FORM 10-Q

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

(Dollars in millions)	First Quarter Ended March 31, 2006	First Quarter Ended March 31, Adjusted *(Note 1)* 2005
Increase (decrease) in cash and cash equivalents	u) $! @ Ð	

Notes to Consolidated Financial Statements

1. Basis of Presentation

2. Stock-based Compensation

Stock-based compensation

Stock-based compensation expense

(In millions, except per share amounts)	First Quarter Ended March 31, 2006
	$ 1
	2
	3
	1
	$ 2
	$ 0.02
	$ 0.02

Prior period pro forma presentations

(In millions, except per share amounts)	**Adjusted** *(Note 1)* First Quarter Ended March 31, 2005

	First Quarter Ended March 31,	
	2006	2005
	$ 40.37	
	$ 0.40	
	4	
	44%	
	3.7%	
	$ 14.61	

Expected annual dividends per share

Expected life

Expected volatility

Risk-free interest rate

Stock option activity

	Shares	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)

7. Net Interest and Other Financial Costs

Gary property tax settlement

Status of IRS examinations

Deferred taxes

Common Stock Repurchase Program

Preferred share conversion

Dividends paid per share

10. Inventories

15. Related Party Transactions

16. Contingencies and Commitments

Asbestos matters –

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EnvAironmental and other indemnifications –

Other contingencies –

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

...ement’s Discussion and Analysis include forward-looking statements concerning trends or events potentially affecting the businesses

Operating expenses

Profit-based union payments

	2006	
	$ 46	
	27	
	$ 73	

Segment results for USSE

	2006
	$ 125
	1,753
	95.7%
	1,508
	$ 544

Segment results for Tubular

	2006
	$ 177
	319
	$ 1,506

Results for Other Businesses

Items not allocated to segments

asset impairment charge

Property tax settlement gain

Stock appreciation rights

OUTLOOK

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

ENVIRONMENTAL PROCEEDINGS

Gary Works

Fairless Plant

Fairfield Works

Great Lakes Works

Item 1A. RISK FACTORS

Item 6. EXHIBITS

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SIGNATURE

WEB SITE POSTING

The purpose of this program is to provide a pension benefit for Executive Management and certain other key managers with respect to compensation paid under the incentive compensation plans maintained by United States Steel Corporation (hereinafter "the Corporation"), its subsidiaries, and its joint ventures.

An employee of the Corporation, a Subsidiary Company, United States Steel and Carnegie Pension Fund, or a joint venture is a Member of the United States Steel Corporation Executive Management Supplemental Pension Program ("Program") if he is:

(a) a member of the Executive Management Group as established from time to time by the United States Steel Corporation Board of Directors, or

(b) a key manager designated by name as a "Member" under this Program by the Compensation and Organization Committee of the United States Steel Corporation Board of Directors (the "Committee").

Subject to the age 60 consent requirement outlined below, a Member will be eligible to receive the supplemental pension provided under this Program (the "Supplemental Pension") if he retires or otherwise terminates employment after completing fifteen years of continuous service. Benefits will not be payable under this Program with respect to a Member who terminates employment prior to age 60 unless the Corporation consents to the termination of employment; provided, however, that such consent is not required for terminations on account of: (a) death, or (b) involuntary termination, other than for cause.

Subject to the age 60 consent requirement outlined below, the surviving spouse of any Member will be eligible to receive the supplemental surviving spouse benefit provided under this Program (the "Supplemental Surviving Spouse Benefit") if the Member (a) has accrued at least 15 years of continuous service, and (b) either (i) dies prior to retirement, or (ii) dies after retirement under conditions of eligibility for a pension pursuant to the provisions of the United States Steel Corporation Plan for Employee Pension Benefits (Revision of 2003) (the "Plan"). The Supplemental Surviving Spouse Benefit will not be payable with respect to a Member who terminates employment prior to age 60 unless the Corporation consents to the termination of employment; provided, however, that such consent is not required for terminations on account of: (a) death, or (b) involuntary termination, other than for cause.

a. Supplemental Pension

The Supplemental Pension provided under this Program shall be a monthly amount paid for the life of the Member equal to the product of: (i) the Member's Average Earnings, multiplied by (ii) a percentage which shall be equal to the sum of 1.54% for each year of continuous service and each year of allowed service.

