

PART I

3

s

PART II è a

C3@ WP À Ê ÜÀ Ê¿• a # "u 7P Đ

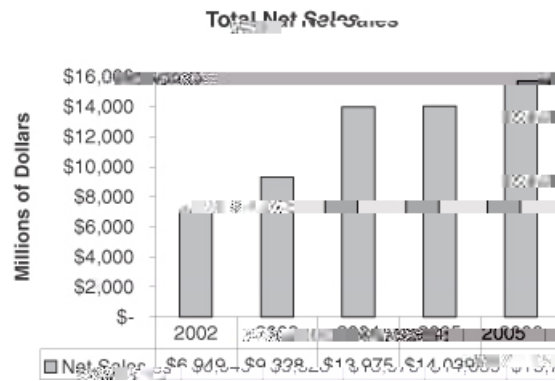
#4 4? CD @

PART I

Item 1. BUSINESS

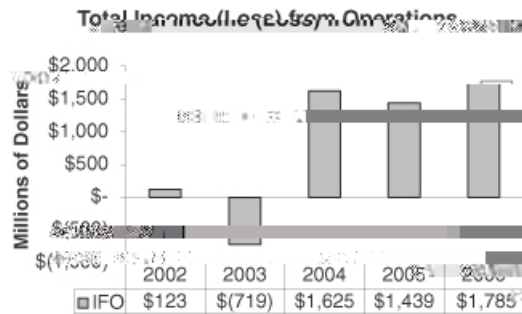


Financial and Operational Highlights



(Dollars in millions, excluding intersegment sales)

	2006	2005	2004
	\$ 9,607		
	3,968		
	1,798		
	15,373		
	342		
	\$ 15,715		





[Redacted text block consisting of multiple lines of blue horizontal bars]

[Table of Contents](#)

Business Strategy



[Table of Contents](#)

Item 1A. RISK FACTORS

Risk Factors Concerning the Steel Industry

Item 3. LEGAL PROCEEDINGS

Asbestos Litigation

Table

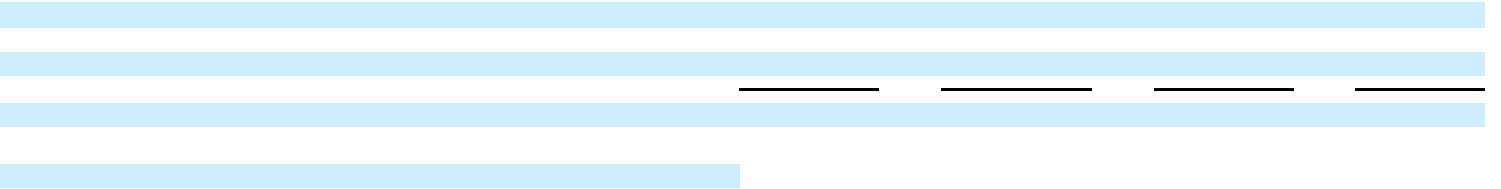
[Table of Contents](#)

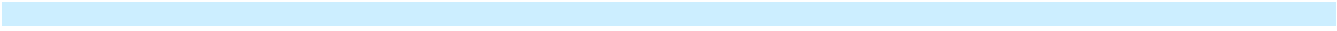
Environmental Proceedings

[Table of Contents](#)

