the iron and steel industry limiting the potential impacts on the Company. U. S. Steel filed an administrative petition for review and a petition for judicial review to the rule on August 4, 2023. The matter remains before the U.S. EPA Administrator (administrative) and the United States Court of Appeals for the D.C. Circuit (judicial). While U. S. Steel's and others' petitions to stay the effectiveness of the rule were denied by the United States Court of Appeals for the D.C. Circuit, the Company, as well as other petitioners, have filed applications to stay the effectiveness of the rule with the Supreme Court of the United States. Oral arguments regarding the applications to stay were February 21, 2024, no decisions has been rendered. The brief on the merits was submitted to the D.C Circuit court on April 1, 2024.

The CAA also requires the U.S. EPA to develop and implement National Ambient Air Quality Standards (NAAQS) for criteria pollutants, which include, among others, particulate matter (PM) - consisting of PM_{10} and $PM_{2.5}$, lead, carbon monoxide, nitrogen dioxide, sulfur dioxide (SO_2) and ozone.

In October 2015, the U.S. EPA lowered the NAAQS for ozone from 75 parts per billion (ppb) to 70 ppb. On November 6, 2017, the U.S. EPA designated most areas in which we operate as attainment with the 2015 standard. In a separate ruling, on June 4, 2018, the U.S. EPA designated other areas in which we operate as “marginal nonattainment” with the 2015 ozone standard. On December 6, 2018, the U.S. EPA published a final rule regarding implementation of the 2015 ozone standard. Because no state regulatory or permitting actions to bring the ozone nonattainment areas into attainment have yet to be proposed or developed for U. S. Steel facilities, the operational and financial impact of the ozone NAAQS cannot be reasonably estimated at this time. On December 31, 2020, the U.S. EPA published a final rule pursuant to its statutorily required review of NAAQS that retains the ozone NAAQS at 70 ppb. In January 2021, New York, along with several states and non-governmental organizations filed petitions for judicial review of the action with the United States Court of Appeals for the D.C. Circuit. Several other states and industry trade groups intervened in support of the U. S. EPA’s action. The case remains in abeyance before the court as the U.S. EPA voluntarily reconsiders the ozone NAAQS. On January 3, 2024, U. S. EPA filed an unopposed motion to voluntarily remand without vacatur the 2020 rulemaking. In its motion, EPA advised the court that it intends to conduct the voluntary remand simultaneously as it conducts an entirely new review of the ozone standard; and that it intends to complete the new review (which is already underway) "as expeditiously as possible". Any impacts related to EPA's consideration to revise the ozone NAAQS are not estimable at this time.

On December 18, 2020, the U.S. EPA published a final rule pursuant to its statutorily required review of NAAQS that retains the existing $PM_{2.5}$ standards without revision. In early 2021, several states and non-governmental organizations filed petitions for judicial review of the action with the United States Court of Appeals for the D.C. Circuit. Several industry trade groups intervened in support of the U.S. EPA’s action. The case remains in abeyance before the court as the U.S. EPA voluntarily reconsiders the $PM_{2.5}$ NAAQS. On January 6, 2023, the U.S. EPA proposed to lower the annual $PM_{2.5}$ NAAQS from the current 12 ug/m^3 standard to within the range of 9.0 to 10.0 ug/m^3. The U.S. EPA expects to finalize a rule on the reconsideration in early 2024. U. S. Steel is currently reviewing the proposal and comments to determine the potential impacts on the Company. Because the U.S. EPA has proposed the rule without specificity, any impacts are not estimable at this time.

United States - Water

The definition of Waters of the United States (WOTUS) has had many changes and legal challenges over the last several years. In January 2023, the U.S. EPA issued a final rule redefining WOTUS that became effective March 1, 2023. The new WOTUS rule would have expanded the definition of what waters would be considered to be a WOTUS. However, in May 2023, the U.S. Supreme court issued a decision in Sackett v. EPA that significantly narrowed the definition of WOTUS, specifically as that definition relates to wetlands under the Clean Water Act. On August 29, 2023, the U.S. EPA re-issued its WOTUS rule, revised in accordance with the Sackett decision, as a final rule with no public notice and comment. As a result of ongoing litigation regarding the January 2023 Rule, the U.S. EPA and the Army Corps of Engineers are implementing the definition of WOTUS set forth in the August 2023 rule in 23 states, the District of Columbia, and the U.S. Territories. In the other 27 states and for certain parties, the agencies are interpreting WOTUS consistent with the pre-2015 regulatory regime and the Sackett decision until further notice. U. S. Steel will continue to review and follow the final WOTUS definition and associated litigation for its potential impact on the Company.

