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PART I

Item 1. BUSINESS

Introduction

U. S. Steel is an integrated steel producer with major production operations in the United States and Central Europe. An integrated producer uses iron ore and coke as primary raw materials for steel production. U. S. Steel has domestic annual raw steel production capability of 19.4 million net tons (tons) and Central European annual raw steel production capability of 7.4 million tons. U. S. Steel is also engaged in several other business activities, most of which are related to steel manufacturing. These include the production of iron ore pellets from taconite (rock containing iron) in the United States and the production of coke in both the United States and Central Europe; tocpodnÞdĎoÿduces (oil road and bar ge operations) ; real est ate operations and engineering and consul ting oducess

Business Strategy

U. S. Steel’s strategy is based on the stated aspiration that U. S. Steel will be a conservative, responsible company that generates a competitive return on capital and meets its financial and stakeholder obligations. Within this value framework, the following outlines U. S. Steel’s business strategy.

U. S. Steel’s business strategy is to continue to grow its investment in high-end finishing assets, expand its global business platform, reduce its costs and become a world leader in safety performance. In North America, U. S. Steel is focused on providing value-added steel products to its target markets where management believes that U. S. Steel’s leadership position, production and processing capabilities and technical service provide a competitive advantage. These products include advanced high strength steel and coated sheets for the automotive and appliance industries, sheets for the manufacture of motors and electrical equipment, galvanized and Galvalume® sheets for the construction industry, improved tin mill products for the container industry and oil country tubular goods. U. S. Steel continues to enhance i il il

Supply and demand relationships worldwide are heavily influenced by supply and demand in China. The steel industry faces competition in many markets from producers of materials such as aluminum, cement, composites, glass, plastics and wood.

U. S. Steel is the second largest integrated steel producer in North America and, through USSK and USSB, one of the largest integrated flat-rolled producers in Central Europe. U. S. Steel competes with many domestic and foreign steel producers. Competitors include integrated producers which, like U. S. Steel, use iron ore and coke as primary raw materials for steel production, and mini-mills, which primarily use steel scrap and, increasingly, iron-bearing feedstocks as raw materials. Mini-mills typically enjoy certain competitive advantages in the markets in which they compete through lower capital expenditures for construction of facilities and non-unionized work forces with lower total employment costs. Some mini-mills utilize thin slab casting technology to produce flat-rolled products and are increasingly able to compete directly with integrated producers of flat-rolled products. Depending on market conditions, including market conditions for steel scrap, the production generated by flat-rolled mini-mills could have an adverse effect on U. S. Steel's selling prices and shipment levels. Due primarily to growth in worldwide steel production, especially in China, prices for steelmaking commodities such as steel scrap, coal, coke and iron ore escalated to unprecedented levels in 2004 and remain at these levels. U. S. Steel's balanced domestic raw materials position and limited dependence on steel scrap has helped the competitive position of U. S. Steel's domestic operations.

The domestic steel industry has been under pressure for many years. Oversupply and low prices, which were attributable largely to excess imports, resulted in significant temporary or permanent capacity closures starting in late 2000. Numerous bankruptcies created many opportunities for consolidation and the domestic steel industry has been significantly restructured over the last few years. Domestic and global consolidation is expected to continue. The combination of capacity closures, consolidation and the increase in global demand for steel led to a recovery of steel prices from 20-year lows in late 2001 and early 2002 to all-time highs in 2004.

The trade remedies announced by President Bush on March 5, 2002, under Section 201 of the Trade Act of 1974, were removed by executive proclamation effective December 5, 2003, prior to running their full term of three years. Upon announcing termination of the Section 201 relief, the administration committed to continuing and improving a steel import monitoring system that will assist the domestic steel industry in identifying steel import problems in a timely manner. The negative impact of removing the tariffs has been mitigated by a number of factors including the relative value of the dollar, significant increases in ocean freight rates and the increase in the global demand for steel; however, imports have increased significantly in the past several months compared to 2003 and early 2004. Despite the decline in December, total sheet imports in the fourth quarter of 2004 increased by almost 200 percent from the same quarter of 2003 and by almost 140 percent from the first quarter of 2004. Steel imports to the United States accounted for an estimated 26 percent of the domestic steel market in the first 11 months of 2004, compared to 19 percent in 2003 and 26 percent in 2002.

The U.S. Department of Commerce (DOC) and the U.S. International Trade Commission (ITC) are currently conducting five year "sunset" reviews of trade relief granted in 1999 regarding hot-rolled flat steel products. In these proceedings, the agencies will determine whether the following should remain in efffect: anti-dumping orders against product from Brazil and Japan, a suspension agreement pertaining to dumped product from Russia and a countervailing duty order against product from Brazil. The DOC has completed its investigations, finding that dumping or illegal subsidization, as the case may be, would be likely to continue or recur if any of these orders or the suspension agreement is revoked. The ITC will hold a hearing in March 2005 and thereafter decide whether injury to the domestic industry would be likely to continue or recur if any of the orders or the suspension agreement is revoked.

The Organization of Economic Cooperation and Development announced on June 29, 2004, that it was postponing until 2005 discussions aimed at the reduction and elimination of government investment in and support for steelmaking.

U. S. Steel will monitor imports closely and file anti-dumping and countervailing duty petitions if unfairly traded imports adversely impact, or threaten to adversely impact, financial results.

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Flat-rolled produces sheets, tin mill products, strip mill plate and coke. Sheet products include hot-rolled, cold-rolled and coated. Flat-rolled's sheet customer base includes service center, conversion, transportation (including automotive), construction and appliance customers. Flat-rolled also supplies a full line of tin plate and tin-free steel products, primarily used in the container industry. U. S. Steel produces plate in coil on the hot strip mill at Gary Works, which is further processed at the Feralloy Processing Company (FPC) joint venture. The majority of coke produced at the integrated steel plants is used to support Flat-rolled operations; however, some coke from Clairton Works and the 1314B Partnership is sold to trade customers. Throughout 2004, U. S. Steel operated under a force majeure declaration to its coke customers due to U. S. Steel's inability to obtain adequate supplies of specific types of coal to meet all the specification requirements of customers. U. S. Steel declared force majeure in early 2005 as coal supplies to Clairton Works were disrupted due to river lock closures resulting from flooding. U. S. Steel has long-standing relationships with many of its customers, as do its joint ventures.

With the exception of the Fairfield pipe mill, the operating results of all the facilities within U. S. Steel's domestic integrated steel mills are included in Flat-rolled. These facilities include Gary Works, Great Lake Works, Mon Valley Works, Granite City Works and Fairfield Works.

Gary Works, located at Gary, Indiana, has annual raw steel production capability of 7.5 million tons. Gary Works has four coke batteries, four blast furnaces, three basic oxygen converters, three Q-BOP vessels, a vacuum degassing unit and four continuous slab casters. Gary Works generally consumes all the coke it produces and sells several coke by-products. Finishing facilities include a hot strip mill, two pickling lines, two cold reduction mills, three temper mills, a double cold reduction line, two tin coating lines, an electrolytic galvanizing line and a hot dip galvanizing line. Principal products include hot-rolled, cold-rolled and coated sheets and tin mill products. Gary Works also produces strip mill plate. The Midwest Plant and East Chicago Tin are operated as part of Gary Works.

The Midwest Plant, located in Portage, Indiana, finishes hot-rolled bands. Midwest facilities include a pickling line, two cold reduction mills, two temper mills, a double cold reduction mill, two hot dip galvanizing lines, a tin coating line and a tin-free steel line. Principal products include tin mill products and hot dip galvanized, cold-rolled and electrical lamination sheets. Midwest was acquired from National on May 20, 2003.

East Chicago Tin is located in East Chicago, Indiana. Facilities include a pickling line, which was acquired in late 2003 in a non-monetary exchange with International Steel Group, a cold reduction mill, a temper mill, a tin coating line and a tin-free steel line.

Great Lakes Works, located in Ecorse and River Rouge, Michigan, has annual raw steel production capability of approximately 3.8 million tons. Great Lakes facilities include three blast furnaces, two basic oxygen converters, a vacuum degassing unit, two slab casters, a hot strip mill, a high-speed pickling line, a tandem cold reduction mill, a temper mill, an electrolytic galvanizing line and a hot dip galvanizing line. Principal products include hot-rolled, cold-rolled, electrolytic galvanized and hot dip galvanized sheets. Great Lakes Works was acquired from National on May 20, 2003.

Mon Valley Works consists of the Edgar Thomson Plant, located in Braddock, Pennsylvania; the Irvin Plant, located in West Mifflin, Pennsylvania; the Fairless Plant, located in Fairless Hills, Pennsylvania; and Clairton Works, located in Clairton, Pennsylvania. Mon Valley Works has annual raw steel production capability of 2.9 million tons. Facilities at the Edgar Thomson Plant include two blast furnaces, two basic oxygen converters, a vacuum degassing unit and a slab caster. Irvin Plant facilities include a hot strip mill, two pickling lines, a cold reduction mill, a temper mill, a hot dip galvanizing line and a hot dip galvanizing/Galvalume® line. The only operational facility at the Fairless Plant is a hot dip galvanizing line. Principal products include hot-rolled, cold-rolled and coated sheets, as well as coke produced at Clairton Works.

