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

	Six Months Ended June 30,	
(Dollars in millions)	2006	Adjusted *(Note 1)* 2005
Increa		

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Notes to Consolidated Financial Statements

1. Basis of Presentation

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, through U. S. Steel Kosice (USSK) in the Slovak Republic and U. S. Steel Balkan (USSB) in Serbia, in the production and sale of steel mill products.

During the fourth quarter of 2005, U. S. Steel changed its method of determining the cost of USSK inventories from the last-in, first out (LIFO) method to the first-in, first-out (FIFO) method. Management considers the FIFO method to be preferable to the LIFO method for USSK because it creates a consistent method of determining the cost of inventories within the U. S. Steel Europe (USSE) reportable segment and provides comparability of the USSE reportable segment with major international competitors. In accordance with Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (FAS) No. 154, “Accounting Changes and Error Corrections,” prior period results have been adjusted to apply the new method. See Note 2 to the financial statements in the United States Steel Corporation 2005 Annual Report on Form 10-K. This change increased net income by $4 million, or 3 cents per diluted share, for the quarter ended June 30, 2005 and $8 million, or 6 cents per diluted share, for the six months ended June 30, 2005.

The year-end consolidated balance sheet data was derived from audited statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. The other information in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods covered} tlal stf` if the i Mdchange inichu

Remaining outstanding performance restricted stock awards, a type of award granted prior to 2006, vest in three tranches, subject to U. S. Steel's satisfaction of certain performance criteria during 2005. In May 2006, the Compensation & Organization Committee determined that the performance criteria had been satisfied and a portion of the performance restricted stock awards vested (52,900 shares). The remaining shares are scheduled to vest ratably, in May 2007 and May 2008, conditioned upon participants' continued employment.

Restricted stock awards vest ratably over three years. The fair value of restricted stock awards is the market price of the underlying common stock on the date of grant.

Performance stock awards vest, subject to the satisfaction of performance goals, at the end of a three-year performance period. The number of performance stock awards that are scheduled to vest is a function of U. S. Steel's total shareholder return compared to the total shareholder return of peer companies over the three-year performance period. Performance stock awe A to vesthatmbeabeenipeto and 20r peipane of theotOrket awe position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. U.S. Steel is in the process of evaluating the financial impact of adopting FIN 48.

In March 2006, the FASB issued FAS No. 156, “Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140.” This Statement requires recognition of a servicing asset or liability when an entity enters into arrangements to service financial instruments in certain situations. This Statement is effective January 1, 2007. U. S. Steel does not expect any financial statement implications related to the adoption of this Statement.

In February 2006, the FASB issued FAS No. 155, “Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements No. 133 and 140.” This Statement resolves issues addressed in Statement 133 Implementation Issue No. D1, “Application of Statement 133 to Beneficial Interests in Securitized Financial Assets,” and is effective for all financial instruments acquired or issued after the beginning of an entity’s first fiscal year that begins after September 15, 2006. U. S. Steel does not expect any financial statement implications related to the adoption of this Statement.

4. Segment Information

U. S. Steel has three reportable segments: Flat-rolled Products (Flat-rolled), USSE and Tubular Products (Tubular). The results of several operating segments that do not constitute reportable segments are combined and disclosed in the Other Businesses category.

The chief operating decision maker evaluates performance and determines resource allocations based on a number of factors, the primary measure being income from operations. Income from operations for reportable segments and Other Businesses does not include net interest and other financial costs, the income tax provision, benefit expenses for current retirees and certain other items that management believes are not indicative of future results. Information on segment assets is not disclosed as it is not reviewed by the chief operating decision maker.

The accounting principles applied at the operating segment level in determining income from operations are generally the same as those applied at the consolidated financial statement level. The transfer value for steel rounds and bands from Flat-rolled to Tubular and the transfer value for domestic iron ore pellets from Other Businesses to Flat-rolled are set at the beginning of each year based on expected total production costs and may be adjusted quarterly if actual production costs warrant. All other intersegment sales and transfers are accounted for at market-based prices and are eliminated at the corporate consolidation level. Corporate-level selling, general and administrative expenses and costs related to certain former businesses are allocated to the reportable segments and Other Businesses based on measures of activity that management believes are reasonable.

