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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2004

Or

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

For the transition period from ______ to ______.

UNITED STATES STEEL CORPORATION

(Exact name of registrant as specified in its charter)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No ____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes _X_ No ____

Common stock outstanding at April 30, 2004 – 113,300,086 shares

UNITED STATES STEEL CORPORATION
FORM 10-Q
QUARTERLY PERIOD ENDED MARCH 31, 2004

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UNITED STATES STEEL CORPORATION
STATEMENT OF OPERATIONS
(Unaudited)

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UNITED STATES STEEL CORPORATION
STATEMENT OF OPERATIONS (Continued)
(Unaudited)

(Dollars in millions, except per share amounts)	First Quarter Ended March 31, 2004	First Quarter Ended March 31, 2003
Income per common share (*Note 15*):		
Income (loss) before cumulative effect of change in accounting principle per share:		
– Basic	**$.38**	$(.35)
– Diluted	**$.36**	$(.35)
Cumulative effect of change in accounting principle, net of tax:		
– Basic	**$.13**	$(.05)
– Diluted	**$.11**	$(.05)
Net income (loss) per share:		
– Basic	**$.51**	$(.40)
– Diluted	**$.47**	$(.40)
Weighted average shares, in thousands:		
– Basic	**106,653**	102,731
– Diluted	**123,254**	102,731
Dividends paid per share	**$.05**	$.05
Pro forma amounts assuming change in accounting principle was applied retroactively:		
Income (loss) before cumulative effect of change in accounting principle, as reported	**$44**	$(33)
FIN 46R pro forma effect (*Note 18*)	**–**	1
Income (loss) before cumulative effect of change in accounting principle, adjusted	**$44**	$(32)
Per share adjusted:		
– Basic	**.38**	(.34)
– Diluted	**.36**	(.34)
Net income (loss) adjusted	**44**	(32)
Per share adjusted:		
– Basic	**.38**	(.34)
– Diluted	**.36**	(.34)

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

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1. Basis of Presentation

United States Steel Corporation (U. S. Steel) through its domestic operations, is engaged in the production, sale and transportation of steel mill products, coke and iron-bearing taconite pellets; the management and development of real estate; and engineering and consulting services and, through its European operations, which include U. S. Steel Kosice (USSK) located in Slovakia and U. S. Steel Balkan (USSB), acquired on September 12, 2003 and located in Serbia, is engaged in the production and sale of steel mill products primarily for the central and western European markets. As reported in Note 3, until June 30, 2003, U. S. Steel was also engaged in the mining, processing and sale of coal.

The [illegible] but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods [illegible]

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costs, $17 million related to future payments for employees who participate in the TAP, and $24 million for accrued vacation benefits. U. S. Steel also recognized a $17 million liability related to two cash contributions to be made to the Steelworkers Pension Trust (SPT) in 2004 based on the number of National's represented employees as of the date of the acquisition, less the number of these employees estimated to participate in the [illegible]
31, 2004, $8 million of the $17 million contributions had been made to the SPT. The SPT is a multiemployer pension plan to which U. S. Steel will make [illegible]

including the effects of the new labor agreement as it pertains to the former National facilities and the financings incurred to fund the acquisition. The unaudited pro forma data is based on historical information and does not necessarily reflect the actual results that would have occurred nor is it necessarily indicative of future results of operations.

(In millions, except per share data)	Pro Forma First Quarter Ended March 31, 2003
Revenues and other income	$ 2,571
Loss before cumulative effect of change in accounting principle	(38)
Per share – basic	(.41)
Per share – diluted	(.41)
Net loss, applicable to common stock	(49)
Per share – basic	(.47)
Per share – diluted	(.47)

3. Divestiture

On June 30, 2003, U. S. Steel completed the sale of the coal mines and related assets of U. S. Steel Mining Company, LLC (Mining Sale) to PinnOak Resources, LLC (PinnOak), which is not affiliated with U. S. Steel. PinnOak acquired the Pinnacle No. 50 mine complex located near Pineville, West Virginia and the Oak Grove mine complex located near Birmingham, Alabama. In conjunction with the sale, U. S. Steel and PinnOak entered into a long-term coal supply agreement, which runs through December 31, 2006.