Except as otherwise provided in this Program, the terms “continuous service,” “allowed service,” “surviving spouse” and “Subsidiary Company” as used herein mean continuous service, allowed service, surviving spouse, and subsidiary company as determined under (or, in the case of “subsidiary company”, as defined in) the United States Steel 1994 Salaried Pension Rules adopted under the Plan. However, the term “continuous service” for the purpose of determining the amount of the Supplemental Pension and Supplemental Surviving Spouse Benefit under this Program shall exclude the Member’s continuous service that (i) is creditable under a pension plan adopted by the Corporation, a Subsidiary Company, or a joint venture, if the pension plan includes bonus payments as creditable earnings for pension purposes, or (ii) occurs following the date the Member was designated by the Committee as no longer covered by this Program for future accruals.

Average Earnings as used herein shall be equal to the total bonuses paid or credited to the Member pursuant to the United States Steel Corporation Annual Incentive Compensation Plan (and/or under similar incentive plans or under profit sharing plans, if the employing entity has a profit sharing plan rather than an incentive plan) with respect to the three calendar years for which total bonus payments or deferrals (or such other payments) were the highest out of the last ten consecutive calendar years immediately prior to the calendar year in which retirement or death occurs (or, if earlier, the date the Member was designated by the Committee as no longer covered by the Program for future accruals) divided by thirty-six. Bonus payments or deferrals (or such other payments) will be considered as having been made for the calendar year in which the applicable services were performed rather than for the calendar year in which the bonus payment was actually received. Notwithstanding anything to the contrary contained herein, no benefits payable with respect to a Member shall be based on any bonus paid to such Member after the date he was designated by the Committee as no longer covered by this Program.

The Average Earnings used in the determination of benefits under this Program as of retirement will be recalculated using any bonus payable for the calendar year in which retirement occurs if such bonus produces Average Earnings greater than that determined at retirement.

As of December 31, 2001, (the “Effective Date”), the determination of Average Earnings used herein also shall take into consideration bonuses paid or credited to the Member after the Effective Date by Marathon Oil Corporation, Marathon Oil Company, Marathon Ashland Petroleum LLC, and Speedway SuperAmerica LLC, and their subsidiaries and successors.

In no event shall the Member’s monthly Supplemental Pension benefit be less than the Member’s highest monthly accrued benefit under this Program.

b. Supplemental Surviving Spouse Benefit

The Surviving Spouse of a Member shall be eligible for a monthly Supplemental Surviving Spouse Benefit under this Program equal to (i) in the case of a Member who dies after retirement, 50% of the Supplemental Pension that was being paid to the Member, or (ii) in the case of a Member who dies while still employed by the Corporation, the actuarial equivalent (to adjust to the life expectancy of the spouse utilizing the 1971 Group Annuity Mortality Tables unisexed on a 9 to 1 female-male ratio for the spouse and the PBGC interest rate in effect the first of the month following the date of the Member's death) of 100% of the monthly Supplemental Pension that would have been payable to the Member had the Member retired with Corporation consent as of the date of his death. In the event that a Member who has completed fifteen years of continuous service dies while gaequivall ale

e. No Requirement to Fund

United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219

U. S. Steel Receivables LLC
600 Grant Street
Pittsburgh, PA 15219

April 10, 2006

The Bank of Nova Scotia
One Libertyco

Please telephone the undersigned if you have any questions or concerns with respect to this matter.

Thank you.