Gary property tax settlement
U. S. Steel closed

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recorded at cost in accordance with APB 29, “Accounting for Nonmonetary Transactions” and FAS No. 153, “Exchanges of Nonmonetary Assets.” U. S. Steel shipped approximately 123,210 tons and received approximately 123,259 tons of coke under the swap agreement during the first six months of 2006. U. S. Steel shipped approximately 310,000 tons and received approximately 315,000 tons of coke under the swap agreement during the year ended December 31, 2005. There was no income statement impact related to these swaps.

11. Debt

(In millions)	Interest Rates %	Maturity	June 30, 2006	Dec. 31, 2005
Senior Notes	$9\,^3/_4$	2010	**$ 378**	$ 378
Senior Notes	$10\,^3/_4$	2008	**348**	348
Senior Quarterly Income Debt Securities	10	2031	**49**	49
Environmental Revenue Bonds	$4\,^3/_4$ - $6\,^7/_8$	2009 – 2033	**458**	470
Inventory Facility		2009	**-**	-
Fairfield Caster Lease		2006 – 2012	**60**	66
Other a X F				

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Certain asset retirement obligations related to disposal costs of fixed assets at our steel facilities have not been recorded because they have an indeterminate settlement date. These asset retirement obligations will be initially recognized in the period in which sufficient information exists to estimate their fair value.

13. Variable Interest Entities

Clairton 1314B Partnership (1314B Partnership)

U. S. Steel is the sole general partner and there are two unaffiliated limited partners of the 1314B Partnership, which owns two of the twelve coke batteries at Clairton Works. Because U. S. Steel is the primary beneficiary of this entity, U. S. Steel is required to consolidate this partnership in its financial results. U. S. Steel is responsible for purchasing, operations and sales of coke and coke by-products. U. S. Steel has a commitment to fund operating cash shortfalls of the 1314B Partnership of up to $150 million. Additionally, U. S. Steel, under certain circumstances, is required to indemnify the limited partners if the partnership product sales fail to qualify for credits under Section 29 (now Section 45K) of the Internal Revenut 29 ena}

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15. Related Party Transactions

Net sales to related parties and receivables from related parties primarily reflect sales of steel products, raw materials, coke-by products, transportation services and fees for providing various management and other support services to equity investees and other related parties. Generally, transactions are conducted under long-term market-based contractual arrangements. Related party sales and service transactions were $250 million and $243 million for the quarters ended June 30, 2006 and 2005, respectively, and $457 million and $508 million for the six months ended June 30, 2006 and 2005, respectively. Sales to related parties were conducted under terms comparable to those with unrelated parties. Receivables from related parties also include taxes and interestesteste on

2006 and 2005 such capital expenditures totaled $46 million and $57 million, respectively. U. S. Steel anticipates making additional such expenditures in the future; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

While the United States of America has not ratified the 1997 Kyoto Protocol to the United Nations Framework Convention on Climate Change, the European Commission (EC), in order to provide EU member states a mechanism for fulfilling their Kyoto commitments, has established its own CO_2 limits for every EU member state. In 2004, the EC approved a national allocation plan (NAP I) for Slovakia that reduced Slovakia's originally proposed CO_2 allocation by approximately 14 percent, and following that decision the Slovak Ministry of the Environment (Ministry) imposed an 8 percent reduction to the amount of CO_2 allowances originally requested by USSK. Subsequently, USSK filed legal actions against the EC and the Ministry challenging these reductions. In addition, USSK is evaluating a number of alternatives ranging from purchasing CO_2 allowances to reducing steel production, and it is not currently possible to predict the impact of these decisions on USSK. However, the actual shortfall of allowances for the initial allocation period covered by NAP I (2005 through 2007) will depend upon a number of internal and external variables and the effect of that shortfall on USSK cannot be predicted at this time. Based on the fair value of the anticipated shortfall of allowances related to production through June 30, 2006, a long-term other liability of $11 million has been charged to income and recorded on the balance sheet. At December 31, 2005, the long-term liability was $4 million. Recently Slovakia finished preparation of its proposed national allocation plan for the second CO_2 trading period, 2008 - 2012 (NAP II). NAP II will be submitted to the EC for review and approval. The deadline for the EC to approve NAP II is December 31, 2006. As was the case with NAP I, the EC is not required to approve the NAP II as submitted. The potential financial and/or operational impacts of NAP II are not currently determinable.