The gross proceeds from the sale were $55 million and resulted in a pretax gain of $13 million on the sale in the second quarter of 2003. In addition, EITF 92-13, “Accounting for Estimated Payments in Connection with the Coal Industry Retiree Health Benefit Act of 1992” requires that enterprises no longer having operations in the coal industry must account for their entire obligation related to the multiemployer health care benefit plans created by the Act as a loss in accordance with SFAS No. 5, “Accounting for Contingencies.” Accordingly, U. S. Steel recognized the present value of these obligations in the amount of $85 million, resulting in the recognition of an extraordinary loss of $52 million, net of tax of $33 million.

4. Stock Based Compensation

U. S. Steel has various stock-based employee compensation plans. The Company accounts for those plans under the recognition and measurement principles of APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and related Interpretations. No stock-based employee compensation cost is reflected in net income for stock options or stock appreciation rights (SARs) at the date of grant, as all options and SARs granted had an exercise price equal to the market value of the underlying common stock. When the stock price exceeds the grant price, SARs are adjusted for changes in the market value and compensation expense is recorded. Deferred compensation for restricted stock under the United States Steel Corporation 2002 Stock Plan (2002alu

The following table illustrates the effect on net income and earnings per share if the Comp

Due to a clarification in the Slovak tax law in the first quart

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is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed.

For a number of years, U. S. Steel has made substantial capital expenditures to bring existing facilities into compliance with various laws relating to the environment. In the first three months of 2004 and 2003, such capital expenditures totaled $21 million and $3 million, respectively. U. S. Steel anticipates making additional such expenditures in the future; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

Environmental and Other Indemnifications – Throughout its history, U. S. Steel has sold numerous properties and businesses and has provided various indemnifications with respect to many of the assets that were sold. These indemnifications have been associated with the condition of the property,

Other contingencies – Under certain operating lease agreements covering various equipment, U. S. Steel has the option to renew the lease or to purchase the equipment at the end of the lease term. If U. S. Steel does not exercise the purchase option by the end of the lease term, U. S. Steel guarantees a residual value of the equipment as determined at the lease inception date (totaling approximately $46 million at March 31, 2004 and $50 million at December 31, 2003). No liability has been recorded for these guarantees as either management believes that the potential recovery of value from the equipment when sold is greater than the residual value guarantee, or the potential loss is not probable and/or estimable.

Mining sale – U. S. Steel [illegible] triggers a withdrawal within five years of June 30, 2003, from the multiemployer pension plan that covers [illegible]

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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 $135 million as of March 31, 2004 and $139 million as of December 31, 2003, which reflects U. S. Steel's maximum exposure under these financial guarantees, buťĂŏ$ its total exposure for the underlying obligations. Most of the trust arrangements and letters of credit are collateralized by restricted cash that is recorded in other noncurrent assets.

Commitments – At March 31, 2004 and December 31, 2003, U. S. Steel's domestic contract commitments to acquire property, plant and equipment totaled $25 million and $23 million, respectively.

USSK has a commitment to the Slovak government for a capital improvements program of $700 million, subject to certain conditions, over a period commencing with the acquisition date of November 24, 2000, and ending on December 31, 2010. The remaining commitments under this capital improvements program as of March 31, 2004 and December 31, 2003, were $398 million and $433 million, respectively.

USSB has the following commitments with the Serbian government: (i) spending during the first five years for working capital, the repair, rehabilitation, improvement, modification and upgrade of facilities and community support and economic development of up to $157 million, subject to certain conditions$and

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Segment results for Flat-rolled

Segment income for Flat-rolled was $113 million in the first quarter of 2004, compared with a loss of $19 million in the same quarter of 2003. The improvement was mainly due to higher average realized prices and favorable effects resulting from workforce reductions and the National acquisition. These were partially offset by higher raw material and employee benefit costs.

Segment results for USSE

Segment income for USSE was $40 million in the first quarter of 2004, compared to $64 million in the comparable 2003 quarter. The decline was primarily due to higher raw material costs, lower shipment volumes, net unfavorable exchange rate effects and costs related to operational difficulties with a blast furnace in Slovakia, partially offset by higher average realized prices.

Segment results for Tubular

Segment income for Tubular was $3 million in the first quarter of 2004, an improvement of $9 million compared with the first quarter of 2003. The increase resulted primarily from higher average realized prices and shipment volumes, partially offset by higher costs for tube rounds.

Segment results for Real Estate

Segment income for Real Estate was $14 million in the first quarter of 2004, compared with income of $13 million in 2003’s first quarter.