Clairton Works is comprised of nine coke batteries owned and operated by U. S. Steel, one coke battery leased and operated by U. S. Steel and an additional two coke batteries that are operated by U. S. Steel for the 1314B Partnership, which is discussed below. Clairton (including the 1314B Partnership) produced 4.3 million tons of coke in 2004 and 4.5 million tons in 2003 and 2002. Approximately 35 percent of annual production (including the 1314B Partnership) was consumed by U. S. Steel facilities in 2004 and the remainder was sold to other domestic steel producers. Several coke by-products are sold to the chemicals and raw materials industries.

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U. S. Steel is the sole general partner of and owns an equity interest in the 1314B Partnership. As general partner, U. S. Steel is responsible for operating and selling coke and by-products from the partnership's two coke batteries located at U. S. Steel's Clairton Works. U. S. Steel's share of profits and losses during 2004 was 45.75 percent. The partnership at times had operating cash shortfalls in 2004, 2003 and 2002 that were funded with loans from U. S. Steel. There were no outstanding loans with the partnership at December 31, 2004, 2003 or 2002. U. S. Steel may dissolve the partnership under certain circumstances including if it is required to make equity investments or loans in excess of $150 million to fund such shortfalls. As the primary beneficiary of the partnership, U. S. Steel consolidates the results of the 1314B Partnership in its financial statements.

Granite City Works, located in Granite City, Illinois, has annual raw steel production capability of approximately 2.8 million tons. Granite City's facilities include two coke batteries, two blast furnaces, two basic oxygen converters, two slab casters, a hot strip mill, a pickling line, a tandem cold reduction mill, a hot dip galvanizing line and a hot dip galvanizing/Galvalume® line. Granite City Works generally consumes all the coke it produces and sells several coke by-products. Principal products include hot-rolled, hot-dipped galvanized and Galvalume® sheets. Granite City Works was acquired from National on May 20, 2003.

Fairfield Works, located in Fairfield, Alabama, has annual raw steel production capability of 2.4 million tons. Fairfield Works facilities included in Flat-rolled are a blast furnace, three Q-BOP vessels, a vacuum degassing unit, a slab caster, a rounds caster, a hot strip mill, a pickling line, a cold reduction mill, two temper/skin pass mills, a hot dip galvanizing line and a hot dip galvanizing/Galvalume

969 millio

Coke

Domestically, U. S. Steel operates cokemaking facilities at its Clairton, Pennsylvania; Gary, Indiana; and Granite City, Illinois locations. These owned and/or operated facilities have the capability to supply all of U. S. Steel's domestic metallurgical coke requirements for blast furnace production. Following its purchase of National in May 2003, U. S. Steel operated, pursuant to an Operations and Maintenance Agreement, a cokemaking facility owned by EES Coke Battery, LLC (EES), located at U. S. Steel's Great Lakes Works. Effective October 1, 2004, the Operations and Maintenance Agreement with EES was terminated and EES assumed responsibility for operating its cokemaking facility. Pursuant to a Coke Sales Agreement with EES, U. S. Steel purchased 100 percent of the output of the EES cokemaking facility during 2004 and will purchase a portion of such output during 2005. Blast furnace coal injection processes at Gary Works, Great Lakes Works and Fairfield Works continue to reduce U. S. Steel's domestic coke requirements.

USSK operates a cokemaking facility that primarily serves the steelmaking operations at USSK. Depending on market conditions and operational schedules, USSK may purchase small quantities of coke on the open market and may also supply a portion of USSB's needs. Blast furnace coal injection processes at USSK continue to reduce its coke requirements. USSB purchases predominantly all of its coke requirements from third party suppliers. While the coke market is expected to continue to be constrained in 2005, U. S. Steel believes that supplies of coke, adequate to meet USSK's and USSB's needs, are available at competitive market prices. The main sources of coke for USSK and USSB in 2005 include Poland, Ukraine, Russia, Bosnia and China.

Limestone

All domestic limestone requirements are purchased from third parties. U. S. Steel believes that supplies of limestone, adequate to meet its domestic needs, are readily available from third parties at competitive market prices.

All limestone requirements for USSK are purchased from a third party under a long-term contract. USSB sources approximately 50 percent of its limestone requirements from third party suppliers with the balance coming from production from a limestone mine under its direct control. U. S. Steel believes that supplies of limestone, adequate to meet USSB's needs, are available from third parties at competitive market prices.

Scrap and Other Materials

Supplies of steel scrap, tin, zinc and other alloying and coating materials required to fulfill U. S. Steel's requirements for domestic and European operations are available from third parties at competitive market prices. Generally, approximately 40 percent of U. S. Steel's scrap requirements is generated through its normal operations. U. S. Steel utilizes some hedging and derivative purchasing practices with regard to domestic requirements for tin and zinc.

Natural Gas

U. S. Steel purchases all of its domestic natural gas requirements from third parties. U. S. Steel believes that supplies of natural gas, adequate to meet its domestic needs, are available from third parties at competitive market prices. Currently, about 60 percent of U. S. Steel's domestic natural gas purchases are based on solicited bids, on a monthly basis, from various vendors; approximately 30 percent are made through long-term contracts; and the remainder are made daily. U. S. Steel utilizes some hedging and derivative purchasing practices with regard to domestic requirements for natural gas because of the volatility of natural gas markets.

USSK and USSB purchase their natural gas requirements from third parties under annual contracts. U. S. Steel believes that supplies of natural gas, adequate to meet USSK's and USSB's needs, are available from third parties at competitive market prices.

Environmental Matters

U. S. Steel maintains a comprehensive environmental policy overseen by the Corporate Governance and Public Policy Committee of the U. S. Steel Board of Directors. The Environmental Affairs organization has the responsibility to ensure that U. S. Steel's operating organizations maintain environmental compliance systems that are in accordance with applicable laws and regulations. The Executive Environmental Committee, which is comprised of officers of U. S. Steel, is charged with reviewing its overall performance with various environmental compliance programs. Also, U. S. Steel, largely through the American Iron and Steel Institute, continues its involvement in the development of various air, water and waste regulations with federal, state and local governments concerning the implementation of cost effective pollution reduction strategies.

The domestic businesses of U. S. Steel are subject to numerous federal, state and local laws and regulations relating to the protection of the environment. These environmental laws and regulations include the Clean Air Act (CAA)

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In September 1997, the EPA adopted revisions to the National Ambient Air Quality Standards for ozone and particulate matter, which are significantly more stringent than prior standards. The EPA is also developing regulations to address Regional Haze. The impact of these revised standards could be significant to U. S. Steel, but the cost cannot be reasonably estimated until the final regulations are promulgated and, more importantly, the states implement their State Implementation Plans covering their standards. For additional information regarding significant enforcement actions, capital expenditures and costs of compliance, see “Item 3. Legal Proceedings – Environmental Proceedings” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Environmental Matters, Litigation and Contingencies.”

Water

U. S. Steel maintains the necessary discharge permits as required under the National Pollutant Discharge Elimination System program of the CWA, and conducts its operations to be in compliance with such permits. For additional information regarding enforcement actions, capital expenditures and costs of compliance, see “Item 3. Legal Proceedings – Environmental Proceedings” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Environmental Matters, Litigation and Contingencies.”

Solid Waste

U. S. Steel continues to seek methods to minimize the generation of hazardous wastes in its operations. RCRA establishes standards for the management of solid and hazardous wastes. Besides affecting current waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the regulation of storage tanks. Corrective action under RCRA related to past waste disposal activities is discussed below under “Remediation.” For additional information regarding significant enforcement actions, capital expenditures and costs of compliance, see “Item 3. Legal Proceedings – Environmental Proceedings” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Environmental Matters, Litigation and Contingencies.”

Remediation

A significant portion of U. S. Steel’s currently identified environmental remediation projects relate to the remediation of former and present operating locations. A number of these locations were sold by U. S. Steel and are subject to cost-sharing and remediation provisions in the sales agreements. Projects include completion of the remediation of the Grand Calumet River and the closure and remediation of permitted hazardous and non-hazardous waste landfills.

U. S. Steel is also involved in a number of remedial actions under CERCLA, RCRA and other federal and state statutes, particularly third party waste disposal sites where disposal of U. S. Steel-generated material occurred, and it is possible that additional matters may come to its attention which may require remediation. For additional information regarding remedial actions, capital expenditures and costs of compliance, see “Item 3. Legal Proceedings – [illegible]agement’s Discussion and Analysis of Financial Condition and Results of Operations – Environmental Matters, Litigation and Contingencies.”

Property, Plant and Equipment Additions

For property, plant and equipment additions, including capital leases, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Condition, Cash Flows and Liquidity – Cash Flows” and Notes 15 and 24 to the Financial St[illegible] by the Bricklayers and Laborers International unions. Agreements with these unions expire in November and December 2008, and also contain no-strike provisions. Domestic hourly employees engaged in transportation activities are represented by the USWA and other unions and are covered by collective bargaining agreements with varying expiration dates. In Europe, most represented employees at USSK are represented by the OZ Metalurg union and are covered by an agreement that expires in February 2007, which is subject to annual wage negotiations. Represented employees at USSB are covered by a collective bargaining agreement that expires in November 2006, which is also subject to annual wage negotiations.