Clairton









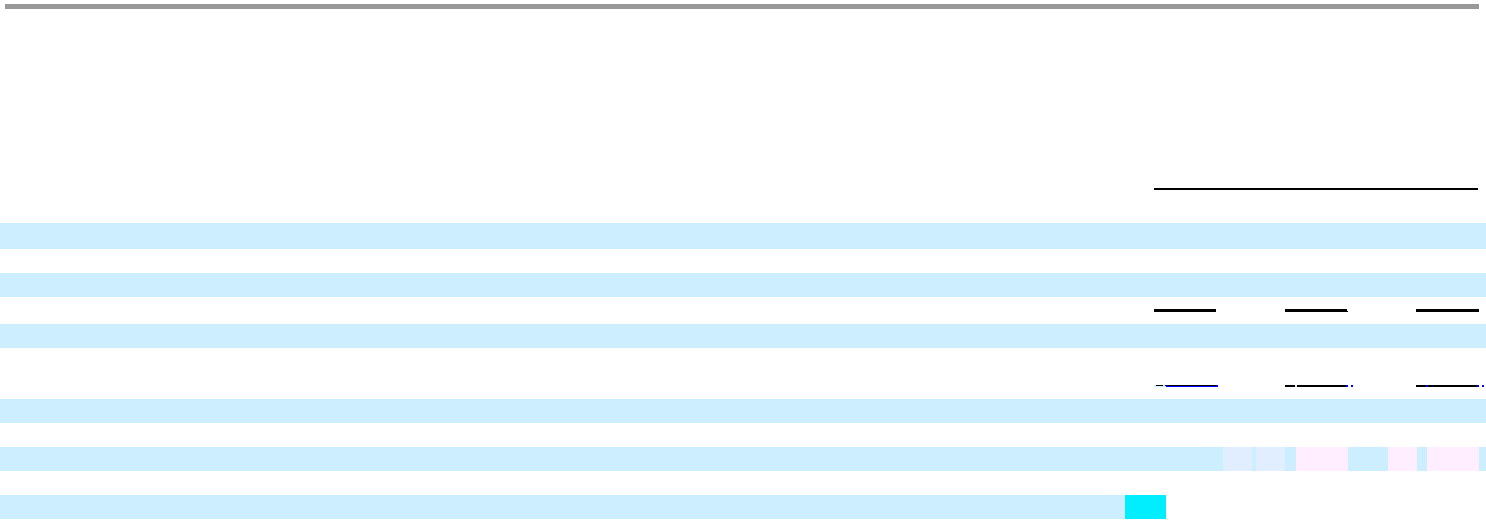
[Table of Contents](#)

(Dollars in millions, excluding intersegment sales)

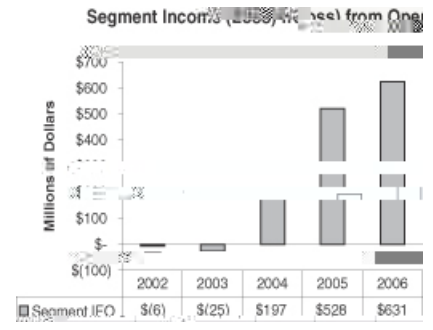
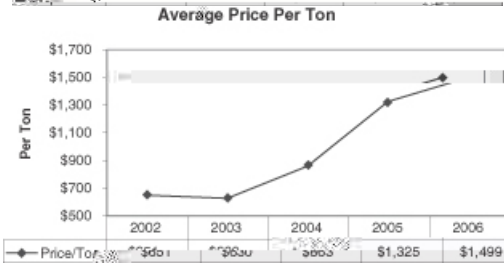
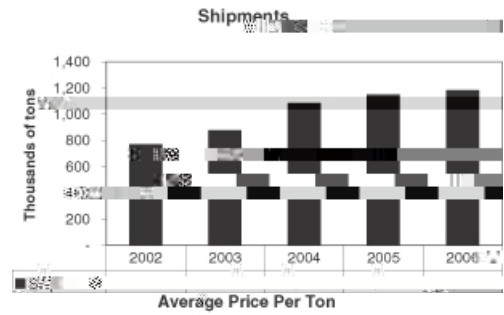
	2006	2005	2004
	\$ 9,607		
	3,968		
	1,798		
	15,373		
	342		
	\$ 15,715		

Year Ended December 31, 2006 versus Year Ended December 31, 2005

	Steel Products ^(a)				Coke & Other	Net Change
	Volume	Price	Mix	FX ^(b)		



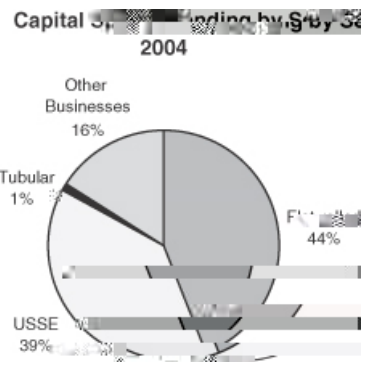




[Table of Contents](#)

asset		prepaid pensions	intangible pension
accumulated other comprehensive loss	.	prepaid pensions	accumulated other comprehensive loss.
accumulated other comprehensive loss.		employee benefits	
accumulated other comprehensive loss			
Current liabilities			short-term debt and current maturities of long-term
debt,	€		payroll and
benefits payable,			.
	accrued interest		
Long-term debt			

[Table of Contents](#)



[Table of Contents](#)

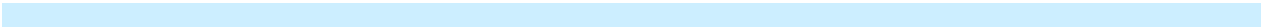
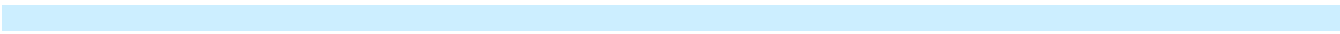
(Dollars in millions)