Domestically, while ratification of the Kyoto Protocol does not seem likely in the near term, there remains the possibility that the U.S. Environmental Protection Agency may impose limitations on greenhouse gases. The impact on U. S. Steel's domestic operations cannot be estimated.

Environmental and other indemnifications – Throughout its history, U. S. Steel has sold numerous properties and businesses and many of these sales included indemnifications and cost sharing agreements related to the assets that were sold. These indemnifications and cost sharing agreements have related to the condition of the property, the approved use, certain representations and warranties, matters of title and environmental matters. While most of these provisions have not dealt with environmental issues, there have been transactions in which U. S. Steel indemnified the buyer for non-compliance with past, current and future environmental laws related to existing conditions. Most recent indemnifications and cost sharing agreements are of a limited nature only applying to non-compliance with past and/or current laws. Some indemnifications and cost sharing agreements only run for a specified period of time after the transactions close and others run indefinitely. In addition, current owners of property formerly owned by U. S. Steel may have common law claims and contribution rights against U. S. Steel for environmental matters. The amount of potential environmental liability associated with these transactions is not estimable due to the nature and extent of the unknown conditions related to the properties sold. Aside from the environmental liabilities already recorded as a result of these transactions due to specific environmental remediation activities cases (included in the $145 million of accrued liabilities for remediation discussed above), there are no other known environmental liabilities related to these transactions.

Guarantees – Guarantees of the liabilities of unconsolidated entities of U. S. Steel totaled $7 million at June 30, 2006. In the event that any defaults of guaranteed liabilities occur,

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U. S. Steel has access to its interest in the assets of the investees to reduce potential losses resulting from these guarantees. As of June 30, 2006, the largest guarantee for a single such entity was $5 million, which represents the maximum exposure to loss under a guarantee of debt service payments of an equity investee. Liabilities amounting to $2 million have been recorded for these guarantees.

Contingencies related to separation from Marathon – In the event of the bankruptcy of Marathon, certain of U. S. Steel's operating lease obligations in [illegible] $40 million as of June 30, 2006 may be declared immediately due and payable.

[illegible] – [illegible] covering various equipment, U. S. Steel has the option to renew the lease or to purchase the equipment at the end of the lease term. If U. S. Steel does not exercise the purchase option by the end of the lease term, U. S. Steel [illegible] $2 [illegible] ase ter at the entio[illegible]S. S[illegible]ated of th[illegible],

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Commitments – At June 30, 2006, U. S. Steel's domestic contract commitments to acquire property, plant and equipment totaled $72 million.

USSK had a commitment to the Slovak government for a capital improvements program of $700 million, subject to certain conditions, over a period commencing with the acquisition date of November 24, 2000, and ending on December 31, 2010. As of June 30, 2006, USSK had fulfilled the spending commitment with the Slovak government.

USSB, acquired on September 12, 2003, has the following commitments with the Serbian government: (i) spending during the first five years for working capital, the repair, rehabilitation, improvement [illegible]

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shipments, partially offset by lower average realized prices, which decreased $62 per ton from the second quarter of 2005. The increase in sales for the Tubular segment resulted mainly from higher average realized prices, which increased $177 per ton from the same quarter last year.