Available Information

U. S. Steel's Internet address is *www.ussteel.com.* U. S. Steel posts its annual report on Form 10-K, its quarterly reports on Form 10-Q and its proxy statement to its web site as soon as reasonably practicable after such reports are filed with the Securities and Exchange Commission. U. S. Steel also posts all press releases and earnings releases to its web site.

All other filings are available via a direct link on the U. S. Steel web site to the Securities and Exchange Commission's web site, the Internet address of which is *www.sec.gov.*

Also available on the U. S. Steel web site are U. S. Steel's Corporate Governance Principles and the charters of the Audit & Finance Committee, Compensation & Organization Committee and Corporate Governance & Public Policy Committee of the Board of Directors. These documents and the Annual Report on Form 10-K are also available in print to any shareholder who requests them. Such requests should be sent to the Office of the Corporate Secretary, United States Steel Corporation, 600 Grant Street, Pittsburgh, Pennsylvania 15219-2800 (telephone: 412-433-4801).

U. S. Steel does not intend to incorporate the contents of any web site into this document.

Other Information

Information on revenues and income (loss) of the reportable segments and Other Businesses and on revenues and other income and assets by geographic area are set forth in Note 5 to the Financial Statements.

For significant operating data for U. S. Steel for each of the last five years, see "Five-Year Operating Summary" on pages F-57 and F-58.

[illegible]le[illegible]ts

[illegible]a[illegible] Works

[illegible]e[illegible] 1995, U. S. Steel reached an agreement in principle with EPA and DOJ with respect to alleged RCRA violations at Fairfield Works. A consent [illegible]gned by U. S. Steel, EPA and DOJ and filed with the United States District Court for the Northern District of Alabama (United States of America v. U[illegible]tion) on December 11, 1997, under which U. S. Steel paid a civil penalty of $1.0 million, completed two Supplemental Environmental Projects at a c[illegible] million and initiated a RCRA corrective action program at the facility. The Alabama Department of Environmental Management (ADEM) assumed [illegible]onsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works, with the approval of EPA. The first Phase I RFI [illegible]s approved for the site on September 16, 2002. Field sampling for the work plan was completed in 2004. U. S. Steel is currently preparing a Phase I RF[illegible] for submission to ADEM in early 2005. The cost to complete this study is estimated to be $414,000. In addition, U. S. Steel is developing a co[illegible]neasure implementation plan for remediation of Upper Opossum Creek. The cost to U. S. Steel for implementing this plan is estimated to be $3.6 mi[illegible]wer Opossum Creek is approximately 4.5 miles of the Opossum Creek Area of Concern. U. S. Steel is investigating Lower Opossum Creek under a [illegible]eement with Beazer, Inc. whereby U. S. Steel has agreed to pay 30 percent of the investigation costs. U. S. Steel estimates its share of the remaining [illegible] of this investigation and costs to implement sediment remediation to be $823,000. In January 1999, ADEM included the former Ensley facility site in [illegible]eld Corrective Action. Implementation of the Phase I fieldwork for Ensley commenced in June 2004. The cost to complete this study is approximately $478,000.

Lorain Pipe Mills

In 1997, USS/Kobe Steel Company (USS/Kobe) rk[illegible]imate[illegible]

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PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock Information

The principal market on which U. S. Steel common stock is traded is the New York Stock Exchange. U. S. Steel common stock is also traded on the Chicago Stock Exchange and the Pacific Exchange. Information concerning the high and low sales price for the common stock as reported in the consolidated transaction reporting system and the frequency and amount of dividends paid during the last two years is set forth in "Selected Quarterly Financial Data (Unaudited)" on page F-55.

As of January 31, 2005, there were 31,747 registered holders of U. S. Steel common stock.

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Segments

During 2004, U. S. Steel had four reportable operating segments: Flat-rolled Products (Flat-rolled), U. S. Steel Europe (USSE), Tubular Products (Tubular) and Real Estate. As of January 1, 2004, the residual results of Straightline are included in the Flat-rolled segment. The application of Financial Accounting Standards Board (FASB) Interpretation No. 46 (revised December 2003) (FIN 46R), "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51," resulted in U. S. Steel consolidating the Clairton 1314B Partnership, L.P. (1314B Partnership) effective January 1, 2004. The results of the 1314B Partnership, which are included in the Flat-rolled segment, were previously accounted for under the equity method. For further information, see Notes 4 and 18 to the Financial Statements.

The National acquisition changed the composition of the Flat-rolled segment and Other Businesses as described below, but did not result in a change in U. S. Steel's reportable segments. Effective with the Mining Sale, Other Businesses are no longer involved in the mining, processing and sale of coal. Effective with the acquisition of Sartid, the USSK segment was renamed USSE and includes the operating results of both USSK and USSB.

Effective with the third quarter of 2003, the composition of the Flat-rolled segment was changed to include the results of the coke operations at Clairton Works and Gary Works, which were previously reported in Other Businesses. This change reflected U. S. Steel's management consolidations. Effective with the fourth quarter of 2003, benefit expenses for current retirees are separately identified and are no longer allocated to the reportable segments and Other Businesses. These expenses include pensions, health care, life insurance and any profit-based expenses for the benefit of retirees. Benefit expenses for active employees continue to be allocated to the reportable segments and Other Businesses. Furthermore, U. S. Steel changed its methodology for allocating certain corporate costs. See Note 5 to the Financial Statements for details. These changes were made so that operating results of U. S. Steel's reportable segments will better reflect their current contribution and so that U. S. Steel's segment results will be more comparable to those of t e l . b t´ bst

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Segment results for USSE

USSE segment income for 2004 was $394 million, compared to income of $203 million in 2003

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non-union qualified pension plan and the non-qualified defined benefit pension plan. Workforce reduction charges totaling $621 million in 2003 related to U. S. Steel’s ongoing operating and administrative cost reduction programs and consisted of curtailment expenses of $310 million for pensions and $64 million for other postretirement benefits related to employee reductions under the TAP for union employees (excluding former National employees retiring under the TAP), other retirements, layoffs and asset dispositions; $103 million for early retirement cash incentives related to the TAP; pension settlement losses of $97 million due to a high level of retirements of salaried employees; termination benefit charges of $40 million primarily for enhanced pension benefits provided to U. S. Steel employees retiring under the TAP; and $7 million for the cost of layoff unemployment benefits provided to non-represented employees.

Asset impairments of $57 million in 2003 resulted from a non-monetary asset exchange with International Steel Group, which was completed effective November 1, 2003, and the impairment of a cost method investment. Asset impairments in 2002 were for charges related to reserves established against receivables exposure from financially distressed steel companies, primarily Republic.

Gain on timber contribution to pension plan reflected a $55 million gain resulting from the excess of fair value over net book value for timber cutting rights valued at $59 million, which U. S. Steel voluntarily contributed to its defined benefit pension fund in December 2003.

Income from sale ou

operations recorded in 2004

Capital expenditures for 2005 are expected to be approximately $755 million, reflecting approximately $475 million for domestic operations and $280 million for European facilities. Domestic projects include the rebuild of the Gary Works' No. 13 blast furnace, acquisition of mobile and mining equipment and coke oven thru-wall repairs at Clairton Works and Gary Works. Projects in Slovakia include initial spending for a new automotive galvanizing line; and continuing work on air emissions reduction projects in the steelmaking facilities and on a new air separation plant. Projects in Serbia include completion of the rehabilitation of the second blast furnace and steel production improvements.

The preceding statement concerning expected 2005 capital expenditures is a forward-looking statement. This forward-looking statement is based on assumptions, which can be affected by (among other things) levels of cash flow from operations, general economic conditions, business conditions, availability of capital, whether or not assets are purchased or financed by operating leases, and unforeseen hazards such as contractor performance, weather conditions, explosions or fires, which could delay the timing of completion of particular capital projects. Accordingly, actual results may differ materially from current expectations in the forward-looking statement.

Acquisitions in 2003 consisted of $839 million for the National assets, $29 million for USSB and a $37 million cash payment related to the purchase of USSK. The $38 million in 2002 was a cash payment related to the purchase of USSK.

Disposal of assets in 2004 consisted mainly of proceeds from the sale of substantially all of the Real Estate segment's remaining mineral interests and certain real estate interests. Disposal of assets in 2003 consisted mainly of proceeds from the Mining Sale, cash collections on notes received in prior years' asset disposals, the sale of the former National headquarters building and the sale of U. S. Steel's interest in Delta Tubular Processing. Disposal of assets in 2002 consisted mainly of proceeds from the sale of U. S. Steel's investment in stock of VSZ.

Restricted cash – Net deposits of $32 million in 2003 and $67 million in 2002 were mainly used to collateralize letters of credit to meet financial assurance requirements.

Issuance of long-term debt in 2003 resulted from the issuance of $450 million of 9 3/4% senior notes in May, net of deferred financing costs associated with the notes and the inventory facility. For discussion, see "Liquidity."

Repayment of long-term debt in 2004 mainly reflected the retirement of long-term USSK debt and the early redemption of certain senior notes. For discussion, see "Liquidity." Repayment of long-term debt in 2003 and 2002 was mainly the USSK debt.

Preferred stock issued in 2003 reflected net proceeds from the offering of 5 million shares of Series B Preferred.