Results for Other Businesses

The loss for Other Businesses in the first quarter of 2004 was $8 million, compared with a loss of $34 million in the first quarter of 2003. The decreased loss was mainly due to improved results at taconite pellet operations resulting primarily from increased trade shipments and higher selling prices.

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First quarter 2004 results included costs of approximately $10 million for three profit-based payment streams generated pursuant to the provisions of the 2003 labor agreement negotiated with the USWA. These payment streams are calculated as percentages of segment income from operations on a corporate-wide basis. Approximately $4 million of these profit-based payment costs were recorded in segment results.

Items not allocated to segments:

Income from sale of real estate interests of $43 million resulted from the sale in February 2004 of Real Estate’s remaining mineral interests and certain real estate interests. This amount consisted of a gain on disposal of assets of $36 million and other income, related $8 mill n meof astof a nt

Net interest and other financial costs were $52 million in the first quarter of 2004, compared with $38 million during the same period in 2003. The increase in 2004 primarily reflected interest on the 9-3/4% senior notes that were issued in May 2003.

The **provision for income taxes** in the first quarter of 2004 was $51 million, compared with a benefit of $49 million in the first quarter last year. The provision in 2004 included a charge of $32 million related to the settlement of a dispute regarding tax benefits for U. S. Steel Kosice (USSK) under Slovakia's foreign investors' tax credit, which is discussed below.

The Slovak Income Tax Act provides an income tax credit, which is available to USSK if certain conditions are met. In order to claim the tax credit in any year, 60 percent of USSK's sales must be export sales and USSK must reinvest the tax credits claimed in qualifying capital expenditures during the five years following the year in which the tax credit is claimed. The provisions of the Slovak Income Tax Act permit USSK to claim a tax credit of 100 percent of USSK's tax liability for years 2000 through 2004 and 50 percent for the years 2005 through 2009. Management believes that USSK fulfilled all of the necessary conditions for claiming the tax credit for the years for which it was claimed and anticipates meeting such requirements in 2004. As a result of claiming these tax credits and management's intent to reinvest earnings in foreign operations, virtually no income tax provision, except for the $32 million settlement discussed below, is recorded for USSK income.

In October 2002, a tax credit limit was negotiated by the Slovak government as part of the Accession Treaty (Treaty) Hment a e SKadicrit on, eaxin caUo 9provisio are estimated to generate approximately $1.3 billion in taxable income. Tax planning strategies include actions that are prudent and feasible, and that management ordinarily might not take, but would take if necessary to realize a deferred tax asset, unless the need to do so is eliminated in future periods. These tax planning strategies include the continued implementation of the previously announced plan to dispose of non-strategic assets, the sale of non-integral domestic and foreign operating assets as well as the ability to elect alternative accounting methods. Based on this assessment, as of March 31, 2004, the Company determined that it is more likely than not that $566 million of such assets will be realized, therefore resulting in a valuation allowance of $209 million.

Due to a clarification in the Slovak tax law in the first quarter of 2004, USSK recorded a deferred tax benefit of $6 million related to net foreign exchange losses on long-term receivables. The tax law was clarified to allow cumulative foreign exchange losses to be deducted at such time as the related receivables are satisfied in cash. The net deferred tax benefit will fluctuate as the value of the U.S. dollar changes with respect to the Slovak koruna.
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See Note 14 to Financial Statements.

The **cumulative effect of change in accounting principle, net of tax,** was a credit of $14 million in the first quarter of 2004 and resulted from the adoption on January 1, 2004, of FASB Interpretation No. 46 (revised December 2003) “Consolidation of Variable Interest Entities, an interpretation of ARB No. 51.” a ap. 51

expenditures have been mainly for process changes in order to meet Clean Air Act obligations, although ongoing compliance costs have also been significant. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of U. S. Steel's products and services, operating results will be adversely affected. U. S. Steel believes that its major domestic integrated steel competitors are confronted by substantially similar conditions and thus does not believe that its relative position with regard to such competitors is materially affected by the impact of environmental laws and regulations. However, the costs and operating restrictions necessary for compliance with environmental laws and regulations may have an adverse effect on U. S. Steel's competitive position with regard to domestic mini-mills, some foreign steel producers and producers of materials which compete with steel, which may not be required to undertake equivalent costs in their operations. In addition, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities and its production methods.

