UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported):
July 25, 2011

On July 25, 20

U. S. Steel's reportable segments and Other Businesses reported segment income from operations of $396 million, or $72 per ton, in the second quarter of 2011, compared with income of $4 million, or $1 per ton, in the first quarter of 2011 and income of $255 million, or $43 per ton, in the second quarter of 2010.

Flat-rolled income from operations improved significantly from the first quarter of 2011 to $95 per ton. The increase was driven largely by an $83 per ton increase in average realized prices, as we realized the benefits from increases in spot and contract prices. Shipments were in line with the first quarter and costs for raw materials remained stable, reflecting our iron ore, coal and coke positions. While we continue to operate Hamilton Works' coke batteries, the iron and steelmaking and finishing facilities remained idled throughout the quarter due to an ongoing labor dispute. We incurred approximately $40 million in idle facility carrying costs in both the first and second quarters of 2011. The raw steel capability utilization rate in the second quarter was 81 percent for the Flat-rolled segment. Excluding Hamilton Works, the raw steel capability utilization was 90 percent for the second quarter.

Second quarter 2011 results for USSE were lower than the first quarter of 2011. Shipments decreased by 21 percent to 1.1 million tons, while average euro-based transaction prices improved due to increased contract proceeds and higher spot market prices early in the quarter. Spot market prices and shipments trended lower during the quarter as low-priced imports were delivered into the European market. Due to reduced spot market prices and weaker demand, a blast furnace in Serbia that was idled for planned maintenance early in the quarter remained idled, and our raw steel capability utilization rate for the second quarter decreased to 78 percent. We recorded lower of cost or market charges of approximately $10 million in the second quarter. Raw materials costs increased during the second quarter, reflecting higher coal and iron ore costs. We continue to face challenges in Serbia, including complete reliance on purchased coke, a less favorable product mix, a slower recovery in the Balkan region and an increase in lower-priced imports.

Tubular results were in line with the first quarter of 2011. Average realized prices increased by eight percent to $1,565 per ton as price increases took effect and product mix improved. Increases in average realized prices were primarily offset by higher costs for hot-rolled bands, supplied by our Flat-rolled segment, and purchased rounds.

Outlook

Commenting on U.S. Steel's outlook for the third quarter, Surma said, "The United States and Europe continue to face an uneven economic recovery. The continuing fiscal uncertainty in the U.S. and Europe is not helping the situation. Reflecting the effects of a slowing economy, we expect to report an overall lower operating profit in the third quarter; however, we expect significant improvement in our Tubular operating income compared to the second quarter 2011."

Flat-rolled results for the third quarter are expected to decline compared to the second quarter 2011, reflecting lower average realized prices on our monthly index-based contracts and our spot market business as increasing capacity and imports have placed pressure on current transaction prices. Raw materials costs are expected to remain relatively stable, reflecting our iron ore, coke and coal positions. Shipments and raw steel utilization are expected to be in line with the second quarter.

We expect the third quarter results for our European segment to be in line with the second quarter 2011. Although we expect an overall decline in average realized prices, we expect seasonal effects to result in increased demand late in the quarter. Raw materials costs are expected to be in line with the second quarter.

Tubular third quarter results for 2011 are expected to improve significantly compared to the second quarter, driven by both increased shipments and improved average realized prices. Demand for energy-related tubular products is projected to increase during the third quarter, primarily due to the continued strength of horizontal and oil-directed drilling. In addition, substrate costs, in the form of hot-rolled bands supplied by our Flat-rolled segment, are expected to be lower throughout the quarter.

This release contains forward-looking statements with respect to market conditions, operating costs, shipments, prices, capital spending, and employee benefit costs and payments. Although we believe that we are in the early stages of a gradual economic recovery, U. S. Steel cannot control or predict the extent and timing of economic recovery. U. S. Steel has incurred costs to rebuild working capital during the recovery and we may continue to incur additional working capital costs primarily related to the increases in raw materials prices, but we cannot accurately forecast the amount of such costs. Other more normal factors that could affect market conditions, costs, shipments and prices for both North American and European operations include: (a) foreign currency fluctuations and related activities; (b) global product demand, prices and mix; (c) global and company steel production levels; (d) plant operating performance; (e) natural gas, electricity, raw materials and transportation prices, usage and availability; (f) international trade developments, including [illegible] views; (g) the impact of fixed prices in energy and raw materials contracts (many of which have terms of one [illegible] short-term contract and spot prices of steel products; (h) changes in environmental, tax, pension and other laws; (i) the terms [illegible] agreements, including any successor to the labor agreement covering our Hamilton Works operations; (j) employee strikes or other labor issues; and (k) U.S. and global economic performance and political developments. [illegible] could be affected by import levels and [illegible] related to CO_2 emissions and climate change and shale gas

Cash (used in) provided by investing activities:			
Capital expenditures	(401)	(242)	
Disposal of assets	16	80	
Other investing activities	6	s s	h Ɏ

INCOME (LOSS) FROM OPERATIONS					
Flat-rolled (a)	$ 374	$ (36)	$ 111	$ 338	$ 43
U. S. Steel Europe	(18)	(5)	19	(23)	31
Tubular (a)	31	32	97	63	143
Other Businesses (a)	9	13	28	22	39
Reportable Segment and Other Businesses Loss from Operations (a)	396	4	255	400	256
Postretirement benefit expenses (a)	(96)	(95)	(57)	(191)	(115)
Total Income (Loss) from Operations	$ 300	$ (91)	$ 198	$ 209	$ 141
CAPITAL EXPENDITURES					
Flat-rolled	$ 142	$ 125	$ 74	$ 267	$ 154
U. S. Steel Europe	44	23	28	67	72
Tubular	33	31	13	64	13
Other Businesses	2	1	2	3	3
Total	$ 221	$ 180	$ 117	$ 401	$ 242

(a) Amounts prior to the second quarter 2011 have been restated to reflect a change in our segment allocation methodology for postretirement benefit expenses. Under the revised allocation methodology, only service cost and amortization of prior service costs for active employees are allocated to segments. Interest cost, expected return on plan assets, and actuarial gains and losses, a portion of which was historically allocated to segments, are no longer allocated to segments.

UNITED STATES STEEL CORPORATION

PRELIMINARY SUPPLEMENTAL STATISTICS (Unaudited)

	Quarter Ended			Six Months Ended	
	June 30	March 31	June 30	June 30	
	2011	2011	2010	2011	2010
OPERATING STATISTICS					
Average realized price: ($/net ton) (a)					
Flat-rolled	803	720	700	761	678
U. S. Steel Europe	930	823	687	870	649
Tubular	1,565	1,447	1,496	1,506	1,452
Steel Shipments: (a) (b)					
Flat-rolled	3,936	3,954	4,061	7,890	7,633
U. S. Steel Europe	1,138	1,445	1,386	2,583	2,908
Tubular	424	425	433	849	743
Total Steel đ u3					