	Total	Payments Due by Period			
		2007	2008 through 2009	2010 through 2011	Beyond 2011
Contractual Obligations					
Total contractual obligations					

[Table of Contents](#)

(Dollars in millions)

	Scheduled Reductions by Period				
	Total	2007	2008 through 2009	2010 through 2011	Beyond 2011
Commercial Commitments					
Total commercial commitments					



Item 7A. QUANTITATIVE

[Table of Contents](#)



/s/ John P. Surma

/s/ John H. Goodish

/s/ Gretchen R. Haggerty

/s/ Larry G. Schultz



Report of Independent Registered Public Accounting Firm

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

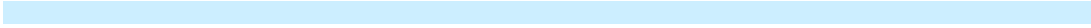
[Table of Contents](#)

1. **Nature of**

[Table of Contents](#)

2. New Accounting Standards

3. Segment Information



[Table of Contents](#)

(In millions)	2006	2005	2004
	\$ 12,687		
	1,909		
	322		
	797		
	<u>\$ 15,715</u>		

(In millions)	Year	Net Sales	Assets
	2006	\$ 11,774	\$ 3,447
	2006	3,977	1,278(a)
	2006	14	7
	2006	(50)	-
	2006	<u>\$ 15,715</u>	<u>\$ 4,732</u>

4. Net Loss/Gain on Disposal of Assets

5. Other Income

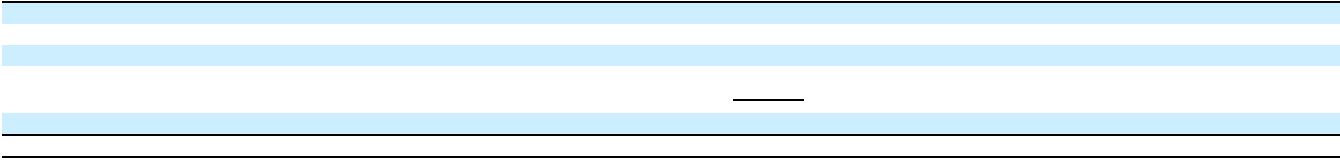
[Table of Contents](#)

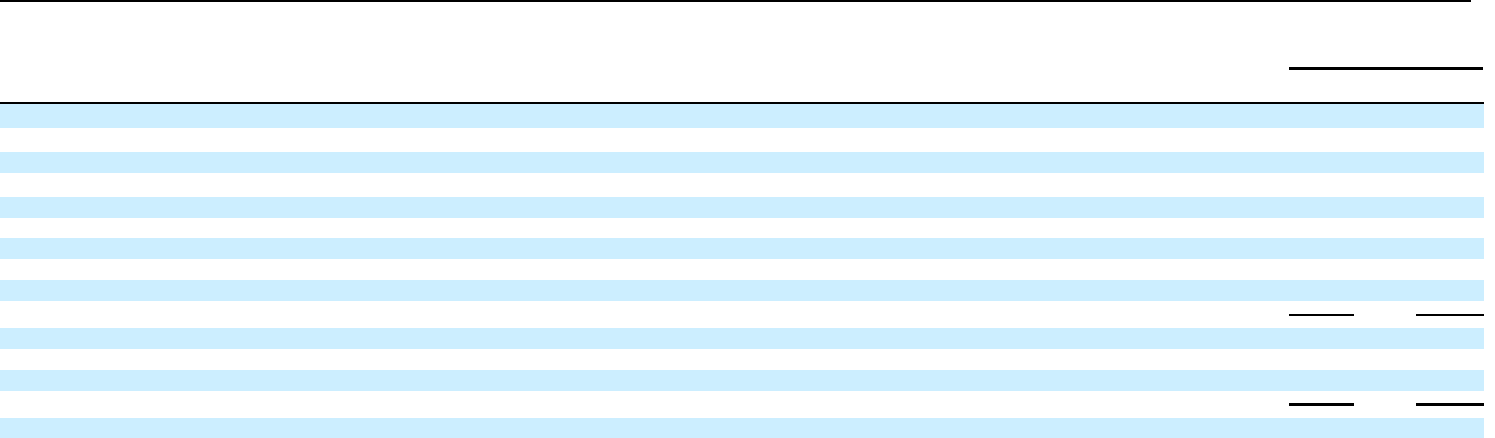
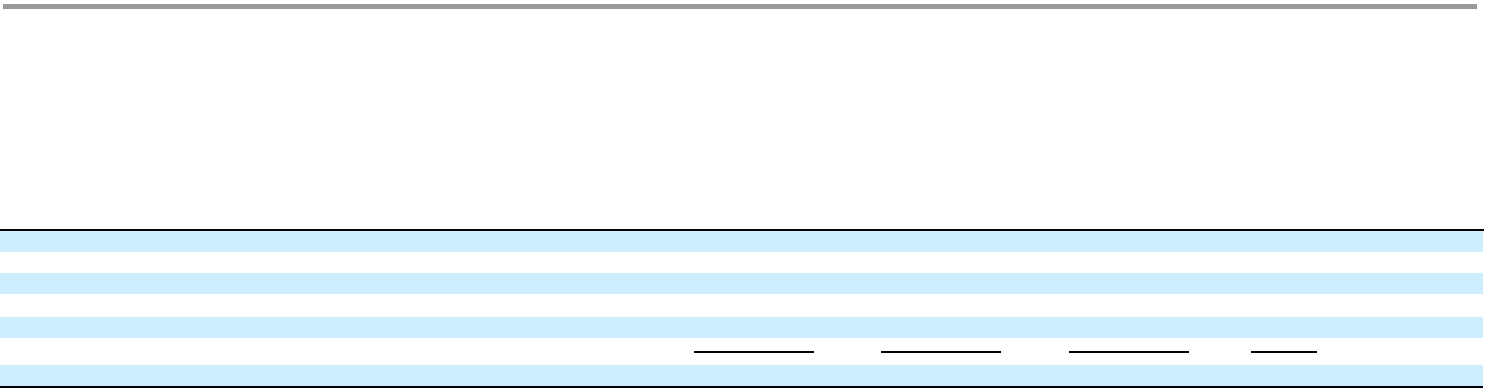
(In millions)	December 31,	
	2006	2005
	\$ 2	
	5	
	88	
	931	
	13	
	18	
	61	
	62	
	(2)	
	(1)	
	(90)	
	1,087	
	585	
	37	
	622	
	\$ 465	