For further discussion of relevant environmental matters, including environmental remediation obligations, see "Item 1. Legal Proceedings - Environmental Proceedings."

OFF-BALANCE SHEET ARRANGEMENTS

U. S. Steel did not enter into any new material off-balance sheet arrangements during the first quarter of 2024.

INTERNATIONAL TRADE

U. S. Steel continues to face import competition, much of which is unfairly traded and fueled by massive global steel overcapacity, currently estimated to be over 608 million net tons per year—more than six times the entire U.S. steel market and over twenty-two times total U.S. steel imports. These imports and overcapacity negatively impact the Company’s operational and financial performance. U. S. Steel continues to lead efforts to address these challenges that threaten the Company, our workers, our stockholders and our country’s national and economic security.

As of the date of this filing, pursuant to a series of Presidential Proclamations issued in accordance with Section 232 of the Trade Expansion Act of 1962, U.S. imports of certain steel products are subject to a 25 percent tariff, except imports from: (1)

Argentina, Brazil, and South Korea, which are subject to restrictive quotas; (2) the European Union (EU), Japan and the United Kingdom (UK) that are melted and poured in the EU/Japan/UK, within quarterly tariff-rate quota (TRQ) limits; (3) Canada and Mexico, which are not subject to tariffs or quotas, but tariffs could be re-imposed on surging product groups after consultations; (4) Ukraine and, if melted and poured in Ukraine, the EU, which are exempt from tariffs until June 1, 2024; and (5) Australia, which are not subject to tariffs, quotas or an anti-surge mechanism.

The U.S. Department of Commerce (DOC) is managing a process in which U.S. companies may request and/or oppose temporary product exclusions from the Section 232 tariffs and quotas. U. S. Steel opposes exclusion requests for imported products that are the same as, or substitutes for, products manufactured by U. S. Steel.

Multiple legal challenges to the Section 232 action continue before the U.S. Court of International Trade (CIT) and the U.S. Court of Appeals for the Federal Circuit (CAFC), the latter which has consistently rejected constitutional and statutory challenges to the Section 232 action. Several challenges to the Section 232 action and retaliation thereto continue at the World Trade Organization (WTO).

Since its implementation in March 2018, the Section 232 action has supported the U.S. steel industries and U. S. Steel's investments in advanced steel production capabilities, technology, and skills, strengthening U.S. national and economic security. The Company continues to actively defend the Section 232 action.

In February 2019, the European Commission (EC) implemented a definitive safeguard on global steel imports in the form of TRQs that impose 25 percent tariffs on steel imports that exceed the TRQ limit. The EC's safeguard is currently set to expire in June 2024.

Antidumping duties (AD) and countervailing duties (CVD or antisubsidy duties) apply in addition to the Section 232 tariffs, quotas, TRQs and the EC's safeguard, and AD/CVD orders may continue beyond the Section 232 action and the EC's safeguard. U. S. Steel continues to actively defend and maintain the 69 U.S. AD/CVD orders and 14 EU AD/CVD orders covering U. S. Steel products in multiple proceedings before the DOC, U.S. International Trade Commission (ITC), CIT, CAFC, the EC and European courts, and the WTO.

In the first quarter of 2024, DOC and the ITC issued final negative determinations on all eight countries included in Cleveland-Cliffs and USW's 2023 petitions, resulting in no new AD/CVD relief on tin mill imports.

Additional tariffs of 7.5 to 25 percent continue to apply to certain U.S. imports from China, including certain raw materials used in steel production, semi-finished and finished steel products, and downstream steel-intensive products, pursuant to Section 301 of the Trade Act of 1974. The Office of the United States Trade Representative (USTR) is currently conducting a statutory review of the Section 301 tariffs.

The United States and EU are currently negotiating a global sustainable steel arrangement to restore market-oriented conditions and address carbon intensity. In June 2023, to inform these ongoing discussions with the EU, USTR requested that the ITC conduct a Section 332 investigation to assess greenhouse gas emissions intensity of steel produced in the United States. The ITC initiated the Section 332 proceeding in July 2023, held a hearing on December 7, 2023, will collect information from domestic producers through mid-2024 and will issue a report in January 2025. U. S. Steel is actively participating in this Section 332 investigation. In the fourth quarter of 2023, the U.S. agreed to continue the Section 232 TRQs on U.S. imports from Europe through December 2025 and the EU agreed to continue to suspend retaliation on U.S. exports through March 2025.

