SEC
, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT 13 OR 15(d) OF THE SECU XCHANGE ACT OF 1934

For t Quarterly Period Ended Marc 7

Or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECU XCHANGE ACT OF 193

For the transition period from .

(Exact name

Delaware	sion	25-1897152
(State or other jurisdiction of incorporation)	umber)	(IRS Employer Identification No.)

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

(412) 433-1121
trant's telephone numb
cluding area code)

Indicate by check mark whe ange Act of 1934 the r4

Net sales		$ 2,026
Net sales to related parties (Note 18)		315
Total		2,341
Cost of sales (excludes items shown below)		2,436
Selling, general and administrative expenses		69
Depreciation, depletion and amortization		129
Earnings from investees		(45)
Restructuring and other charges (Note 19)		10
Net (gain) loss on disposal of assets		3
Total		2,602
		(261)
Interest expense		53
Interest income		(1)
Other financial costs		13
Net interest and other financial costs (Note 7)		65
		(326)
Income tax provision (Note 9)		14
Net loss		(340)
Less: Net earnings attributable to noncontrolling interests		—
		$ (340)
Loss per share attributable to United States Steel Corporation stockholders:		
-Basic		$ (2.32)
-Diluted		$ (2.32)

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

On March 10, 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-07, *Compensation - Retirement Benefits* (ASU 2017-07). ASU 2017-07 requires an employer who offers defined benefit and post retirement benefit plans to report the service cost component of the net periodic benefit cost in the same line item or items as other compensation cost arising from services rendered by employees during the period. The other components of net period benefit costs are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used æ po tax benefits, forfeitures, classification of share-based awards as either equity or liabilities, and classification in the statement of cash flows for certain share-based transactions related to tax benefits and tax payments. ASU 2016-09 was effective for public business entities for annual periods beginning after December 15, 2016.

On January 1, 2017, the Company adopted the p

Company contributions to defined contribution plans totaled $9 million and $11 million for the three months ended March 31, 2017 and 2016, respectively.

U. S. Steel incurred costs of less than $1 million and $15 million for the three months ended March 31, 2017 and 2016, respectively, related to the accrual of emplMee costs for supplemental unemplMment benefits and the continuation of health care benefits and life insurance coverane for emplMe

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

Grant date price per share of option award
Exercise price per share of option award
Expected annual dividends per share, at grant date
Expected life in years
Expected volatility
Risk-free interest rate
Grant date fair value per share of unvested option awards as calculated from above

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

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

U. S. Steel will continue to monitor the realizability of its deferred tax assets on a quarterly basis. In the future, if we determine that realization is more likely than not for deferred tax assets with a valuation allowance, the related valuation allowance will be reduced, and we will record a non-cash benefit to earnings.

In December of 2016, U. S. Steel made the strategic decision to permanently shutdown the Lorain #4 and Lone Star #1 pipe mills and the Bellville Tubular Operations (which had been indefinitely idled) after considering a number of factors, including challenging market conditions for tubular products, reduced rig counts and unfairly traded imports.

U. S. Steel will continue to evaluate potential strategic and organizational opportunities, which may include the acquisition, divestiture or consolidation of assets. Given recent market conditions, the cyclicality of our industry, and the continued challenges faced by the Company, we are focused on strategically maintaining and spending cash, in order to invest in areas consistent with our long-term strategy, and are considering various possibilities, including exiting lines of business and the sale of certain assets, that we believe would further that goal and ultimately result in a stronger balance sheet and greater stockholder value. The Company willdll maoldst se by segment for the three months ended March 31, 2017 and 2016 is set forth in the following table:

Flat-Rolled		$ (188)	52 %
USSE		(14)	721 %
Tubular		(64)	11 %
Total loss from reportable segments		(266)	77 %
Other Businesses		14	(7)%
Segment loss before interest and income taxes		(252)	81 %
Items not allocated to segments:			
Postretirement (expense) benefit income		16	(200)%
Other items not allocated to segments:			
Loss on shut down of certain tubular assets		—	(100)%
Supplemental unemployment and severance cMṊ Ɩ'			

[redacted]

The following table summarizes U. S. Steel's liquidity as of March 31, 2017:

Cash and cash equivalents	$	1,326
Amount available under $1.5 Billion Credit Facility [(a)]		1,250
Amount available under USSK credit facilities		266
Total estimated liquidity	$	2,842

[(a)] See below for discussion of the reasons for reduced availability under this Facility.