10. Investments and Long-Term Receivables

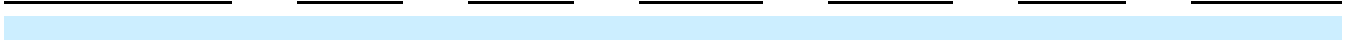
(In millions)	December 31,	
	2006	2005
	\$ 282	
	25	
	21	
	3	
	\$ 331	1

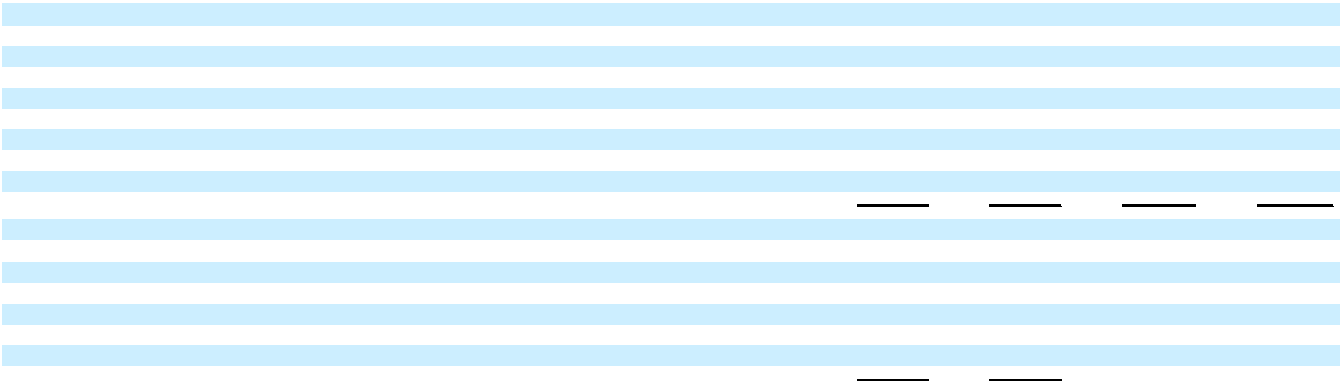
Stock-based compensation

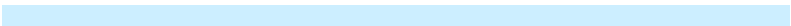


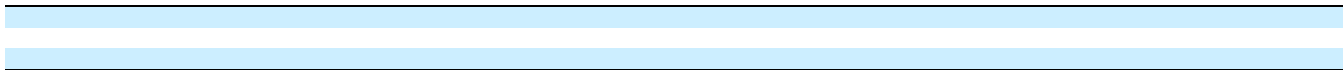


[Table of Contents](#)