U. S. Steel will continue to execute a broad, global strategy to maximize opportunities and navigate challenges presented by imports, global steel overcapacity, and international trade law and policy developments.

NEW ACCOUNTING STANDARDS

See Notes 2 and 3 to the Condensed Consolidated Financial Statements in Part I Item 1 of this Quarterly Report on Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk, see Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, there were no material changes in U. S. Steel's exposure to market risk from December 31, 2023.

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, 2024. 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 SEC 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, 2024, 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.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Following announcement of the Merger, the Company received eleven demand letters from putative stockholders (collectively, the "Demand Letters") alleging that the disclosures contained in the preliminary proxy statement, as amended, and/or the definitive proxy statement, in each case filed with the Securities and Exchange Commission in connection with a special meeting of stockholders to consider the Merger, were deficient and demanding that certain corrective disclosures be made. The Company believes that the Demand Letters are without merit; however solely in order to mitigate any risk of the Demand Letters delaying or otherwise adversely affecting the consummation of the Merger and to minimize any costs, risks, and uncertainties inherent in any potential litigation related thereto, and without admitting any liability or wrongdoing, voluntarily made supplemental disclosures on a Form 8-K.

GENERAL LITIGATION

On June 8, 2021, JSW Steel (USA) Inc. and JSW Steel USA Ohio, Inc. (collectively, JSW), U.S. based subsidiaries of Indian steelmaker JSW Steel, filed suit in the United States District Court for the Southern District of Texas against Nucor, U. S. Steel, AK Steel Holding Group and Cleveland-Cliffs (collectively, the JSW Defendants) alleging that the Defendants operated as a cartel and formed a conspiracy to boycott JSW from obtaining semi-finished steel slabs. JSW alleges that the JSW Defendants acted in violation of Section 1 of the Sherman Act and the Clayton Act (federal antitrust), and violation of the Texas Free Enterprise and Antitrust Act. JSW also alleges that the JSW Defendants formed a civil conspiracy in violation of Texas common law, and that the JSW Defendants tortiously interfered with JSW’s business relationships. The basis for JSW’s allegations relate to the JSW Defendants participation in the DOC's Section 232 process, including the JSW Defendants’ support of the enactment of the President’s Section 232 proclamation, statements made by the JSW Defendants after the enactment of Section 232, and the JSW Defendants’ participation in the Section 232 exclusion process. Plaintiffs seek monetary damages including $45 million for payment of Section 232 tariffs and unspecified amounts for financial penalties, termination fees and lost profits as well as other damages. U. S. Steel, along with the other JSW Defendants, filed a Motion to Dismiss the case on August 17, 2021. On February 17, 2022, the Court issued an opinion dismissing JSW’s antitrust complaint with prejudice. JSW filed a timely notice of appeal with the United States Court of Appeals for the Fifth Circuit. The Fifth Circuit held oral argument on the appeal on February 6, 2023, and we are awaiting a ruling from the Court. The Company continues to vigorously defend the matter.

On December 24, 2018, U. S. Steel's Clairton Plant experienced a fire, affecting portions of the facility involved in desulfurization of the coke oven gas generated during the coking process. With the desulfurization process out of operation as a result of the fire, U. S. Steel was not able to certify compliance with Clairton Plant’s Title V permit levels for sulfur emissions. U. S. Steel promptly notified ACHD (Allegheny County Health Department), which has regulatory jurisdiction for the Title V permit, and updated the ACHD regularly on efforts to mitigate any potential environmental impacts until the desulfurization process was returned to normal operations. Of the approximately 2,400 hours between the date of the fire and April 4, 2019, when the Company resumed desulfurization, there were ten intermittent hours where average SO2 emissions exceeded the hourly NAAQS for SO_2 at the Allegheny County regional air quality monitors located in Liberty and North Braddock boroughs, which are near U. S. Steel's Mon Valley Works facilities. On April 29, 2019, PennEnvironment and Clean Air Council, both environmental, non-governmental organizations filed a Complaint in Federal Court in the Western District of Pennsylvania. The ACHD was subsequently granted intervenor status. Collectively the parties seek injunctive relief and civil penalties regarding the alleged Permit violations following the fire. Discovery has concluded. The court denied the parties’ respective Motions for Summary Judgment. A non-jury trial which was scheduled to take place in April and May of 2023 was held in abeyance as the parties reached a settlement agreement. The parties entered into a Consent Decree that was authorized by USDOJ and USEPA and subsequently approved by the Court on March 26, 2024. Pursuant to the Consent Decree U. S. Steel will undertake operational improvements at Clairton Works, permanently idle Coke Battery #15 and pay a $500,000 penalty to the ACHD. In addition, U. S. Steel will fund community-beneficial projects throughout the Mon Valley over a period of five years through contributions which total $4.5 million and pay counsel fees in the amount of $3.0 million. The Consent Decree also establishes a new H_2S Coke Oven Gas standard for Clairton Works. Separately, a class action has been filed in the Court of Common Pleas of Allegheny County on behalf of approximately 123,000 persons who claim that the impacts from the fire created a nuisance and seek damages for loss of use and enjoyment of properties. That action has been certified as a class action and the Company intends to vigorously defend against it.