USSK is subject to the laws of Slovakia. The environmental laws of Slovakia generally follow the requirements of the European Union (EU), which are comparable to domestic standards. USSK has also entered into an agreement with the Slovak government to bring its facilities into EU environmental compliance, and expects to do so by 2006.

USSB is subject to the laws of the Union of Serbia and Montenegro, which are currently more lenient than either the EU or U.S. standards, but this is expected to change over the next several years in anticipation of possible EU accession. An environmental baseline study is being conducted at USSB's facilities. Under the terms of the acquisition, USSB will be responsible for only those costs and liabilities associated with environmental events occurring subsequent to the completion of that study. A portion of the $157 million USSB committed to spend in connection with the acquisition of Sartid is expected to be used for environmental controls and upgrades.

U. S. Steel has been notified that it is a potentially responsible party (PRP) at 23 waste sites under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) as of March 31, 2004. In addition, there are 13 sites related to U. S. Steel where it has received information requests or other indications that it may be a PRP under CERCLA but where sufficient information is not presently available to confirm the existence of liability or make any judgment as to the amount thereof. There are also 44 additional sites related to U. S. Steel where remediation is being sought under other environmental statutes, both federal and state, or where private parties are seeking remediation through discussions or litigation. At many of these sites, U. S. Steel is one of a number of parties involved and the total cost of remediation, as well as U. S. Steel's share thereof, is frequently dependent upon the outcome of investigations and remedial studies. U. S. Steel accrues for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. As environmental remediation matters proceed toward ultimate resolution or as additional remediation obligations arise, charges in excess of those previously accrued may be required. See sl in exces d. ep quar

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U. S. Steel to consolidate the 1314B Partnership, which was previously accounted for under the equity method, as of January 1, 2004. This resulted in a cumulative effect of a change in accounting principle of $14 million, net of tax. For further discussion, see Note 18 to Financial Statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

COMMODITY PRICE RISK AND RELATED RISK

Sensitivity analyses of the incremental effects on pretax income of hypothetical 10 percent and 25 percent decreases in commodity prices for open derivative commodity instruments as of March 31, 2004, are provided in the following table(a):

	Incremental Decrease in Income Before Income Taxes Assuming a Hypothetical Price Decrease of:	
(Dollars in millions)	**10% FLL**	**25% 00**
Commodity-Based Derivative Instruments		
Zinc	$ 0.9	$ 2.3

(a) The definition of a derivative instrument includes certain fixed price physical commodity contracts. Such instruments are included in the above table. Amounts reflect the estimated incremental effects on pretax income of hypothetical 10 percent and 25 percent decreases in closing commodity prices for each open contract position at March 31, 2004. Management evaluates the portfolio of derivative commodity instruments on an ongoing basis and adjusts strategies to reflect anticipated market conditions, changes in risk profiles and overall business objectives. uĎ ťĎǰe0S

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At March 31, 2004, U. S. Steel's portfolio of long-term debt was comprised primarily of fixed-rate instruments. Therefore, the fair value of the portfolio is relatively sensitive to effects of interest rate fluctuations. This sensitivity is illustrated by the $88 million increase in the fair value of long-term debt assuming a hypothetical 10 percent decrease in interest rates. However, U. S. Steel's sensitivity to interest rate declines and corresponding increases in the fair value of its debt portfolio would unfavorably affect U. S. Steel's results and cash flows only to the extent that U. S. Steel elected to repurchase or otherwise retire all or a portion of its fixed-rate debt portfolio at prices above carrying value.

FOREIGN CURRENCY EXCHANGE RATE RISK

U. S. Steel, primarily through USSE, is subject to the risk of price fluctuations due to the effects of exchange rates on revenues and operating costs, firm commitments for capital expenditures and existing assets or liabilities denominated in currencies other than U.S. dollars, in particular the euro, the Slovak koruna and the Serbian dinar. U. S. Steel has not generally used derivative instruments to manage this risk. However, U. S. Steel has made limited use of forward currency contracts to manage exposure to certain currency price fluctuations. At March 31, 2004, U. S. Steel had open euro forward sale contracts for both U.S. dollars (total notional value of approximately $19.0 million) and Slovak koruna (total notional value of approximately $42.1 million). A 10 percent increase in the March 31, 2004 euro forward rates would result in a $6.1 million charge to income.