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the six months ended June 30, 2006 versus the six months ended June 30, 2005 is set forth in the following table:

Six Months Ended June 30, 2006 versus Six Months Ended June 30, 2005

	Steel Products

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Segment results for USSE

	Second Quarter Ended June 30,				%	Six Months Ended June 30,				%
	2006		2005		Change	**2006**		2005		Change
Income from operations ($ millions)	**$**	**188**	$	149(a)	26%	**$**	**313**	$	369(a)	-15%
Raw steel production (mnt)		**1,803**		1,486	21%		**3,556**		3,034	17%
Capability utilization		**97.4%**		80.2%	21%		**96.6%**		82.4%	17%
Steel shipments (mnt)		**1,652**		1,332	24%		**3,160**		2,622	21%
Average realized steel price per ton	**$**	**581**	$	643	-10%	**$**	**563**	$	663	-15%

(a) As a result of the change from the LIFO to FIFO method of inventory accounting at USSK (see further information in Note 1 to Financial Statements), USSE income from operations for the quarter and six months ended June 30, 2005 increased from $141 million to $149 million and from $353 million to $369 million, respectively.

The increase in USSE income in the second quarter of 2006 as compared to the second quarter of 2005 was primarily due to higher shipment volumes and lower raw material costs, partially offset by lower average realized prices. The decline in income for the six-month period resulted mainly from lower average realized prices, translation-related effects and higher energy costs. These were partially offset by lower raw material costs and increased shipment volumes.

Segment results for Tubular

	Second Quarter Ended June 30,				%	Six Months Ended June 30,				%
	2006		2005		Change	**2006**		2005		Change
Income from operations ($ millions)	**$**	**146**	$	133	10%	**$**	**323**	$	255	27%
Steel shipments (mnt)		**298**		297	0%		**617**		600	3%
Average realized steel price per ton	**$**	**1,479**	$	1,302	14%	**$**	**1,493**	$	1,233	21%

The improvements in Tubular income in the 2006 periods mainly resulted from higher average realized prices, partially offset by higher costs for tube rounds and outages.

Results for Other Businesses

Other Businesses generated income of $33 million in the second quarter of 2006, compared to $23 million in the second quarter of 2005. The increase primarily reflected improved results from iron ore operations and transportation services. Income from Other Businesses for the first six months of 2006 was $33 million, compared with income of $6 million in the first six months of 2005. The increase was mainly due to better results for iron ore operations and for transportation services, partially offset by lower results for real estate operations.

Items not allocated to segments:

Due to the potential sale of a small wholly owned German subsidiary of U. S. Steel Kosice (USSK), an impairment review was completed in accordance with Statement of Accounting Financial Standards (FAS) No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” and, as a result, an **asset**

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Stock appreciation rights resulted in credits to compensation expense of $2 million and $3 million in the second quarter and first six months of 2005, respectively. These stock appreciation rights were issued from 1995 through 2003 and allow the holders to receive cash and/or common stock equal to the excess of the fair market value of the common stock over the exercise price.

Property tax settlement gain of $70 million in the first six months of 2005 resulted from a personal property tax settlement with the city of Gary, Lake County and the state of Indiana (Gary property tax settlement) and reflected the reversal of accruals in excess of the settlement amount of $44 million.

Net interest and other financial costs

	Second Quarter Ended June 30,			Six Months Ended June 30,		
(Dollars in millions)	**2006**	2005	% Change	**2006**	2005	% Change
Interest and other financial costs	**$ 31**	$ 29	7%	**$ 63**	$ 56	13%
Interest income	**(17)**	(9)	89%	**(32)**	(16)	100%
Foreign currency (gains) losses	**-**	48		**(1)**	78	
Adjustment from Gary property tax settlement	**-**	-		**-**	(25)	
Total	**$ 14**	$ 68	-79%	**$ 30**	$ 93	-68%

Net interest and other financial costs in the first six months of 2005 included a favorable adjustment of $25 million related to the Gary property tax settlement. Excluding the effect of this item in the six-month period, the decreases in both periods were primarily due to favorable changes in foreign currency effects and increased interest income.