[Table of Contents](#)

5

19. Fair Value of Financial Instruments

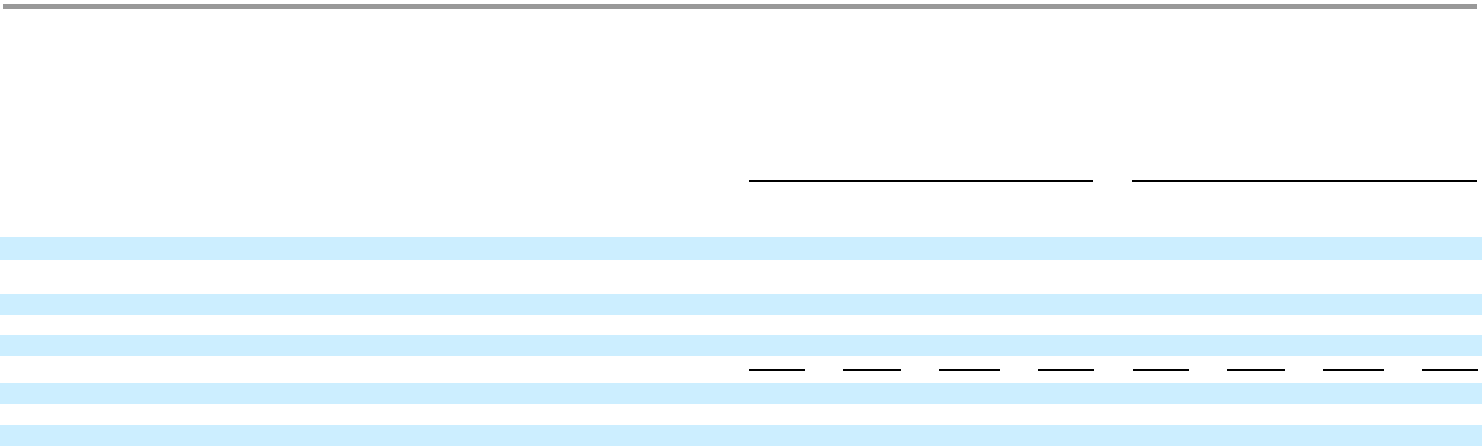
(In millions)	December 31, 2006		December 31, 2005	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial assets:	\$ 1,422	\$ 1,422		
	1,681	1,681		
	123	123		
	28	28		
	\$			

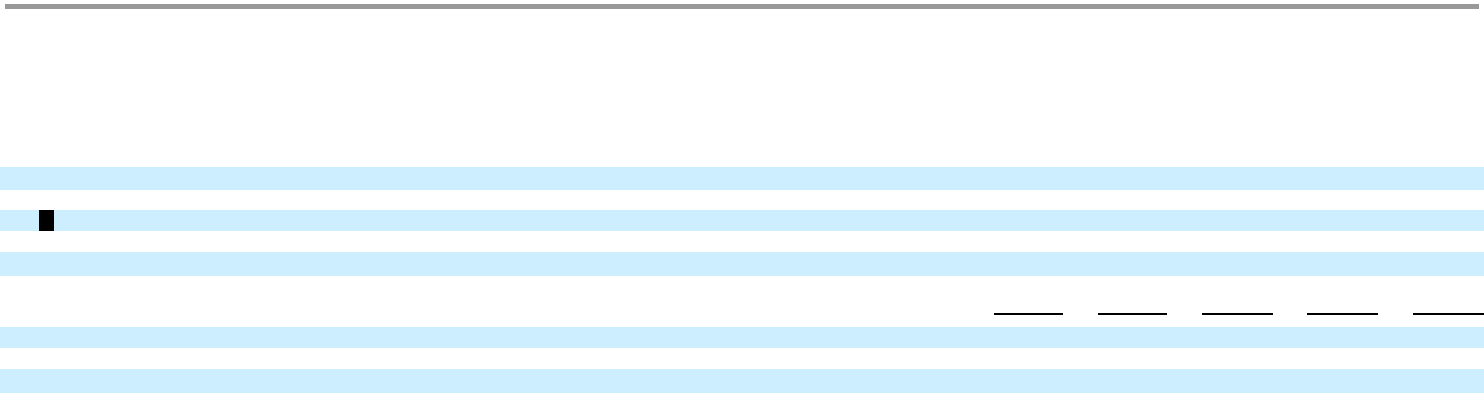
[Table of Contents](#)