SAFE HARBOR

U. S. Steel's Quantitative and Qualitative Disclosures About Market Risk include forward-looking statements with respect to management's opinion about risks associated with U. S. Steel's use of derivative instruments. These statements are based on certain assumptions with respect to market prices, industry supply and demand for steel products and certain raw materials, and foreign exchange rates. To the extent that these assumptions prove to be inaccurate, future outcomes with respect to U. S. Steel's hedging programs may differ materially from those discussed in the forward-looking statements.

Item 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

U. S. [illegible] and operation of its disclosure controls and procedures as of March 31, 2004. These disclosure controls and [illegible] are the controls and other procedures that were designed to ensure that information required to be disclosed in reports that are fg9

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PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

ENVIRONMENTAL PROCEEDINGS

U. S. Steel is in the study phase of Resource Conservation and Recovery Act (RCRA) corrective action programs at its Fairless Plant, Gary Works and Fairfield Works. Until the studies are completed at these facilities, U. S. Steel is unable to estimate the total cost of remediation activities that might be required. At USS-POSCO Industries, a joint venture between U. S. Steel and Pohang Iron & Steel Co. Ltd., corrective measures have been implemented for the former solid waste management units (SWMUs) and a remedy for ground water has been proposed.

In November 1989, the Utah Department of Environmental Quality (UDEQ) issued a permit to U. S. Steel for the closure of three hazardous waste impoundments including facility wide corrective action at U. S. Steel's former Geneva Works. The permit has been administratively extended. At a meeting with UDEQ on March 11, 2004, U. S. Steel agreed to develop work plans and commence field investigations on some areas of the facility for which U. S. Steel has accepted responsibility. Costs to prepare these work plans, implement field investigations and continue work on the three hazardous waste impoundments is estimated to be approximately $0.9 million.

On October 23, 1998, a final Administrative Order on Consent was issued by the U.S. Environmental Protection Agency (EPA) addressing Corrective Action for SWMUs throughout Gary Works. This order requires U. S. Steel to perform a RCRA Facility Investigation (RFI) and a Corrective Measure Study at Gary Works. The Current Conditions Report, U. S. Steel's first deliverable, was submitted to EPA in January 1997 and was approved by EPA in 1998. All Phase I work plans have been approved by EPA. Two Phase II RFI work plans and a self-implementing interim measure have been submitted to EPA for approval. Another self-implementing interim measure has been completed. Through March 31, 2004, U. S. Steel has spent approximately $12 million for the studies, work plans, field investigations and self-implementing interim measures. The cost to implement the remaining field investigations and the approved work plans is estimated to be $5.7 million. Until they are completed, it is impossible to assess what additional expenditures will be necessary.

On October 21, 1994, and again on December 30, 1994, the Indiana Department of Environmental Management (IDEM) issued notices of violation relating to Gary Works alleging various violations of air pollution requirements. In early 1996, U. S. Steel paid a $6 million penalty and agreed to install additional pollution control equipment and to implement environmental protection programs over a period of several years. A

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through 2004. The cost to complete this study is estimated to be $1.2 million. In January 1999, ADEM included the former Ensley facility site in Fairfield Corrective Action. The Phase I work plan for Ensley has been reviewed by ADEM. The cost to prepare a response to ADEM’s comments and implement this work plan is approximately $520,000.

In October 1996, U. S. Steel was notified by IDEM acting as lead trustee, that IDEM and the U.S. Department of the Interior had concluded a preliminary investigation of potential injuries to natural resources related to releases of hazardous substances from various municipal and industrial sources along the east branch of the Grand Calumet River and Indiana Harbor Canal. The public trustees completed a preassessment screen pursuant to federal regulations and have determined to perform a Natural Resources Damages Assessment. U. S. Steel was identified as a potentially responsible party (PRP) along with 15 other companies owning property along the river and harbor canal. U. S. Steel and eight other PRPs have formed a joint defense group. The trustees notified the public of their plan for assessment and later adopted the plan. In 2000, the trustees concluded their assessment of sediment injuries, which included a technical review of environmental conditions. The PRP joint defense group has proposed terms for the settlement of this claim, which have been endorsed by representatives of the trustees and EPA to be included in a consent decree that U. S. Steel expects will resolve this claim. U. S. Steel agreed to pay to the public trustees $20.5 million over a five-year period for restoration costs, plus $1.0 million in assessment costs, and obtained an 8-acre parcel of land that has been transferred to the Indiana Department of Natural Resources for addition to the Indiana Dunes National Lakeshore Park owned by the National Park Service. No formal legal proceedings have been filed in this matter. U. S. Steel with the PRP joint defense group and the trustees have finalized a [illegible]