Accepted and Agreed:

U. S. STEEL RECEIVABLES LLC

By: /s/ L. T. Brockway
L. T. Brockway
Vice President

UNITED STATES STEEL CORPORATION, as Servicer

By: /s/ L. T. Brockway
L. T. Brockway
Vice President & Treasurer

Accepted and agreed:

THE BANK OF NOVA SCOTIA, as a Committed Purchaser for Liberty Street Funding Corp., as Funding Agent for Liberty Street Funding Corp. and The Bank of Nova Scotia, as Purchasers and as Collateral Agent

By: /s/ Norman Last
Name: Norman Last
Title: Managing Director

LIBERTY STREET FUNDING CORP.,
as a CP Conduit Purchaser

By: /s/ Bernard J. Angelo
Name: Bernard J. Angelo
Title: Vice President

JPMORGAN CHASE BANK, N.A., as a Committed Purchaser for Park Avenue Receivables Company, LLC and as Funding Agent for Park Avenue Receivables Company, LLC and JPMorgan Chase Bank, N.A., as Purchasers

By: /s/ Leo Loughead
Name: Leo Loughead
Title: Managing Director

PARK AVENUE RECEIVABLES COMPANY, LLC,
as a CP Conduit Purchaser

BY: JPMORGAN CHASE BANK, N.A.,
as attorney-in-fact

By: /s/ Leo Loughead
Name: Leo Loughead
Title: Managing Director

United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219

U. S. Steel Receivables LLC
600 Grant Street
Pittsburgh, PA 15219

April [   ], 2006

The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10006
Attention: Darren Ward

JPMorgan Chase Bank, N.A.
Asset Finance Group
270 Park Avenue
New York, NY 10017
Attention: Mark J. Connor

Liberty Street Funding Corp.
c/o Global Securitization Services, LLC
114 West 47th Street
New York, New York 10036
Attention: Andrew L. Stidd

JPMorgan Chase Bank, N.A.
450 West 33rd Street
15th Floor New York,
New York 10001
Attention: Quintanna Parsons-Perry

Re: Acceptance Letter regarding the Amended and Restated Receivables Purchase Agreement dated as of November 28, 2001 among U.S. Steel Receivables LLC as Seller (the “Seller”), United States Steel Corporation (formerly United States Steel, LLC), as initial Servicer (the “Servicer”), the persons party thereto as CP Conduit Purchasers, Committed Purchasers and Funding Agents and The Bank of Nova Scotia contemplated by this letter on the express understanding with each of the other parties hereto that, in entering into this letter, it is not establishing any course of dealing with any such Person. Each of the Collateral Agent's, the Funding Agents' and the Purchasers' rights to require strict performance with each of the terms and conditions of the RPA and each other Transaction Document shall not in any way be impaired or affected by the execution hereof, except to the extent expressly set forth herein. None of the Collateral Agent, the Funding Agents or Purchasers [illegible] any such amendment, waiver, letter, agreement, document or other instrument is requested in the future, assuming the terms and conditions thereof are otherwise satisfactory to it, each such Person may, in connection with considering whether or not to agree, consent or acknowledge the terms of any such amendment, wavier, letter, agreement, document or other instrument, require the Seller and/or the Servicer to prepare and deliver (or cause to be prepared and delivered) such other reports, historical data or other information in order to determine, in its sole di N

Accepted and Agreed:

THE BANK OF NOVA SCOTIA, as a Committed Purchaser for Liberty Street Funding Corp., as Funding Agent for Liberty Street Funding Corp. and The Bank of Nova Scotia, as Purchasers and as Collateral Agent

By: ______________________________
Name: ______________________________
Title: ______________________________

LIBERTY STREET FUNDING CORP.,
as a CP Conduit Purchaser

By: ______________________________
Name: ______________________________
Title: ______________________________

JPMORGAN CHASE BANK, N.A., as a Committed Purchaser for Park Avenue Receivables Company, LLC and as Funding Agent for Park Avenue Receivables Company, LLC and JPMorgan Chase Bank, N.A., as Purchasers

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United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219

U. S. Steel Receivables LLC
600 Grant Street
Pittsburgh, PA 15219

[ ], 200 _

The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10006
Attention: Darren Ward

JPMorgan Chase Bank, N.A.
Asset Finance Group
270 Park Avenue
New York, NY 10017
Attention: Mark J. Connor