Common stock issued in 2004 primarily reflected $294 million of net proceeds from U. S. Steel's equity offering completed in March 2004. The remaining amount mainly reflected proceeds from stock sales through the exercise of options. The 2003 amount primarily reflected sales through the Dividend Reinvestment and Stock Purchase Plan. The 2002 amount primarily reflected $192 million of net proceeds from U. S. Steel's equity offering completed in May 2002, as well as sales through the Dividend Reinvestment and Stock Purchase Plan.

Dividends paid in 2004 were $39 million, compared with $35 million in 2003 and $19 million in 2002. Payments in all three periods reflected the quarterly dividend rate of five cents per common share. Dividends paid in 2004 also reflected a quarterly dividend rate of $0.875 per share for the Series B Preferred. Dividends paid in 2003 also included an initial dividend of $1.206 per share for the Series B Preferred, Ď Ļ

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The following table summarizes U. S. Steel's liquidity as of December 31, 2004:

(Dollars in millions)	
Cash and cash equivalents (a)	$ 1,021
Amount available under Receivables Purchase Agreement	500
Amount available under Inventory Facility	594
Amounts available under USSE credit facilities	69
Total estimated liquidity	$ 2,184

(a) Excludes $16 million of cash, which resulted from the consolidation of the 1314B Partnership, because it is not available for U. S. Steel's use.

U. S. Steel's liquidity at December 31, 2004 increased significantly compared to year-end 2003 primarily as a result of cash generated from operating activities.

The following table summarizes U. S. Steel's contractual obligations at December 31, 2004, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.

(Dollars in millions)

		Payments Due by Period			
Contractual Obligations	**Total**	**2005**	**2006 through 2007**	**2008 through 2009**	**Beyond 2009**
Long-term debt and capital leases [a]	$1,373	$ 8	$ 33	$ 379	$ 953
Operating leases[b]	460	118	169	57	116
Capital commitments[c]	355	59	39	-	257
USSB Commitments	22	-	3	19	-
Environmental commitments[c]	123	21	-	-	102[d]
Steelworkers Pension Trust	[e]	26	55	29	[e]
Other postretirement benefits	[f]	243	545	475	[f]
Total contractual obligations	[g]	$475	$ 8ron		

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U. S. Steel's environmental expenditures[a]:

(Dollars in millions)

	2004	2003	2002
Domestic:			
Capital	**$ 24**	$ 8	$ 4
Compliance			
Operating & maintenance	**241**	206	171
Remediation[b]	**18**	38	36
Total Domestic	**$ 283**	$ 252	$ 211
USSE:			
Capital	**$ 97**	$ 22	$ 10
Compliance			
Operating & maintenance	**8**	10	8
Remediation[b]	**3**	3	1
Total USSE	**$ 108**	$ 35	$ 19
Total U. S. Steel	**$ 391**	$ 287	$ 230

(a) Based on prp d

U. S. Steel's environmental capital expenditures are expected to be approximately $128 million in 2005, $69 million of which is related to projects at USSE. Predictions beyond 2005 can only be broad-based estimates, which have varied, and will continue to vary, due to the ongoing evolution of specific regulatory requirements, the possible imposition of more stringent requirements and the availability of new technologies to remediate sites, among other matters. Based upon currently identified projects, U. S. Steel anticipates that environmental capital expenditures will be approximately $137 million in 2006, including $90 million for USSE; however, actual expenditures may vary as the number and scope of environmental projects are revised as a result of improved technology or changes in regulatory requirements and could increase if additional projects are identified or additional requirements are imposed.

U. S. Steel is a defendant in approximately 500 active asbestos cases, involving approximately 11,000 plaintiffs. Many of these cases involve multiple defendants (typically from fifty to more than one hundred defendants). More than 10,300, or approximately 94 percent, of these claims are pending in jurisdictions which permit filings with massive numbers of 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. 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.

On March 28, 2003, a jury in Madison County, Illinois returned a verdict against U. S. Steel for $50 million in compensatory damages and $200 million in punitive damages. U. S. Steel believes that the court erred as a matter of law by failing to find that the plaintiff's exclusive remedy was provided by the Indiana workers' compensation law. U. S. Steel believes that this issue and other errors at trial would have enabled U. S. Steel to succeed on appeal. However, in order to avoid the delay and uncertainties of further litigation and the posting of a large appeal bond in excess of the amount of the verdict, U. S. Steel settled this case for an amount which was substantially less than the compensatory damages award and which represented a small fraction of the total award. This settlement is reflected in the results for the quarter ended March 31, 2003. Management views the verdict and resulting settlement in the Madison County case as aberrational, and believes that the likelihood of similar results in other cases is remote, although not impossible. 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.

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 U. S. Steel's 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 U. S. [illegible]

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Sensitivity analyses of the incremental effects on pre-tax income of hypothetical 10 percent and 25 percent decreases in commodity prices for open derivative commodity instruments as of December 31, 2004, and December 31, 2003, are provided in the following table:

(Dollars in millions)

	Incremental Decrease in Pre-tax Income Assuming a Hypothetical Price Decrease of[a]			
	2004		2003	
Commodity-Based Derivative Instruments	**10%**	**25%**	10%	25%
Zinc	**2.9**	**7.2**	1.2	3.1
Tin	**NA**	**NA**	0.0	0.1
Natural Gas	**1.8**	**4.4**	0.9	2.2

(a) The definition of a derivative instrument includes certain fixed pricea (pd 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.

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PricewaterhouseCoopers LLP
600 Grant St.
Pittsburgh PA 15219

Report of Independent Registered Public Accounting Firm

To the Stockholders of United States Steel Corporation:

We have completed an integrated audit of United States Steel Corporation’s 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders’ equity and cash flows present fairly, in all material respects, the financial position of United States Steel Corporation and its subsidiaries (the Company) at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant e.Ď ža Cpany’s mannd 2leba

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internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
February 25, 2005

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STATEMENT OF OPERATIONS

(Dollars in millions)	Year Ended December 31, 2004	2003	2002
Revenues			

STATEMENT OF CASH FLOWS

(Dollars in millions)	Year Ended December 31, 2004	2003	2002
Increase (decrease) in cash and cash equivalents			
Operating activities:			
Net income (loss)	**$ 1,091**	$ (463)	$ 61
Adjustments to reconcile net cash provided by operating activities:			
Extraordinary loss, net of tax	**-**	52	-
Cumulative effects of changes in accounting principles, net of tax			

[redacted]

1. Nature of Business and Significant Accounting Policies

Nature of Business

United States Steel Corporation (U. S. Steel) is engaged domestically in the production, sale and transportation of steel mill products, coke and iron ore pellets; the management and development of real estate; and engineering and consulting services and, through U. S. Steel Kosice (USSK) and U. S. Steel Balkan (USSB) in the Slovak Republic and Serbia, respectively, in the production and sale of steel mill products. As reported in Note 3, until June 30, 2003, U. S. Steel was also engaged in the production and sale of coal.

Prior to December 31, 2001, the businesses of U. S. Steel comprised an operating unit of USX Corporation, now named and referred to herein as Marathon Oil Corporation (Marathon). On December 31, 2001, U. S. Steel was capitalized through the issuance of 89.2 million shares of common stock to holders of USX - U. S. Steel Group common stock (Steel Stock) in exchange for all outstanding shares of Steel Stock on a one-for-one basis (the Separation).

Significant Accounting Policies

Principles applied in consolidation

These financial statements include the accounts of U. S. Steel and its majority-owned subsidiaries. Additionally, variable interest entities that do not have sufficient equity investment to permit the entity to finance its activities without additional subordinated support from other parties or whose equity investors lack the characteristics of a controlling financial interest for which U. S. Steel is the primary beneficiary are included in the consolidated financial statements. Intercompany accounts, transactions and profits have been eliminated in consolidation.

The accounts of businesses acquired have been included in the consolidated financial statements from the dates of acquisition. See Note 2 for further discussion of businesses acquired.

Investments in entities over which U. S. Steel has significant influence are accounted for using the equity method of accounting and are carried at U. S. Steel's share of net assets plus loans and advances. Differences in the basis of the investment and the underlying net asset value of the investee, if any, are amortized into earnings over the remaining useful life of the associated assets.

Investments in companies whose equity has no readily determinable fair value are carried at cost and are periodically reviewed for impairment.

Income (loss) from investees includes U. S. Steel's proportionate share of income (loss) from equity method investments, which is recorded on a one month lag except for significant and unusual items which are recorded in the period of occurrence. Gains or losses from changes in ownership of unconsolidated investees are recognized in the period of change. Unrealized profits and losses on transactions with equity investees have been eliminated in consolidation.

Use of estimates

Generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying value of property, plant and equipment; valuation allowances for receivables, inventories and deferred income tax assets and liabilities; environmental liabilities; liabilities for potential tax deficiencies and potential litigation claims and settlements; and assets and obligations related to employee benefits. Actual results could differ materially from the estimates and assumptions used.