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Minnesota Pollution Control Agency under the Minnesota Environmental Response and Liability Act on its Permanent List of Priorities. EPA has consolidated and included the Duluth Works site with the St. Louis River and Interlake sites on EPA's National Priorities List. The Duluth Works cleanup has proceeded since 1989. U. S. Steel is conducting an engineering study of the estuary sediments. Depending upon the method and extent of remediation at this site, future costs are presently unknown and indeterminable. Current study and oversight costs are estimated at $440,000. These costs include risk assessment, sampling, inspections and analytical work, and development of a work plan and cost estimate to implement EPA five year review recommendations.

In November 1996, U. S. Steel received a Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) 104(e) request from EPA requesting information on the former waste oil processing site named Breslube-Penn located in Coraopolis, PA. U. S. Steel joined a PRP defense group and entered into an Administ leA louis od

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ASBESTOS LITIGATION

U. S. Steel is a defendant in approximately 3,700 active cases in which, as of March 31, 2004, approximately 14,300 plaintiffs have filed claims alleging injury resulting from exposure to asbestos. Almost all of these cases involve multiple defendants (typically from fifty to more than one hundred defendants). Nearly 13,000, or more than 90 percent, of the plaintiffs in cases in which U. S. Steel is a defendant are in jurisdictions which permit filings with massive numbers of plaintiffs. Based upon U. S. Steel's experience in such cases, the actual number of plaintiffs who ultimately assert claims against U. S. Steel is likely to be a small fraction of the total number of plaintiffs.

These claims against U. S. Steel fall into three major groups: (1) claims made under certain federal and general maritime laws by employees of the Great Lakes Fleet or Intercoastal Fleet, former operations of U. S. Steel; (2) claims made by persons who allegedly were exposed to asbestos at U. S. Steel facilities (referred to as "premises claims"); and (3) claims made by industrial workers allegedly exposed to products formerly manufactured by U. S. Steel. While U. S. Steel has excess casualty insurance, these policies have multi-million dollar self-insured retentions. To date, U. S. Steel has not received any payments under these policies relating to asbestos claims. In most cases, this excess casualty insurance is the only insurance applicable to asbestos claims.

These asbestos cases allege a variety of respiratory and other diseases based on alleged exposure to asbestos. U. S. Steel is currently a defendant in cases in which a total of approximately 200 plaintiffs allege that they are suffering from mesothelioma. The potential for damages against defendants may be greater in cases in which the plaintiffs can prove mesothelioma. In many such cases in which claims have been asserted against U. S. Steel, the plaintiffs have been unable to establish any causal relationship to U. S. Steel or its products or premises. In addition, in many asbestos cases, the plaintiffs have been unable to demonstrate that they have suffered any identifiable injury or compensable loss at all; that any injuries that they have incurred did in fact result from alleged exposure to asbestos; or that such alleged exposure was in any way related to U. S. Steel or its products or premises.

In every asbestos case in which U. S. Steel is named as a party, the complaints are filed against numerous named defendants and generally do not contain allegations regarding specific monetary damages sought. To the extent that any specific amount of damages is sought, the amount applies to claims against all named defendants and in no case is there any allegation of monetary damages against U. S. Steel. Approximately 89 percent of the cases against U. S. Steel state that the damages sought exceed the amount required to establish jurisdiction of the court in which the case was filed. (Jurisdictional amounts generally range from $25,000 to $75,000.) Approximately 4 percent do not specify any damages sought at all, approximately 6 percent allege damages of $1.0 million or less, another 0.6 percent allege damages between $2.0 million and $10.0 million, and 0.4 percent allege damages over $10 million. U. S. Steel does not consider the amount of damages alleged, if any, in a complaint to be relevant in assessing its potential exposure to asbestos liabilities. The ultimate outcome of any claim depends upon a myriad of legal and factual issues, including whether the plaintiff can prove actual disease, if any; actual exposure, if any, to U. S. Steel products; or the duration of exposure to asbestos, if any, on U. S. Steel's premises. U. S. Steel has noted over the years that the form of complaint including its allegations, if any, concerning damages often depends upon the form of complaint filed by particular law firms and attorneys. Often the same damage allegation will be in multiple complaints regardless of the number of plaintiffs, the number of defendants, or any specific diseases or conditions alleged.