Liberty Street Funding Corp.
c/o Global Securitization Services, LLC
114 West 47th Street
New York, New York 10036
Attention: Andrew L. Stidd

JPMorgan Chase Bank, N.A.
450 West 33rd Street
15th Floor
New York, New York 10001
Attention: Quintanna Parsons-Perry

Re: Acceptance Letter dated April 10, 2006 and Exclusion Agreement dated xx, 20XX regarding the Amended and Restated Receivables Purchase Agreement dated as of November 28, 2001 among U.S. Steel Receivables LLC as Seller (the "Seller"), United States Steel Corporation (formerly United States Steel, LLC), as initial Servicer (the "Servicer"), the persons party thereto as CP Conduit Purchasers, Committed Purchasers and Funding Agents and The Bank of Nova Scotia as Collateral Agent (the "Collateral Agent") (as amended, supplemented or otherwise modified from time to time and in effect, the "RPA")

Ladies and Gentlemen:

This is a notice from the Seller and the Servicer pursuant to letter agreement dated__________, 20__ granting the request of the Seller and the Servicer to exclude the Receivables of [Insert name of Obligor] (the "Exclusion Agreement"). Accordingly, please be advised that following the date of this notice, the Receivables owed by the Excluded Obligor shall be excluded from the calculations of the Default Ratio, Delinquency Ratio and Dilution Ratio performed under the RPA.

Each of the Seller and the Servicer, each for itself only, hereby (A) represents and warrants that [except for the existence of the Unmatured Termination Event that is caused by including the Receivables owed by the Excluded Obligor in the calculations of the Default Ratio, Delinquency Ratio and Dilution Ratio[1]], immediately prior to and immediately after giving effect to the transactions contemplated by this letter (i) each of the representations, warranties, covenants and agreements made by it under each of the Transaction Documents to which it is a party are true and correct as of the date hereof and (ii) no Unmatured Event of Termination or Event of Termination exists or will exist, and (B) agrees to provide (or to cause to be provided) to the Collateral Agent and each Funding Agent, a copy of all documents, agreements, instruments, certificates or

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1 Insert if necessary.

other reports, records or receipts and to make any reasonable adjustments to any reports delivered or to be delivered under the RPA, if any, relating to the subject matter hereof, as the Collateral Agent or any Funding Agent aN

SUMMARY OF NON-EMPLOYEE DIRECTOR COMPENSATION ARRANGEMENTS

Non-employee directors of United States Steel Corporation currently receive:

- Annual Retainer - $100,000
- Committee Membership Fees
    - Audit & Finance - $10,000 ($11,000 for Chairman)
    - Compensation & Organization - $5,000 ($6,000 for Chairman)
    - Corporate Governance & Public Policy - $5,000 ($6,000 for Chairman)
- Meeting Fee (for each Board or Committee meeting) - $2,000

Under the Deferred Compensation Program for Non-Employee Directors, a program under the 2005 Stock Incentive Plan, each non-employee director is required to defer at least 70% of his or her annual retainer in the form of Common Stock Units, and may elect to defer up to 100%. A Common Stock Unit is what is sometimes referred to as “phantom stock” because initially no stock is actually issued. Instead, a book entry account is kept for each director that shows how many Common Stock Units he or she has. When a director leaves the Board, he or she must take actual shares of common stock corresponding to the number of Common Stock Units in his or her account. Each participating director’s deferred stock account is credited with Common Stock Units each January. The ongoing value of each Common Stock Unit equals the market value of the common stock. When dividends are paid on the common stock, each account is credited with equivalent amounts of Common Stock Units. If U.S. Steel were to undergo a change of control resulting in the removal of a non-employee director from the Board, that director would receive a cash payment equal to the value of his or her deferred stock account.

Under the Non-Employee Director Stock Program, a program under the 2005 Stock Incentive Plan, upon joining the Board, each non-employee director is entitled to receive a grant of up to 1,000 shares of common stock. In order to qualify, each director must first have purchased an equivalent number of shares in the open market during the 60 days following the first date of his or her service on the Board.