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Revenue recognition

Revenues are recognized when

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Environmental remediation

Environmental expenditures are capitalized t ή pt ή pt ή pt ή pt ή pt ή p א ή

Concentration of credit and business risks
U. S. Steel is exposed to credit risk in the event of nonpayment by customers principally within the automotive, steel, container, construction, and service center industries and for any sales of coke or iron ore to other integrated producers. Changes in these industries may significantly affect management's estimates and U. S. Steel's financial performance. U. S. Steel mitigates its exposure to credit risk by performing ongoing credit evaluations and, when deemed necessary, requiring letters of credit, guarantees or collateral. USSK and USSB mitigate credit risk for approximately 46% and 70% of their revenues, respectively, by requiring bank guarantees, letters of credit, credit insurance, prepayment or other collateral.

The majority of U. S. Steel's customers are located in the United States and Central and Western Europe. No single customer accounted for more than 10% of gross annual revenues.

Foreign currency risk
U. S. Steel, through its operations in Slovakia and Serbia, 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 the U.S. dollar.

Stock-based compensation
U. S. Steel has various stock-based employee compensation plans, which are described more fully in Note 16. U. S. Steel 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 have 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 (2002 Stock Plan) and the USX Corporation 1990 Stock Plan (1990 Stock Plan) is charged to equity when the restricted stock is granted and subsequently adjusted for changes in the market value of the underlying stock. The deferred compensation is then expensed over the vesting period and adjusted if conditions of the restricted stock grant are not met. Deferred compensation for the restricted stock plan for certain salaried employees who are not officers of U. S. Steel is charged to equity when the restricted stock is granted and subsequently expensed over the vesting period.

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In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 123 (revised 2004), “Share-Based Payment,” (FAS 123R) which is an amendment of FAS No. 123, “Accounting for Stock-Based Compensation,” (FAS 123) and supersedes APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and its related implementation guidance. See further discussion in Note 4. The following table illustrates the effect on net income and earnings per share if U. S. Steel had applied the fair value recognition provisions of FAS No. 123.

	Year Ended December 31,		
200(In millions, except per share data)	2004	2003	2002
Net incom			

2. Business Combinations

National

On May 20, 2003, U. S. Steel acquired substantially all of the integrated steelmaking assets of National Steel Corporation (National). The facilities acquired include two integrated steel plants, Granite City Works in Granite City, Illinois and Great Lakes Works, in Ecorse and River Rouge, Michigan; the Mi taC

The Tubular segment includes the operating results of U. S. Steel's domestic tubular production facilities. These operations produce and sell both seamless and electric resistance weld tubular products and primarily serve customers in the oil, gas and petrochemicals markets.

The Real Estate segment includes the operating results of U. S. Steel's residential, commercial and industrial real estate that is managed and developed for sale or lease. In April 2003, U. S. Steel sold certain coal seam gas interests in Alabama for $34 million. In December 2003, U. S. Steel contributed timber cutting rights with an appraised value of $59 million to its defined benefit pension plan. In February 2004, U. S. Steel sold substantially all of the remaining mineral interests administered by the Real Estate segment for $67 million. Prior to the disposition of these assetsTapl n of

Geographic Area:

The information below summarizes revenues and other income and property, plant and equipment, equity investments, and split dollar life insurance (assets) based on the location of the operating segment to which they relate.

(In millions)	Year	Revenues and Other Income	Assets
United States	**2004**	**$ 11,259**	**$ 3,126**
	2003	7,634	3,080
	2002	5,874	
Europe	**2004**	**2,841**	**775**
	2003	1,823	604
	2002	1,174	
Other Foreign Countries	**2004**	**8**	**7**
	2003	1	6
	2002	6	
Total	**2004**	**$ 14,108**	**$**

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The accrual of $23 million included in payroll and benefits payable on the balance sheet at December 31, 2003, was paid in 2004.

10. Net Interest and Other Financial Costs

(In millions)	2004	2003	2002
Interest and other financial income:			
Interest income	**$ 14**	$ 6	$ 5
Foreign currency remeasurement gains	**22**	20	16

[redacted]

[redacted]

[redacted] [redacted]

[redacted]

that $595 million of such assets would be realized, therefore resulting in a valuation allowance of $209 million. During 2003, a state deferred tax valuation allowance of $7 million previously charged to other comprehensive income was reversed.

In the fourth quarter of 2003, U. S. Steel merged its two major defined benefit pension plans. Based on the year-end 2003 measurement of this merged plan and another smaller plan, U. S. Steel was required to increase the additional minimum liability which resulted in an increase to deferred tax assets. The corresponding non-cash charge to equity of $534 million reflected a full valuation allowance of $209 million ($177 million federal and $32 million state). Based on the year-end 2004 measurement of the main defined benefit pension plan, the additional minimum liability for this plan was no longer necessary, resulting in a reversal of the related deferred tax assets of $794 million and the associated valuation allowance of $209 million through equity.

U. S. Steel and Marathon entered into a tax sharing agreement that reflects each party's rights and obligations relating to payments and refunds of income, sales, transfer and other taxes that are attributable to periods ending on, before or including December 31, 2001, and taxes resulting from transactions effected in connection with the Separation. The tax sharing agreement incorporates the general tax sharing principles of the former tax allocation policy. In general, U. S. Steel and Marathon will make payments between them such that, with respect to any consolidated, combined or unitary tax returns for any taxable period or portion thereof ending on or before December 31, 2001, the amount of taxes to be paid by each of U. S. Steel and Marathon will be determined, subject to certain adjustments, as if the former groups each filed their own consolidated, combined or unitary tax return. The tax sharing agreement also provides for payments between U. S. Steel and Marathon for certain tax adjustments which may be made after the Separation. Other provisions address, but are not limited to, the handling of tax audits, settlements and return filing in cases where both U. S. Steel and Marathon have an interest in the results of these activities.

The examination phase of the IRS audit of the consolidated tax returns of Marathon for the years 1998 through 2001 has been completed. The appeals process will begin in 2005. U. S. Steel believes it has made adequate provision for income taxes and interest which may become payable for years not yet settled. Unfavorable settlement of any particular issue would require use of U. S. Steel's cash and would increase the effective tax rate to the extent an issue was settled for more than the amount of the provision. Favorable resolution, including resolution of claims that have been made for additional tax deductions and credits, would increase U. S. Steel's cash and be recognized as a reduction to U. S. Steel's effective tax rate in the year of resolution.
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The following table represents outstanding stock options issued under the 2002 Stock Plan and 1990 Stock Plan at December 31, 2004:

	Outstanding			Exercisable	
Range of Exercise Prices	**Number of Shares Under Option**	**Weighted-Average Remaining Contractual Life**	**Weighted-Average Exercise Price**	**Number of Shares Under Option**	**Weighted-Average Exercise Price**
$ 15.45 - 28.22	227,915	5.7 years	$ 19.87	227,915	$ 19.87
29.54 - 33.81	1,669,690	6.8	29.82	191,390	31.98
37.28	382,650	3.4	37.28	382,650	37.28
	2,280,255	6.1	30.08	801,955	31.07

Restricted stock represents stock granted to officers of U. S. Steel for such consideration, if any, as determined by the Compensation and Organization Committee, subject to forfeiture provisions and restrictions on transfer. Those restrictions may be removed as conditions such as performance, continuous service and other criteria are met. Restricted stock is issued at the market price per share at the date of grant and vests over service periods that range from one to five years.

The following table presents information on restricted stock grants:

	2004	2003	2002
Number of shares granted	**63,710**	88,600	221,960
Weighted-average grant-date fair value per share	**$ 29.54**	$ 15.45	$ 20.42

U. S. Steel also had a restricted stock plan for certain salaried employees who are not officers of the Company, which has been suspended. Of the awarded stock, 50 percent vests at the end of two years from the date of grant and the remaining 50 percent vests in four years from the date of grant. Prior to vesting, the employee has the right to vote such stock and receive dividends thereon. The nonvested shares are not transferable and are retained by U. S. Steel until they vest. There were no shares granted under this plan in 2004, 2003 or 2002.

U. S. Steel has a deferred compensation plan for non-employee directors of its Board of Directors. The plan permits participants to defer up to 100 percent of their annual retainers in the form of common stock units o

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17. Debt

(In millions)	Interest Rates %	Maturity	December 31, 2004	2003
Senior Notes	9 3/4	2010	**$ 378**	$ 450
Senior Notes	10 3/4	2008	**348**	535
Senior Quarterly Income Debt Securities	10	2031	**49**	49
Obligations relating to Industrial Development and Environmental Improvement Bonds and Notes	4 3/4 -6 7/8	2009 - 2033	**472**	471
Inventory Facility		2009	**-**	-
Fairfield Caster Lease		2005 - 2012	**71**	76
Other capital leases and all other obligations		2005 - 2014	**55**	74
USSK loan	8 1/2	2005 - 2010	**-**	281
USSK credit facilities		2006	**-**	-
USSB credit facility		2005	**-**	-
Total			**1,373**	1,936
Less unamortized discount			**2**	3
Less long-term debt due within one year			**8**	43
Long-term debt, less unamortized discount			**$ 1,363**	$ 1,890

Senior Notes – In May 2003, U. S. Steel issued $450 million of Senior Notes due May 15, 2010 (9 3/4% Senior Notes). These notes have an interest rate of 9 3/4% per annum payable semi-annually on May 15 and November 15. The 9 3/4% Senior Notes were issued under U. S. Steel's shelf registration statement and were not listed on any national securities exchange. Proceeds from the sale of the 9 3/4% Senior Notes were used to finance a portion of the purchase price of National's assets. Up to 35% of the original aggregate principal amount of the 9 3/4% Senior Notes could be redeemed at any time prior to May 15, 2006, with the proceeds of public offerings of certain capital stock at a redemption price of 109.75% of the principal amount plus accrued interest. In 2001, U. S. Steel issued $535 million of 10 3/4% Senior Notes. Up to 35% of the aggregate principal amount of the 10 3/4% Senior Notes could have been redeemed at any time prior to August 1, 2004, with the proceeds of public offerings of certain capital stock. On April 19, 2004, U. S. Steel redeemed $72 million principal amount of the 9 3/4% Senior Notes at 109.75% of the principal amount plus accrued interest and $187 million of the 10 3/4% Senior Notes at 110.75% of the principal amount plus accrued interest, using proceeds from the March 9, 2004 common stock offering. See Note 21.