Net interest and other financial costs include foreign currency gains and losses which, through December 31, 2005, included amounts related to the remeasurement of USSK’s and U. S. Steel Balkan a

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six months of 2006 was reduced by a $50 million voluntary contribution to the Voluntary Employees’ Beneficiary Association (VEBA) trust. Cash from operating activities in the first six months of 2005 was reduced by a $130 million voluntary contribution to the main domestic defined benefit pension plan. Cash from operating activities in the first half of 2006 fell $1 million short of covering net investing outlays and financing outlays, which included $156 million of debt repayments and $117 million of common stock repurchases.

Capital expenditures in the first six months of 2006 were $251 million, compared with $279 million in the same period in 2005. Domestic expenditures were $156 million and included spending for the completion of the rebuild of our largest blast furnace at Gary Works, for open pit mining and emissions contr

We were in compliance with all of our debt covenants at June 30, 2006.

We have used surety bonds, trusts and letters of credit to provide financial assurance for certain transactions and business activities. We have replaced some surety bonds with other forms of financial assurance. The use of other forms of financial assurance and collateral have a negative impact on liquidity. We have committed $111 million of liquidity sources for financial assurance purposes as of June 30, 2006, unchanged during the second quarter, and expect no material changes during the remainder of 2006.

In the event of the bankruptcy of Marathon Oil Corporation, obligations of $535 million relating to Environmental Revenue Bonds and two capital leases, as well as $40 million relating to certain operating leases, may be declared immediately due and payable.

As of June 30, 2006, we have accrued a total of $283 million, including interest payable, which has not been paid to the NBT because the NBT has not been established. See “Results of Operations – Operating expenses - Profit-based union payments.”

We currently plan to make a voluntary contribution of at least $130 million to our main defined benefit pension plan by the end of the year. The timing and exact amount of such contribution will depend on the outcome of pension legislation currently being considered by Congress.

The following table summarizes U. S. Steel’s liquidity as of June 30, 2006:

(Dollars in millions)

Cash and cash equivalents [a]	$ 1,457
Amount available under Receivables Purchase Agreement	500
Amount available under Inventory Facility	598
Amounts available under USSK credit facilities	56
Amounts available under USSB credit facilities	32
Total estimated liquidity	$ 2,643

[a] Excludes $20 million of cash related to the Clairton 1314B Partnership because it is not available for U. S. Steel's use.

Our liquidity at June 30, 2006 was virtually unchanged from December 31, 2005.

U. S. Steel management believes that U. S. Steel’s liquidity will be adequate to satisfy its obligations for the foreseeable future, including obligations to complete currently authorized capital spending programs. Future requirements for U. S. Steel’s business needs, including the funding of acquisitions and capital expenditures, scheduled debt maturities, contributions to employee benefit plans, and any amounts that may ultimately be paid in connection with contingencies, are expected to be financed by a combination of internally generated funds (including asset sales), proceeds from the sale of stock, borrowings, refinancings and other external financing sources. This opinion is a forward-looking statement based upon currently available information. To the extent that operating cash flow is materially lower than current levels or external financing sources are not available on terms competitive with those currently available, including increases in interest rates, future liquidity may be adversely affected.

Off-balance Sheet Arrangements

U. S. Steel did not enter into any new off-balance sheet arrangements during the first six months of 2006.

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Shipments and average realized prices for the Tubular segment in the third quarter of 2006 are expected to be in line with second quarter levels, and costs are expected to improve due mainly to lower outage costs.

This release contains forward-looking statements with respect to market conditions, operating costs, shipments and prices. Souh

ACCOUNTING STANDARDS

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No.