As of March 31, 2017, $143 million of the total cash and cash equivalents was held by our foreign subsidiaries. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of the election effective December 31, 2013 to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

U. S. Steel maintains a $1.5 billion asset-backed revolving credit facility. As of March 31, 2017, there were no amounts drawn on the $1.5 billion credit facility agreement (Third Amended and Restated Credit Agreement). However, since the value of our inventory and trade accounts receivable less specified reserves calculated in accordance with the Third Amended and Restated Credit Agreement do not support the full amount of the facility at March 31, 2017, the amount available to the Company under this facility was reduced by $100 million. Additionally, 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 Third Amended and Restated Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $150 million. Based on the most recent four quarters as of March 31, 2017, we would not meet this covenant. As long as we are unable to meet this covenant, the amount available to the Company under this facility is effectively reduced by $150 million. As a result, availability under the Third Amended and Restated Credit Agreement was $1,250 million as of March 31, 2017.

At March 31, 2017, U

is difficult to estimate the likely impact on U. S. Steel, but it could be substantial. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of U. S. Steel's products and es

preparing the Company’s annual financial outlook. Adjusted EBITDA should not be considered a substitute for net earnings (loss) or other financial measures as computed in accordance with U.S. GAAP and is not necessarily comparable to similarly titled measures used by other companies.

U. S. Steel faces competition from foreign steel producers, many of which are heavily subsidized by their governments and dump steel into the U.S. market. Trade-distorting policies and practices, coupled with global steel overcapacity, Ď ξ steel i Ď ξ circumvention proceeding against Chinese producers that are diverting cold-rolled steel to Vietnam to undergo minor processing before exporting the product to the United States in an attempt to avoid paying the new duties. The DOC initiated its investigation on November 17, 2016, and is currently analyzing the data submitted by Vietnamese producers. If the DOC determines that imports of cold-rolled steel from China are being redirected through Vietnam en route to the United States, it will impose duties on imports of cold-rolled steel from Vietnam. The entire proceeding should be completed within 300 days of the initiation date, unless the deadline is extended by the DOC.

U. S. Steel is actively involved in several appeals before the Court of International Trade (CIT) concerning the recent orders imposed in the flat-rolled steel cases as well as several OCTG cases. In addition to the on-going appeals before the CIT, the Company is litigating several cases at the U.S. Court of Appeals for the Federal Circuit.

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

In April 2016, U. S. Steel launched a case under Section 337 of the Tariff Act of 1930 against ten of the eleven largest Chinese producers and their distributors. The complaint alleges three causes of action: 1) illegal conspiracy to fix prices and control output and export volumes; 2) the theft of trade secrets through industrial espionage; 3) circumvention of duties by false labeling and transshipment. On May 26, 2016, the USITC instituted an investigation on all three causes. On February 15, 2017, U. S. Steel voluntarily withdrew its trade secrets claim. U. S. Steel continues to vigorously pursue public policy efforts to address cyber theft. The Section 337 claims relating to the antitrust and false designation of origin allegations continue to be aggressively litigated. On November 25, 2016, the Administrative Law Judge (ALJ) issued an order dismissing the antitrust claims. However, the ITC granted U. S. Steel's petition to review the ALJ's initial determination to terminate the antitrust portion of the litigation. All parties submitted their briefs on the antitrust review, and oral argument was held before the ITC Commissioners on April 20, 2017. On January 11, 2017, the ALJ issued an order dismissing the false designation of origin claims. U. S. Steel filed a petition to review the ALJ's order with the ITC commissioners, and the ITC reinstated the false designation of origin claim on February 27, 2017. A new scheduling order was entered and the target date to conclude the investigation has been set for April 2018, with hearings on the foreign designation of origin claim starting on September 25, 2017. The remedy sought in the petition is the barring of all Chinese carbon and steel and alloy steel products from the U.S. market.