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amounts. For example, in 2001, U. S. Steel settled 11,166 claims for a total of approximately $190,000, and had about 4,102 claims dismissed or otherwise resolved and 1,679 new claims filed. At December 31, 2001, U. S. Steel had a total of approximately 17,100 active claims outstanding. In 2002, U. S. Steel settled 1,135 claims for a total of approximately $700,000, and had a total of 2,662 claims dismissed or otherwise resolved and 842 new claims filed. At December 31, 2002, U. S. Steel had a total of approximately 14,100 active claims outstanding. In 2003, except for the aberrant result in the Madison County case referred to in the following paragraph, U. S. Steel settled 83 claims for a total of approximately $4.6 million, and had a total of 2,038 claims dismissed or otherwise resolved and added 514 new cases (or 2,856 new claims). At December 31, 2003, U. S. Steel had a total of approximately 14,800 active claims outstanding.

As discussed in U. S. Steel's Annual Report on Form 10-K for the year ended December 31, 2003, management views the verdict and resulting settlement in the March 28, 2003 Madison County case as aberrational, and believes that the likelihood of similar results in other cases is remote, although not impossible. Through March 31, 2004, U. S. Steel has not experienced any material adverse change in its ability to resolve pending claims as a result of the Madison County settlement.

The amount U. S. Steel has accrued for pending asbestos claims is not material to U. S. Steel's financial position. U. S. Steel does not accrue for unasserted asbestos claims because it believes it is not possible to determine whether any loss is probable with respect to such claims or even to estimate the amount or range of any possible losses. Among the reasons that U. S. Steel cannot reasonably estimate the number and nature of claims against it is that the vast majority of pending claims against it allege so-called "premises" liability based exposure on U. S. Steel's current or former premises. These claims are made by an indeterminable number of people such as truck drivers, railroad workers, salespersons, contractors and their employees, government inspectors, customers, visitors and even trespassers.

It is not possible to predict the ultimate outcome of asbestos-related lawsuits, claims and proceedings due to the unpredictable nature of personal injury litigation. Despite this uncertainty, and although our results of operations and cash flows for a given period could be adversely affected by asbestos-related lawsuits, claims and proceedings, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition. Among the factors considered in reaching this conclusion are: (1) that U. S. Steel has been subject to a total of approximately 34,000 asbestos claims over the past 12 years that have been administratively dismissed or are inactive due to the failure of the plaintiffs to present any medical evidence supporting their

* Form 8-K dated March 9, 2004, reporting under Item 9. Regulation FD Disclosure, that U. S. Steel is furnishing information for the March 9, 2004 press release titled "U. S. Steel Announces Notice of Senior Notes Redemption."

* Form 8-K dated March 19, 2004, reporting under Item 12. Results of Operations and Financial Condition, that U. S. Steel is furnishing information for the March 19, 2004 press release titled "Settlement Reached in Production Cap Dispute."

* Form 8-K dated April 27, 2004, reporting under Item 12. Results of Operations and Financial Condition, that U. S. Steel is furnishing information for the April 27, 2004 press release titled "United States Steel Corporation Reports 2004 First Quarter Results."

  Form 8-K dated April 27, 2004, reporting under Item 5. Other Events, the filing of the April 27, 2004, press release titled "U. S. Steel Chairman and CEO Thomas J. Usher to Retire at End of September."

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* Reports submitted to the Securities and Exchange Commission under Item 9 or Item 12. Pursuant to General Instruction B of Form 8-K, the reports submitted under Item 9 or Item 12 are not deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 and are not subject to the liabilities of that section. Except for Form 8-K dated January 30, 2004, U. S. Steel is not incorporating, and does not intend to incorporate, by reference these reports into a filing under the Securities Act or the Exchange Act.

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/ Larry G. Schultz

Larry G. Schultz
Vice President and Controller

May 4, 2004

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 31.2

CHIEF FINANCIAL OFFICER
CERTIFICATION REQUIRED BY ITEM 307 OF REGULATION S-K
AS PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gretchen R. Haggerty, certify that:

1. I have reviewed this q

CHIEF EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of United States Steel Corporation (the “Corporation”) on Form 10-Q for the period ending March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas J. Usher, Chairman of the Board of Directors and Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ Thomas J. Usher
Thomas J. Usher
Chairman of the Board of Directors
and Chief Executive Officer

May 4, 2004

A signed original of this written statement required by Section 906 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 TOƠƠ ĎĎ̃Î