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and existing assets or liabilities denominated in currencies other than U.S. dollars, in particular the euro, the Slovak koruna and the Serbian dinar. U. S. Steel has not generally used derivative instruments to manage this risk. However, U. S. Steel has made limited use of forward currency contracts to manage exposure to certain currency price fluctuations. At June 30, 2006, U. S. Steel had open euro forward sale contracts for both U.S. dollars (total notional value of approximately $24.4 million) and Slovak koruna (total notional value of approximately $65.2 million). A 10 percent increase in the June 30, 2006 euro forward rates would result in a $6.3 million charge to income.

SAFE HARBOR

U. S. Steel's Quantitative and Qualitative Disclosures About Market Risk include forward-looking statements with respect to management's opinion about risks associated with U. S. Steel's use of derivative instruments. These statements are based on certain assumptions with respect to market priceH l'

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Item 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

U. S. Steel has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2006. These disclosure controls and procedures are the controls and other procedures that were designed to ensure that information required to be disclosed in reports that are filed with or submitted to the SEC is: (1) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported within the time periods specified in appm̈Ď® Ď Ď Ď

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substances from various municipal and industrial sources along the east branch of the Grand Calumet River and Indiana Harbor Canal. U. S. Steel agreed to pay to the public trustees $20.5 million over a five-year period for restoration costs, plus $1.0 million in assessment costs. A Consent Decree memorializing this settlement was entered on the record by the court and thereafter became effective April 1, 2005. U. S. Steel paid its entire share of the assessment costs and $4.5 million of its share of the restoration costs to the public trustees in 2005. U. S. Steel paid an additional $4.0 million of its share of restoration costs plus interest in 2006. A balance of $12.0 million in restoration costs remains to be paid by U. S. Steel to complete its settlement obligations.

On November 30, 1999, IDEM issued a notice of violation (NOV) alleging various air violations at Gary Works, including opacity violations at the No. 1 BOP and pushing violations at the four coke batteries. On August 21, 2002, IDEM issued a revised NOV which supercedes the 1999 NOV and includes alleged violations at the blast furnaces, steel shops and coke batteries from 1998 to 2002. On December 27, 2005, IDEM issued a NOV which includes alleged violations at the No. 8 Blast Furnace and the Coke Batteries for the period of 2002 through 2005. The cost of the settlement of this matter is currently indeterminable. U. S. Steel received a draft Agreed Order from IDEM on July 27, 2006 and IDEM has included a proposed penalty of $2.3 million. The Agreed Order also includes pushing compliance plans, a door work practice plan, a refractory repair plan, monitoring of flue caps, installation of two ambient monitors and compliance with all coke battery requirements by January 1, 2007. U. S. Steel will meet with IDEM to discuss this proposed Order in July 2006.

Clairton

In March 2006, U. S. Steel met with Allegheny County Health Department (ACHD) to discuss entering into a Consent Order to addr

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Fairfield Works

A consent decree was signed by U. S. Steel, EPA and The U.S. Department of Justice and filed with the United States District Court for the Northern District of Alabama (United States of America v. USX Corporation) on December 11, 1997, under which U. S. Steel paid a civil penalty of $1.0 million, completed two Supplemental Environmental Projects (SEPs) at a cost of $1.75 million and initiated a RCRA corrective action program at the facility. The Alabama Department of Environmental Management (ADEM) assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works, with the approval of EPA. The first Phase I RFI work plan was approved and field sampling for the work plan was completed in 2004. U. S. Steel submitted a Phase I RFI Report to ADEM in February 2005. The cost to complete this study is estimated to be $327,000. In addition, U. S. Steel has implemented a final corrective measure for remediation of Upper Opossum Creek and has completed the field work for this final measure. The cost to complete this work is estimated to be $2.0 million. U. S. Steel has completed the investigation and remediation of Lower Opossum Creek under a joint agreement with Beazer, Inc. whereby U. S. Steel has agreed to pay 30 percent of the costs. U. S. Steel's remaining share of the costs for sediment remediation is $210,000. In January 1999, ADEM included the former Ensley facility site in Fairfield Corrective Action. Implementation of the Phase I fieldwork for Ensley commenced in June 2004. The cost to complete this study is approximately $329,000.