Senior Quarterly Income Debt Securities (Quarterly Debt Securities) – The Quarterly Debt Securities are redeemable at the option of U. S. Steel, in whole or in part, on or after December 31, 2006, at 100% of the principal amount, redeemed together with accrued but unpaid interest to the redemption date. Interest is payable quarterly.

Obligations relating to Industrial Development and Environmental Improvement Bonds and Notes – Under an agreement related to the Separation, U. S. Steel assumed and will discharge all principal, interest and other duties of Marathon under these obligations, including any amounts due upon any defaults or accelerations of any of the obligations, other than defaults or accelerations caused by any action of Marathon. The agreement also provides that on or before the tenth anniversary of the Separation (December 31, 2011), U. S. Steel will provide for the discharge of Marathon from any remaining liability under any of these obligations.

Inventory Facility – On May 20, 2003, U. S. Steel entered into a revolving credit facility that provides for borrowings of up to $600 million that replaced a similar $400 million facility entered into on November 30, 2001. The facility is secured by a lien on U. S. Steel's inventory and receivables (to the extent not sold under the Receivables Purchase Agreement – see Note 18). Interest on borrowings is calculated based on either LIBOR or the agent's prime rate using

Inventory Facility imposes additional restrictions including limitations on capital expenditures and certain asset sales. The fixed charge coverage ratio test in the Inventory Facility is calculated as the ratio of operating cash flow to cash charges as defined in the agreement of not less than 1.25 times on the last day of any fiscal quarter. This coverage test must be met if availability, as defined in the agreement, is less than $100 million. If the Inventory Facility covenants are breached or if U. S. Steel fails to make payments under its material debt obligations or the Receivables Purchase Agreement, creditors would be able to terminate their commitments to make further loans, declare their outstanding obligations immediately due and payable and foreclose on any collateral. This may also cause a termination event to occur under the Receivables Purchase Agreement and a default under the Senior Notes. If that occurs, the purchasers under the Receivables Purchase Agreement are entitled to collect all of U. S. Steel's receivables until they are repaid and the holders of the Senior Notes would be able to declare their obligations immediately due and payable. U. S. Steel was in compliance with all of its debt covenants at December 31, 2004.

Debt Maturities – Aggregate maturities of long-term debt are as follows *(in millions):*

2005	2006	2007	2008	2009	Later Years	Total
$ 8	$ 12	$ 21	$ 362	$ 17	$ 953	$ 1,373

18. Variable Interest Entities

1314B Partnership

In accordance with FIN 46R, U. S. Steel consolidated the 1314B Partnership as of January 1, 2004. The 1314B Partnership was previously accounted for under the equity method. U. S. Steel is the sole general partner and thert e$

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19. Pensions and Other Postretirement Benefits

U. S. Steel has noncontributory defined benefit pension plans covering the majority of domestic employees. Benefits under these plans are based upo

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U. S. Steel uses a December 31 measurement date for its plans, and may have an interim measurement date if significant events occur.

	Pension Benefits		Other Benefits	
(In millions)	2004	2003	2004	2003
Change in benefit obligations				
Benefit obligations at January 1	**$ 8,089**	$ 7,638	**$ 2,689**	$ 3,171
Service cost	**94**	103	**12**	16
Interest cost	**459**	460	**153**	181
Plan amendments (a)	**1**	24	**-**	(586)
Actuarial (gains) losses (b)	**260**	538	**126**	(155)
Exchange rate loss	**3**	6	**-**	-
Plan merger and acquisition (c)	**1**	25	**-**	213
Settlements, curtailments and termination benefits (d)	**(33)**	114	**-**	83
Benefits paid	**(939)**	(819)	**(250)**	(234)
Benefit obligations at December 31	**$ 7,935**	$ 8,089	**$ 2,730**	$ 2,689
Change in plan assets				
Fair value of plan at January 1	**$ 7,567**	$ 7,247	**$ 460**	$ 544
Actual return on plan assets	**625**	1,260	**35**	72
Acquisition	**-**	1	**-**	-
Exchange rate loss	**1**	5	**-**	-
Employer contributions	**295**	75	**35**	19
Settlements paid from plan assets	**-**	(210)	**-**	-
Benefits paid from plan assets	**(934)**	(811)	**(64)**	(175)
Fair value of plan assets at December 31	**$ 7,554**	$ 7,567	**$ 466**	$ 460
Funded status of plans at December 31	**$ (381)**	$ (522)	**$ (2,264)**	$ (2,229)
Unrecognized transition asset	**-**	(1)	**-**	-
Unrecognized prior service cost	**346**	440	**(490)**	(534)
Unrecognized actuarial losses	**2,385**	2,326	**633**	527
Net amount recognized	**$ 2,350**	$ 2,243	**$ (2,121)**	$ (2,236)

(a) In 2003, primarily recognizes pension and Other Benefit changes in the labor agreement with the USWA effective May 2003. Other negotiated benefit changes include significant cost sharing provisions whereby union retirees have higher drug co-pays, added base premium charges and a company cost cap that freezes all retiree medical costs after the 2006 base year for most retirees other than certain surviving spouses.

(b) Other Benefits in 2003 includes recognition of $450 million in estimated savings applicable to assumed changes to retiree participation in U. S. Steel sponsored drug programs due to the December pses.

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	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Weighted-average actuarial assumptions used to determine benefit obligations at December 31:				
Discount rate	**5.75%**	6.00%	5.75%	6.00%
Increase in compensation rate	**4.00%**	4.00%	4.00%	4.00%

	Pension Benefits			Other Benefits		
	2004	2003	2002	2004	2003	2002
Weighted-average actuarial assumptions used to determine net periodic benefit cost for the year ended December 31						
Discount rate	**6.00%**	6.25%	6.99%	6.00%	5.98%	7.00%
Expected annual return on plan assets	**8.00%**	8.14%	8.80%	8.00%		

25. Derivative Instruments

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The following table sets forth quantitative information by class of derivative instrument at December 31, 2004 and 2003:

(In millions)	Fair Value Assets (Liabilities) (a)	Carrying Amount Assets (Liabilities)
Non-Hedge Designation:		
OTC commodity swaps (b.		

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27. Leases

Future minimum commitments for capital leases (including sale-leasebacks accounted for as financings) and for operating leases having initial non-cancelable lease terms in excess of one year are as follows:

(In millions)	Capital Leases	Operating Leases
2005	$ 16	$ 129
2006	21	102
2007	30	81
2008	21	42
2009	21	26
Later years	62	131
Sublease rentals	-	(51)
Total minimum lease payments	171	$ 460
Less imputed interest costs	45	
Present value of net minimum lease payments included in long-term debt (see Note 17)	$ 126	

Operating lease rental expense:

(In millions)	2004	2003	2002
Minimum rentals	**$ 161**	$ 148	$ 109
Contingent rentals	**17**	13	12
Sublease rentals	**(25)**	(23)	(18)
Net rental expense	**$ 153**	$ 138	$ 103

U. S. Steel leases a wide variety of facilities and equipment under operating leases, including land and building space, office equipment, production facilities and transportation equipment. Most long-term leases include renewal options and, in certain leases, purchase options. See discussion of residual value guarantees in Note 28. Contingent rental payments are determined based on operating lease agreements that include floating rental charges that are directly associated to variable operating components.

28. 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 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.

Asbestos matters – U. S. Steel is a defendant in approximately 500 active cases, involving approximately 11,000 plaintiffs. Many of these cases involve multiple defendants (typically from fifty to more than one hundred defendants). More than 10,300, or approximately 94 percent, of these claims are pending in jurisdictions which permit filings with massive numbers of plaintiffs. Based upon U. S. Steel’s experience in such cases, it believes that the actual number of plaintiffs

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 13 years that have been administratively dismissed or are inactive due to the failure of the plaintiffs to present any medical evidence supporting their claims; (2) that over the last several years, the total number of pending claims has generally declined; (3) that it has been many years since U. S. Steel employed maritime workers or manufactured or sold asbestos containing products; and (4) U. S. Steel's history of trial outcomes, settlements and dismissals, including such matters since the Madison County jury verdict and settlement in March 2003.

Property taxes – The very high property taxes at U. S. Steel's Gary Works facility in Indiana continue to be detrimental to Gary Works' competitive position, both when compared to competitors in Indiana and with other steel facilities in the United States and abroad. U. S. Steel has aggressively addressed these issues through a variety of means including negotiation with local officials as well as judicial and administrative proceedings. There are currently pending refund claims of approximately $35 million and assessments of approximately $156 million in excess of amounts paid for the 2000 through 2002 tax years.