ENVIRONMENTAL PROCEEDINGS

The following is a summary of the proceedings of U. S. Steel that were pending or contemplated as of March 31, 2024, under federal and state environmental laws, and which U. S. Steel reasonably believes may result in monetary sanctions of at least $1 million (the threshold chosen by U. S. Steel as permitted by Item 103 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended). Information about specific sites where U. S. Steel is or has been engaged in significant clean up or remediation activities is also summarized below. Except as described herein, it is not possible to accurately predict the ultimate outcome of these matters.

CERCLA Remediation Sites

Claims under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) have been raised with respect to the cleanup of various waste disposal and other sites. Under CERCLA, potentially responsible parties (each, a PRP) 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.

As of March 31, 2024, U. S. Steel has received information requests or been identified as a PRP at a total of five CERCLA sites, three of which have liabilities that have not been 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 at one of the other sites will be over $5 million as described below.

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. U. S. Steel has partnered with the Great Lakes National Program Office (GLNPO) of the U.S. EPA Region 5 to address contaminated sediments in the St. Louis River Estuary and several other operable units that could impact the estuary if not addressed. An amendment to the Project Agreement between U. S. Steel and GLNPO was executed during the second quarter of 2018 to recognize the initial costs associated with implementing the first two phases of the proposed remedial plan at the site.

Remediation contracts were issued by both U. S. Steel and GLNPO for the first phase of the remedial work at the site during the fourth quarter of 2020. U. S. Steel and GLNPO have completed the second phase of work at the site which extended through early 2022. The final phase of the remedial design has been defined and another amendment to the Project Agreement between U.S. Steel and GLNPO was executed in December 2021. Execution of this final phase is in progress and is expected to extend through 2024 for habitat restoration. U. S. Steel's portion of additional, design, oversight costs, and implementation of all three phases of the preferred remedial alternative on the upland property and Estuary are currently estimated as of March 31, 2024 at approximately $10 million.

Resource Conservation Recovery Act (RCRA) and Other Remediation Sites

U. S. Steel may be liable for remediation costs under other environmental statutes, both federal and state, or where private parties are seeking to impose liability on U. S. Steel for remediation costs through discussions or litigation. There are eight such sites where remediation is being sought involving amounts in excess of $1 million. Based on currently available information, which is in many cases preliminary and incomplete, management believes that liability for cleanup and remediation costs in connection with four sites may involve remediation costs between $1 million and $5 million per site and four sites are estimated to, or could have, costs for remediation, investigation, restoration or compensation in excess of $5 million per site.

For more information on the status of remediation activities at U. S. Steel’s significant sites, see the discussions below.

Gary Works

On October 23, 1998, the U.S. 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 an RCRA Facility Investigation, a Corrective Measures Study and Corrective Measure Implementation. Evaluations are underway at six groundwater areas on the east side of the facility. A remedial groundwater treatment system has been operating at one of the six areas since 2021. An Interim Stabilization Measure work plan was approved by the U.S. EPA for a second area and a contractor has completed installation and start-up of the remedial system. 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 $24 million as of March 31, 2024, based on our current estimate of known remaining costs.

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). Having completed the investigation on a majority of the remaining areas identified in the permit, U. S. Steel had determined the most effective means to address the remaining impacted material was to manage those materials in a previously approved on-site Corrective Action Management Unit (CAMU). U. S. Steel awarded a contract for the implementation of the CAMU project during the fourth quarter of 2018. Construction, waste stabilization and placement, along with closure of the CAMU, were substantially completed in the fourth quarter of 2020. Work at the site is now focused on addressing groundwater impacts in discrete areas. U. S. Steel has an accrued liability of approximately $18 million as of March 31, 2024 for our estimated share of the remaining costs of remediation at the site.