In the EU, USSK is participating in and cooperating with the European Commission's (EC) dumping action concerning hot-rolled steel flat products from China, which was initiated in February 2016. On April 6, 2017, the EC imposed definitive antidumping duties on hot-rolled coils of Chinese origin, ranging from 18.1 to 35.9 percent. These duties are intended to offset the harm caused to the domestic steel industry by below-cost Chinese imports. The EC initiated a concurrent subsidies investigation regarding hot-rolled steel flat products from China on May 13, 2016. The EC did not impose any provisional duties. It is expected to impose definitive duties on June 10, 2017.

USSK also actively participated in an investigation concerning cold-rolled steel flat products from China and Russia. On July 29, 2016, the EC imposed definitive dumping duties of between 19.7 and 22.1 percent against Chinese imports and between 18.7 and 36.1 percent ° The d̨twinĎg r ttt

On December

There were no ma

U. S. Steel has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of March 31, 2017. These disclosure controls and procedures are the controls and other procedures that were designed to ensure that information required to be disclosed in reports that are filed with or submitted to the U.S. Securities and Exchange Commission are: (1) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported within the time periods specified in applicable law and regulations. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of [illegible] disclosure controls and procedures were effective.

ntisscerioce.

TheUÃs Es Ht f

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 Minnesota Pollution Control Agency (MPCA) in 1985 and a Record of Decision signed by MPCA in 1989. U. S. Steel has submitted a feasibility study that includes remedial measures to address contaminated sediments in the St. Louis River Estuary and several other Operable Units that could impact the Estuary if not addressed.

While work continues on obtaining additional information for remedial tion for rothaion ti 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, 2017. As of March 31, 2017, approximately $1 million has been accrued for ongoing environmental studies, investigations and remedy implementation. Significant additional costs associated with this site are possible and are referenced in Note 20 to the Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development."

A consent decree was signed by U. S. Steel, the EPA and the U.S. Department of Justice and filed with the United States District Court for the Northern District of Alabama (United States of America v. USX Corporation) 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 EPA, assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works. While work continues on different aspects of the program, there has been no material change in the status of the project during the three months ended March 31, 2017. In total, the accrued liability heg

In April 2003, U. S. Steel and Salomon Smith Barney Holdings, Inc. (SSB) entered into a Consent Order with the Kansas Department of Health & Environment (KDHE) concerning a former zinc smelting operation in Cherryvale, Kansas. Remediation of the site proper was essentially completed in 2007. The Consent Order was amended on May 3, 2013, to require investigation (but not remediation) of potential contamination beyond the boundary of the former zinc smelting operation. On November 22, 2016, KDHE approved a State Cooperative Final Agency Decision Statement that identified the remedy selected to address potential contamination beyond the boundary of the former zinc smelting site. While work continues on developing the Pre-Remedial Action Design Plan, there has been no material change in the status of the project during the three months ended March 31, 2017. As of March 31, 2017, an accrual of approximately $300,000 remains available for addressing these outstanding issues.

Air Related Matters

In June 2010, the EPA significantly lowered the primary NAAQS for SO_2 from 140 parts per billion (ppb) on a 24-hour basis to an hourly standard of 75 ppb. Based upon the 2009-2011 ambient air monitoring data, the EPA designated the area in which Great Lakes Works is located as nonattainment with the 2010 SO

process from jurisdiction to jurisdiction, (4) uncertainties regarding the facts, circumstances and disease process with each claim, and (5) any new legislation enacted to address asbestos-related claims. Despite these uncertainties, management believes that the ultimate resolution of these matters will not have a material adverse effect on U. S. Steel's financial condition, although the resolution of such matters could significantly impact results of operations for a particular quarter.

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.

10.1	First Amendment to United States Steel Corporation 2016 Omnibus Incentive Compensation Plan.
18.1	Letter of preferability regarding change in accounting principle from PricewaterhouseCoopers, LLC, Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commi0x

<u>CHIEF EXECUTIVE OFFICER CERTIFICATION</u>

I, Mario Longhi, certify that:

I have reviewed this quarterly report on Form 10-Q of United States Steel Corporation;

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;

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;

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 [illegible]

CHIEF FINANUIN L ɔ

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

CA

I, Mario Longhi, 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, 2017201 d en