In March 2004, U. S. Steel, the City of Gary and Lake County announced that they had entered into an agreement that, subject to the satisfaction of certain conditions, would settle these tax disputes through and including 2002. Under this agreement, U. S. Steel would pay $44 million of the unpaid tax assessments, yi Ďhta

Transtar reorganization – The 2001 reorganization of Transtar, Inc

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FIVE-YEAR OPERATING SUMMARY (Continued)

(Thousands of net tons, unless otherwise noted)	2004	2003			

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FIVE-YEAR FINANCIAL SUMMARY (Continued)

(Dollars in millions, unless otherwise noted)	2004	2003	2002	2001[(a)]	2000[(a)]
Balance Sheet Position at Year-End					
Current assets	**$ 4,243**	$ 3,106	$ 2,440	$ 2,073	$ 2,717
Net property, plant & equipment	**3,627**	3,414	2,978	3,084	2,739
Total assets	**10,956**	7,837	7,977	8,337	8,711
Short-term debt	**8**	43	26	32	209
Other current liabilities	**2,523**	2,084	1,346	1,226	1,182
Long-term debt	**1,363**	1,890	1,408	1,434	2,236
Employ Ď ľ ḓ					

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of U. S. Steel's management, including the chief executive officer and chief financial officer, U. S. Steel conducted an evaluation of its disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on this evaluation, U. S. Steel's chief executive officer and chief financial officer concluded that U. S. Steel's disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Management's Report on Internal Control Over Financial Reporting

See "Item 8. Financial Statements and Supplementary Data – Management's Reports to Stockholders – Internal Control Over Financial Reporting."

Attestation Report of Registered Public Accounting Firm

See "Item 8. Financial Statements and Supplementary Data – Report of Independent Registered Public Accounting Firm."

Changes in Internal Control Over Financial Reporting

There have been no significant changes in internal control over financial reporting that occurred during the fourth quarter of 2004 that have materially affected, or are reasonably likely to materially affect, U. S. Steel's internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

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PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the directors of U. S. Steel required by this item is incorporated and made part hereof by reference to the material appearing under the heading “Election of Directors” in U. S. Steel’s Proxy Statement for the 2005 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission, pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year. Information concerning the Audit and Finance Committee and its financial expert required by this item is incorporated and made part hereof by reference to the material appearing under the heading “The Board of Directors and its Committees – Audit & Finance Committee” in U. S. Steel’s Proxy Statement for the 2005 Annual Meeting of Stockholders. Information regarding the Nominating Committee required by this item is incorporated and made part hereof by reference to the material appearing under the heading “The Board of Directors and its Committees – Corporate Governance & PuR€ pore

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PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A. Documents Filed as Part of the Report

1. **Financial Statements**

   Financial Statements filed as part of this report are included in “Item 8 – Financial Statements and Supplementary Data” beginning on page F-1.

2. **Financial Statement Schedules and Supplementary Data**

   “Schedule II – Valuation and Qualifying Accounts and Reserves” is included on page 67. All other schedules are omitted because they are not applicable or the required information is contained in the applicable financial statements or notes thereto.

   “Report of Independent Registered Public Accounting Firm on Financial Statement Schedule” is included on page 68.

   “Supplementary Data – Disclosures About Forward-Looking Statements” is provided beginning on page 72.

B. Exhibits

Exhibits 10(a) through 10(k) and Exhibit 10(r) through 10(u) are management contracts or compensatory plans or arrangements.

Exhibit No.

3. **Articles of Incorporation and By-Laws**

(a) United States Steel Corporation Restated Certificate of Incorporation dated September 30, 2008

(s) Form of Restricted Stock Grant under the United States Steel Corporation 2002 Stock Plan

(t) Form of Stock Option Grant to Officer-Directors under the United States Steel Corporation 2002 Stock Plan

(u) Form of Stock Option Grant to Executive Management Committee Members under the United States Steel Corporation 2002 Stock Plan

12.1 Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

12.2 Computation of Ratio of Earnings to Fixed Charges

12.3 Computation of Pro Forma Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

12.4 Computation of Pro Forma Ratio of Earnings to Fixed Charges

21. List of Subsidiaries

23. Consent of PricewaterhouseCoopers LLP

24. Powers of Attorney

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 Commission 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 Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

REPORT OF INDEPENDENT REGISTEREÓTT Ä Ŭ E

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity indicated on February 25, 2005.

UNITED STATES STEEL CORPORATION

By: */s/ Larry G. Schultz*

Larry G. Schultz
Vice President & Controller

Signature	Title
* **Thomas J. Usher**	Chairman of the Board of Director Director

GLOSSARY OF CERT

RI	Remedial Investigation
RFI	RCRA Facility Investigation
Real Estate	U. S. Steel Real Estate Segment
Sartid	Sartid a.d. (In Bankruptcy), a former integrated steel company in Serbia, and certain of its subsidiaries
Senior Notes	U. S. Steel's 10 $^{3}/_{4}$% senior notes due 2008 and its 9 $^{3}/_{4}$% senior notes due 2010
Series B Preferred	U. S. Steel's 7% Series B Mandatory Convertible Preferred Shares
SPT	Special Purpose Trust
SSB	Salomon Smith Barney Holdings, Inc.
Straightline	Straightline Source
TAP	Transition Assistance Program
tons	net tons
Trust Preferred Securities	6.75% Convertible Quarterly Income Preferred Securities of USX Capital Trust I
Tubular	Tubular Products Segment
USS-POSCO	USS-POSCO Industries, U. S. Steel and Pohang Iron & Steel Co., Ltd. joint venture
USSB	U. S. Steel Balkan, U. S. Steel's integrated steel facilities in Serbia
USSE	U. S. Steel Europe Segment
USSK	U. S. Steel Kosice, U. S. Steel's integrated steel facilities in Slovakia
USSR	U. S. Steel Receivables LLC
USWA	United Steelworkers of America
VSZ	VSZ a.s., a Slovakian company and the former owner of the steel and related assets which formed USSK

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SUPPLEMENTARY DATA

DISCLOSURES ABOUT FORWARD-LOOKING STATEMENTS

U. S. Steel includes forward-looking statements concerning trends, market forces, commitments, material events or other contingencies potentially affecting the Company in reports filed with the Securities and Exchange Commission, external documents or oral presentations. In order to take advantage of “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, U. S. Steel is filing the following cautionary language identifying important factors (though not necessarily all such factors) that could cause actual outcomes to differ materially from information set forth in forward-looking statements made by, or on behalf of, U. S. Steel and its representatives.

Cautionary Language Concerning Forward-Looking Statements

Forward-looking statements with respect to U. S. Steel may include, but are not limited to, comments about general business strategies, financing decisions, projections of levels of revenues, income from operations or income from operations per ton, net income or earnings per share; levels of capital, environmental or maintenance expenditures; levels of employee benefits; the success or timing of completion of ongoing or anticipated capital or maintenance projects; levels of raw steel production capability, prices, production, shipments, or labor and raw material costs; availability of raw materials; the acquisition, idling, shutdown or divestiture of assets or businesses; the effect of restructuring or reorganiz ategs f rĞato, co laaterľeces, prnten oudusinesses; the efrg or, ut . f r tdoj lpilatopnganeorg

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Labor costs for U. S. Steel are affected by three profit-based payments pursuant to the provisions of the 2003 labor agreement negotiated with the USWA. Payment amounts per the agreement are calculated as percentages of consolidated income from operations after special items (as defined in the agreement) and are: (1) paid as profit sharing to active union employees based on 7.5 percent of profit between $10 and $50 per ton and 10 percent of profit above $50 per ton; (2) to be used to offset a portion of future medical insurance premiums to be paid by U. S. Steel retirees based on 5 percent of profit above $15 per ton; and (3) to be contributed to a trust to assist National retirees with healthcare costs based on between 6 percent and 7.5 percent of profit. At the end of 2003 and 2004, assumptions for the second calculation above were included in the calculation of retiree medical liabilities, and costs for this item are calculated in the same manner as other retiree medical expenses. U. S. Steel also has profit-based incentive plans for non-union employees. To the extent that these costs increase in the future, income from operations would be reduced.

Future net periodic benefit costs (credits) for pensions and other postretirement benefits can be volatile and depend on the future marketplace performance of plan assets; changes in actuarial assumptions regarding such factors as selection of a discount rate, the expected rate of return on plan assets and escalation of retiree health care costs; plan amendments affecting benefit payout levels; and profile changes in the beneficiary populations being valued. Changes in the assumptions or differences between actual and expected changes in the present value of liabilities or assets of U. S. Steel’s plans could cause net periodic benefit costs to increase or decrease materially from year to year. Income (loss) from operations for U. S. Steel included net periodic pension costs (excluding multiemployer plans) of $228 million in 2004, $544 million in 2003 and a credit of $3 million in 2002, respectively. Income (loss) from operations also included $106 million, $233 million and $138 million of expense for retiree medical and life insurance (excluding multiemployer plans) in 2004, 2003 and 2002, respectively. Based on preliminary actuarial information for 2005, U. S. Steel expects annual net periodic pension costs (excluding multiemployer plans) to be $230 million and annual retiree medical and life insurance costs (excluding multiemployer plans) to be $109 million. To the extent that these costs increase in the future, income from operations would be reduced.