USS-UPI LLC

In February 2020, U. S. Steel purchased the remaining 50 percent interest in USS-POSCO Industries, a former joint venture that is located in Pittsburg, California between subsidiaries of U. S. Steel and POSCO, now known as USS-UPI, LLC. Prior to formation of the joint venture, UPI's facilities were previously owned and operated solely by U. S. Steel, which assumed responsibility for the existing environmental conditions. U. S. Steel continues to monitor the impacts of the remedial plan implemented in 2016 to address groundwater impacts from trichloroethylene at SWMU 4. Work began in early 2024 to complete removal of hazardous materials and decommission the northwest portion of Building A (SWMU 4.1) and the 54” and 66” Pickle Lines. Additionally, evaluations continue for the SWMUs, known as the Northern Boundary 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 California Department of Toxic Substances Control. As such, there has been no material change in the status of the project during the three months ended March 31, 2024. As of March 31, 2024, approximately $4 million has been accrued for ongoing environmental studies, investigations and remedial monitoring. Significant additional costs associated with this site are possible and are referenced in Note 21 to the Condensed 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 U.S. 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) in December 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 U.S. EPA, assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works. Corrective Measure Implementation Plans (CMIPs) have been submitted to and approved by ADEM for the last two areas on site where impacts to soil and sediments are required to be addressed. Plans are being finalized for contracting the work required under the CMIPs. U. S. Steel has an accrued liability of approximately $8 million as of March 31, 2024 for the estimated remaining costs of remediation at the site.

Air Related Matters

Granite City Works

In October 2015, Granite City Works received a Notice of Violation (NOV) from the Illinois Environmental Protection Agency (IEPA) alleging that U. S. Steel violated the emission limits for nitrogen oxides (NOx) and volatile organic compounds from the Basic Oxygen Furnace Electrostatic Precipitator Stack. In addition, the IEPA alleges that U. S. Steel exceeded its natural gas usage limit at its CoGeneration Boiler. U. S. Steel continues to negotiate resolution of the NOV with IEPA.

Although discussions with 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 U.S. EPA published a FIP that applies to taconite facilities in Minnesota. The FIP establishes and requires emission limits and the use of low NOx reduction technology on indurating furnaces as Best Available Retrofit Technology (BART). While U. S. Steel installed low NOx burners on three furnaces at Minntac and is currently obligated to install low NOx burners on the two other furnaces at Minntac pursuant to existing agreements and permits, the rule would require the installation of a low NOx burner 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 $25 million to $30 million. In 2013, U. S. Steel filed a petition for administrative reconsideration to the U.S. EPA and a petition for judicial review of the 2013 FIP and denial of the Minnesota state implementation plan (SIP) to the Eighth Circuit. In April 2016, the U.S. EPA promulgated a revised FIP with the same substantive requirements for U. S. Steel. In June 2016, U. S. Steel filed a petition for administrative reconsideration of the 2016 FIP to the U.S. EPA and a petition for judicial review of the 2016 FIP before the Eighth Circuit Court of Appeals. While the proceedings regarding the petition for judicial review of the 2013 FIP remained stayed, oral arguments regarding the petition for judicial review of the 2016 FIP were heard by the Eighth Circuit Court of Appeals on November 15, 2017. Thus, both petitions for judicial review remain with the Eighth Circuit. On December 4, 2017, the U.S. EPA published a notification in the Federal Register in which the U.S. EPA denied U. S. Steel’s administrative petitions for reconsideration and stay of the 2013 FIP and 2016 FIP. On February 1, 2018, U. S. Steel filed a petition for judicial review of the U.S. EPA’s denial of the administrative petitions for reconsideration to the Eighth Circuit Court of Appeals. The U.S. EPA and U. S. Steel reached a settlement regarding the five indurating lines at Minntac. After proposing a revised FIP and responding to public comments, on March 2, 2021, the U.S. EPA promulgated a final revised FIP incorporating the conditions and limits for Minntac to which the parties agreed. U. S. Steel and the U.S. EPA continue to negotiate resolution for Keetac.