Great Lakes Works

Effective February 14, 2005, U. S. Steel entered into a consent order with Michigan Department of Environmental Quality (MDEQ) related to Great Lakes Works that included the installation of a new bag house for B2 Blast Furnace, which has been completed; the installation of baffles at the Quench Tower, which has been completed; projects to reduce emissions from the steel-producing facilities; a civil penalty of $950,000, which has been paid; and a SEP at a cost of $200,000 for river bank improvements. Construction for the riverbank restoration SEP was completed in September 2005. Various construction projects were initiated at the steel-producing facilities to improve emission capture and control. On-site construction idctived proe

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These asbestos cases allege a variety of respiratory and other diseases based on alleged exposure to asbestos. U. S. Steel is currently a defendant in cases in which a total of approximately 100 plaintiffs allege that they are suffering from mesothelioma. The potential for damages against defendants may be greater in cases in which the plaintiffs can prove mesothelioma. In many such cases in which claims have been asserted against U. S. Steel, the plaintiffs have been unable to establish any causal relationship to U. S. Steel or its products or premises. In addition, in many asbestos cases, the plaintiffs have been unable to demonstrate that they have suffered any identifiable injury or compensable loss at all; that any injuries that they have incurred did in fact result from alleged exposure to asbestos; or that such alleged exposure was in any way related to U. S. Steel or its products or premises.

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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 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 14 years ended December 31, 2005 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 matters in Madison County, Illinois, where U. S. Steel lost a significant verdict in 2003. U. S. Steel has not seen any material differences in [illegible] in Madison County or elsewhere and management believes that the possibility of other such aberrational verdicts is remote, although not impossible.

The foregoing state[illegible]

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Item 6. EXHIBITS

10.1	Summary of Non-employee Director Compensation Arrangements
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
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
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned chief accounting officer thereunto duly authorized.

UNITED STATES STEEL CORPORATION

By /s/ Larry G. Schultz

Larry G. Schultz
Vice President and Controller

July 28, 2006

WEB SITE POSTING

Exhibit 10.1

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
- Presiding Director Retainer - $1,000 per year

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 ting in non-non-e e

Exhibit 12.2

United States Steel Corporation
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)

(Dollars in Millions)	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005*	Year Ended December 31, 2005	2004	2003	2002	2001
Portion of rentals representing interest	**$ 22**	$ 24	$ 45	$ 51	$ 46	$ 34	$ 45
Capitalized interest	**2**	4	12	8	8	6	1
Other interest and fixed charges	**63**	31	87	131	156	136	153
Total fixed charges (A)	**$ 87**	$ 59	$ 144	$ 190	$ 210	$ 176	$ 199
Earnings-pretax income with applicable adjustments (B)	**$ 945**	$ 1,023	$ 1,467	$ 1,687	$ (559)	$ 202	$ (382)
Ratio of (B) to (A)	**10.86**	17.34	10.19	8.88	(a)	1.15	(b)

* During the fourth quarter of 2005, U.S. Steel changed its method of determining the cost of U. S. Steel Kosice's inventories from the last-in, first-out method to the first-in, first-out method. See Note 2 to the financial statements in the United States Steel Corporation 2005 Annual Report on Form 10-K. Results for the six months ended June 30, 2005 have been adjusted to apply this change retrospectively.

(a) Earnings did not cover fixed charges by $769 million.

(b) Earnings did not cover fixed charges by $581 million.

Exhibit 31.1

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Gretchen R. Haggerty, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: designed un r of financ uportto

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 prMcco ncons consolidn ntĎdsac a pac suc

Exhibit 32.1

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

I, John P. Surma, Chairman and Chief Executive Officer of United States Steel Corporation, certify that:

(1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending June 30, 2006, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ John P. Surma

John P. Surma
Chairman and Chief Executive Officer

July 28, 2006

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to United States Steel Corporation and will be retained by United States Steel Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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