At December 31, 2004, U. S. Steel’s underfunded benefit obligation for retiree medical and life insurance was $2.2 billion, an increase of approximately $15 million from the amount at the end of 2003. Also, the funded status of the projected pension benefit obligation improved from an underfunded position of $522 million at year-end 2003 to an underfunded position of $ 381 million at year-end 2004. To the extent that competitors do not provide similar benefits, or have been relieved of obligations to provide such benefits following bankruptcy reorganization, the competitive position of U. S. Steel may be adversely affected. Preliminary funding valuations of the main defined benefit pension plan as of December 31, 2004, indicate that the plan will not require cash funding for the 2005 plan year. The level of cash funding depends upon various fact n d-e Baor ha n of cash n nino a rpgen r ash

11. For purposes of this grant, a "change in control of the Corporation" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act, whether or not the Corporation is then subject to such reporting [illegible]

10. For purposes of this grant, a “change in control of the Corporation” shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act, whether or not the Corporation is then subject to such reporting requirement; provided, that, without limitation, such a change of control shall be deemed to have occurred if (A) any person (as defined in Sections 13(d) [illegible]

Exhibit 10 (u)

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SEC

10. For purposes of this grant, a “change in control of the Corporation” shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act, whether or not the Corporation is then subject to such reporting requirement; provided, that, without limitation, such a change of control shall be deemed to have occurred if (A) any person (as defined in Sections 13(d) and 14(d) of the Exchange Act) (a “Person”) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly, of securities of the Corporation (not including in the securities beneficially owned by such person any such securities acquired directly from the Corporation or its affiliates) representing twenty percent (20%) or more of the combined voting power of the Corporation’s then outstanding voting securities; provided, however, that for purposes of this grant, the term “Person” shall not include (i) the Corporation or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation; and provided further, however, that for purposes of this clause (A), there shall be excluded any person who becomes such a beneficial owner in connection with an Excluded Transaction (as defined in clause (C) below); or (B) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest including but not limited to a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the Board or nomination for election by the Corporation’s stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or (C) there is consummated a merger or consolidation of the Corporation or any direct or indirect subsidiary thereof with any other corporation, other than a merger of consolidation (an “Excluded Transaction”) which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving corporation o a

UNITED STATES STEEL CORPORATION
COMPUTATION OF PRO FORMA RATIO OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED STOCK DIVIDENDS
(Unaudited)

(Dollars in Millions)	**Year Ended Dec. 31, 2004**	2003
Combined fixed charges and preferred stock dividends as reported	**$213**	$243
Pro forma adjustment for debt refinancing	**(9)**	(25)
Pro forma combined fixed charges and preferred stock dividends (A)	**$204**	$218
Earnings-pretax income (loss) with applicable adjustments as reported	**$1,638**	$(604)
Pro forma adjustment for debt refinancing	**9**	25
Pro forma earnings-pretax income (loss) with applicable adjustments (B)	**$1,647**	$(579)
Ratio of (B) to (A)	**8.07**	(a)

(a) Pro forma earnings did not cover pro forma fixed charges and preferred stock dividends by $797 million.

UNITED STATES STEEL CORPORATION
COMPUTATION OF PRO FORMA RATIO OF EARNINGS TO FIXED CHARGES
(Unaudited)

(Dollars in Millions)	Year Ended Dec. 31, 2004	2003
Total fixed charges as reported	**$190**	$210
Pro forma adjustment for debt refinancing	**(9)**	(25)
Pro forma total fixed charges (A)	**$181**	$185
Earnings-pretax income (loss) with applicable adjustments as reported	**$1,638**	$(604)
Pro forma adjustment for debt refinancing	**9**	25
Pro forma earnings-pretax income (loss) with applicable adjustments (B)	**$1,647**	$(579)
Ratio of (B) to (A)	**9.10**	(a)

(a) Pro forma earnings did not cover pro forma fixed charges by $764 million.

Straightline Source, Inc.	Delaware
Straightline, Inc.	Delaware
Swan Point Yacht & Country Club, Inc.	Delaware
Transtar, Inc.	Delaware
Birmingham Southern Railroad Company	Alabama
Elgin, Joliet and Eastern Railway Company	Delaware
Fairfield Southern Company, Inc.	Delaware
Lake Terminal Railroad Company, The	Delaware
McKeespp ¾road (y Ď s	

U. S. Steel Holdings, Inc.	Delaware
USS Global Holdings I B.V.	Netherlands
U. S. Steel Kosice (USSK)	Slovakia
Elektroservis VN a VVN a.s. Kosice	Slovakia
Energoservis a.s. Kosice	Slovakia
Hutnictvi zeleza (Czech Republic)	Czech Republic
International Trade Center a.s.	Slovakia
U. S. Steel Kosice Belgium	Belgium
NV Promet SA (Belgium)	Belgium
U. S. Steel Kosice Bohemia a.s.	Czech Republic
U. S Steel Kosice France S.A.	France
U. S. Steel Hungary kft	Hungary
U. S. Steel Kosice SBS, s.r.o.	Slovakia
U. S. Steel Kosice Germany GmbH	Germany
SZ Stahl GmbH (Germany)	Germany
Waltzwerke Finow GmbH	Germany
Betrieber Gesellschaft Nordbahn GmbH	Germany
Stawa Stahlbau GmbH	Germany
Vozmult a.s. Kosice	Slovakia
Refrako, s.r.o.	Slovakia
Trgovinsko Preduzece, USSKS d.o.o.	Serbia
Reliningserv, s.r.o.	Slovakia
VSZ (U.K.) Ltd. (United Kingdom)	United Kingdom
Vulkmont a.s. Kosice	Slovakia
U. S. Steel Global Holdings II B.V.	Netherlands
U. S. Steel Serbia, B.V.	Netherlands
Sartid, a.d.	Serbia
Sartid Beli Limovi, a.d.	Serbia
Luka Smedervo d.o.o.	Serbia
Veljko Dugosevic d.o.o. Kucevo	Serbia
Spin d.o.o.	Serbia
Slobodna Zona Smederevo	Serbia
Stara Zelezara d.o.o. Smederevo	Serbia
U. S. Steel Balkan, d.o.o.	Serbia
U. S. Steel Enterprises, B.V.	Netherlands
U. S. Steel Europe, B.V.	Netherlands
U. S. Steel Holdings III, Inc.	Delaware
United States Steel Credit Corporation	Delaware
UEC Technologies, LLC	Pennsylvania

Met-Chem Canada Inc.	Canada
UEC Sail Information Technology, LTD.	India
USX Engineers and Consultants, Inc.	Delaware
USX International Sales Company, Inc.	Barbados
USX Participacoes LTDA.	Brazil
Merinds Mineracao	Brazil
Mineracao Carajas, LTDA.	Brazil
Mineracao Maraba, LTDA.	Brazil
USX RTI Holdings, Inc.	Delaware
Republic Technologies International Holdings LLC	Delaware
Republic Technologies International LLC	Delaware
Worthington Specialty Processing	Missouri

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to tcopc

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint T. J. Usher, J. P. Surma, Jr., G. R. Haggerty and Larry G. Schultz or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation’s Annual Report on Form 10-K for the year ended December 31, 2004 to be filed with the Securities and Exchan4ehan ea

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint T. J. Usher, J. P. Surma, Jr., G. R. Haggerty and Larry G. Schultz or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2004 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2005.

/s/ Robert J. Darnall

Robert J. Darnall

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint T. J. Usher, J. P. Surma, Jr., G. R. Haggerty and Larry G. Schultz or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2004 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2005.

/s/ John G. Drosdick

John G. Drosdick

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint T. J. Usher, J. P. Surma, Jr., G. R. Haggerty and Larry G. Schultz or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation’s Annual Report on Form 10-K for the year ended December 31, 2004 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2005.

/s/ Shirley Ann Jackson

Shirley Ann Jackson

<u>POWER OF ATTORNEY</u>

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint T. J. Usher, J. P. Surma, Jr., G. R. Haggerty and Larry G. Schultz or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2004 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2005.

/s/ Dan D. Sandman

Dan D. Sandman

P

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint T. J. Usher, J. P. Surma, Jr., G. R. Haggerty and Larry G. Schultz or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2004 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2005.

/s/ Thomas J. Usher

Thomas J. Usher

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint T. J. Usher, J. P. Surma, Jr., G. R. Haggerty and Larry G. Schultz or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2004 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of February, 2005.

/s/ Douglas C. Yearley

Douglas C. Yearley

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, John P. Surma, certify that:

1. I have reviewed this annual report on Form 10-K 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 we$`

Exhibit 32.1

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 Annual Report of United States Steel Corporation (the “Corporation”) on Form 10-K for the year ending December 31, 2004 as filed with the Securities and Exch ess pa

Exhibit 32.2

CHIEF FINANCIAL 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 Annual Report of United States Steel Corporation (the "Corporation") on Form 10-K for the year ending December 31, 2004 as filed with the Securities and Exchange Commission on the date here barapoempm edns hee 18Àdd Lfamieth e tm nd A de healurit"Rtoyeurn ytheLTR20ndHas teheren (

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