Mon Valley Works

On March 7, 2022, the Company received an enforcement order from the ACHD that includes a civil penalty demand for $1.8 million. In the Order, the ACHD alleges that the Company's Clairton plant is solely and entirely culpable for 153 alleged exceedances of the Pennsylvania hydrogen sulfide ambient air standard that are reported to have occurred during January 1, 2020 through March 1, 2022. The Company disagrees with the bases for the demand. On April 5, 2022, the Company appealed the Order and is vigorously defending the matter. On December 29, 2023, the Company received an enforcement order from the ACHD that includes a civil penalty demand for $2.2 million. In the Order, the ACHD alleges that the Company's Clairton plant was the cause for 159 alleged exceedances of the Pennsylvania hydrogen sulfide ambient air standard that are reported to have occurred from March 2, 2022 through November 30, 2023. The Company disagrees with the bases for the demand and appealed the Order and consolidated the case with the Order from March 7, 2022. The ACHD Hearing Officer has scheduled a hearing on the consolidated appeals for October 7, 2024.

On March 24, 2022, the Company received an enforcement order from the ACHD that includes a civil penalty demand for $4.6 million for alleged air permit violations occurring between January 1, 2020 through March 15, 2022 regarding the Company's Clairton plant's coke oven pushing emission control systems. The Company disagrees with the bases for the demand and has appealed the Order. The ACHD Hearing Officer has scheduled a hearing on the appeal for October 14, 2024. On February 26, 2024, the Company received an enforcement order from the ACHD that includes a civil penalty demand for $2.0 million for alleged air permit violations occurring from March 16, 2022 through December 31, 2023 regarding the Company's Clairton plant's coke oven pushing emission control systems. The Company disagrees with the bases for the demand and has appealed the Order.

On December 29, 2023, the Company received an enforcement order from the ACHD that includes a civil penalty demand for $2.2 million. In the Order, the ACHD alleges that the Company's Clairton plant was the cause for 159 alleged exceedances of the Pennsylvania hydrogen sulfide ambient air standard that are reported to have occurred from March 2, 2022 through November 30, 2023. The Company disagrees with the bases for the demand and intends to appeal the Order.

ASBESTOS LITIGATION

See Note 21 to our Condensed Consolidated Financial Statements, Contingencies and Commitments for a description of our asbestos litigation.

Item 1A. RISK FACTORS

There have been no material changes or updates to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 2. PURCHASES OF EQUITY SECURITIES BY ISSUER AND AFFILIATED PURCHASERS

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

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 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

3.1	Amended and Restated Certificate of Incorporation of United States Steel Corporation, dated April 25, 2017. (Incorporated by reference to Exhibit 3.1 to United States Steel Corporation's Form 8-K filed on April 28, 2017, Commission File Number 1-16811.)
3.2	Amended and Restated By-Laws of United States Steel Corporation, as of January 31, 2023. (Incorporated by reference to Exhibit 3.1 to United States Steel Corporation's Form 8-K filed on February 2, 2023, Commission File Number 1-16811.)
10.1	Administrative Procedures for the Executive Management Annual Incentive Compensation Plan under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective February 27, 2024.
10.2	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (2024 ROCE Grants).
10.3	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (2024 Retention Grants).
10.4	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (2024 Annual Grants).
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 SEC 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 SEC 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	The following financial information from United States Steel Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Statement of Operations, (ii) the Condensed Consolidated Statement of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheet, (iv) the Condensed Consolidated Statement of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101).

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/ Manpreet S. Grewal

Manpreet S. Grewal
Vice President, Controller & Chief Accounting Officer

May 3, 2024

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 31.1

CHIEF EXECUTIVE 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 the 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.

May 3, 2024

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

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Jessica T. Graziano, 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 the 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.

May 3, 2024

/s/ Jessica T. Graziano
Jessica T. Graziano
Senior Vice President and Chief Financial Officer

Exhibit 32.1

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

I, David B. Burritt, 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, 2024, 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
President and Chief Executive Officer

May 3, 2024

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, Jessica T. Graziano, Senior 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, 2024, 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/ Jessica T. Graziano
Jessica T. Graziano
Senior Vice President and Chief Financial Officer

May 3, 2024

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.

United States Steel Corporation
Mine Safety Disclosure
(Unaudited)

For the quarter ended March 31, 2024 follows:

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)	48	—	—	—	—	$861,161	—	no	no	70	67	49
Keewatin (2103352)	6	—	—	—	—	$17,398	—	no	no	—	—	—

(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 but one of the legal actions were initiated by us to contest citations, orders or proposed assessments issued by the Federal Mine Safety and Health administrations. One legal action was initiated by an employee under Section 105(c) of the Mine Act. As of the last day of the period, all 70 legal actions were to contest citations and proposed assessments.