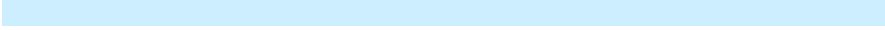
Significant Projects with Defined Scope

[Table of Contents](#)

Kyoto Protocol and CO₂ Emissions 1A,







[Table of Contents](#)

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

4 y18 3

Item 9A. CONTROLS AND PROCEDURES

Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

Management's Report on Internal Control Over Financial Reporting

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

[Table of Contents](#)

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Infnfnfnl PInftyConPL

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A. Documents Filed as Part of the Report

- 1. Financial Statements**
- 2. Financial Statement Schedules and Supplementary Data**

B. Exhibits

- 3. Articles of Incorporation and By-Laws**
- 4. Instruments Defining the Rights of Security Holders, Including Indentures**

[Table of Contents](#)

- 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
- 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

GLOSSARY OF CERTAIN DEFINED TERMS

[Table of Contents](#)

SUPPLEMENTARY DATA
DISCLOSURES ABOUT FORWARD-LOOKING STATEMENTS

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES
THAT HAVE BEEN REGISTERED HEREIN**

-
- A. Executive Management. Employees designated by the Committee to be Executive Management are hereby designated to be Participants. Individuals designated to be Executive Management after the start of a year must wait until the next Award grant date to become eligible for participation.
- B. Rights. No Participant or other employee shall have any claim to be granted an Award under the Program, and nothing contained in the Program or any Award Agreement shall confer upon any Participant any right to continue in the employ of the Corporation, its Subsidiaries or affiliates or interfere in any way with the right of the Corporation, its Subsidiaries or affiliates to terminate a Participant's employment at any time.
3. Components of Long-Term Incentives. Award grants may be made in the following forms: Options, Restricted Stock, and Performance Awards.
4. Options.
- A. Award Grants/Grant Price. The Committee may grant Options to Participants. All Options will be nonstatutory stock options. The exercise price per Share of the Options shall be no less than 100% of the Fair Market Value of the Shares on the date of grant of the Option.
- B. Term. Each Option shall state the period or periods of time during which it may be exercised, in whole or in part. The term of an Option may not exceed ten years.
- C. Vesting. Unless otherwise determined by the Committee, Option grants shall vest ratably over three years (1/3 on each of the first, second and third grant date anniversaries), each such year to be considered a "Vesting Year".
- D. Exercise of Options.
- (1) Effective Date of Exercise. The date of exercise of an Option shall be the business day on which the notice of exercise and payment for Shares being purchased are received by the Stock Plan Officer.
- (2) Payment for Shares Purchased. Unless otherwise determined by the Committee, payment of the purchase price shall be made, at the election of the Participant, in cash or by delivering Shares owned by the Participant and valued at Fair Market Value on the date of exercise, or a combination thereof.
- (a) Overpayment in Previously Owned Shares. If the Fair Market Value of Shares delivered in payment of the purchase price exceeds the purchase price, a certificate, or its equivalent, representing the whole number of excess Shares together with a check, or its equivalent, representing the Fair Market Value of any excess partial Share shall be delivered to the Participant.
- (b) Underpayment in Previously Owned Shares. If the Fair Market Value of Shares delivered in payment of the purchase price is less than the purchase price, the difference shall be delivered by the Participant in cash immediately upon notification of such difference.

-
- (c) Requirements Relating to Previously Owned Shares. Shares delivered in payment of the purchase price shall be duly endorsed for transfer to the Corporation. If Shares so delivered are not registered in the name of the Participant individually, the Participant shall also provide evidence acceptable to the Stock Plan Officer that such Shares are beneficially owned by the Participant individually.

E. Post-Termination of Employment Exercise.

- (1) Retirement, Death, Disability, Termination with Consent Unless otherwise determined by the Committee, a prorated number of the Options scheduled to vest during the Vesting Year will vest, based upon the number of complete months worked during the Vesting Year in which the Participant's termination of employment occurs by reason of Retirement, death, Disability or Termination with Consent. The prorated award will be calculated upon such termination and will vest at the next vesting date. The remaining unvested Option grants are forfeited immediately upon termination. Vested options remain exercisable for three years following such termination or, if less, until the original expiration date.
- (a) Example: If the 1/3 ratable vesting for Vesting Year 3 is 1000 shares for Award 1, 1000 shares for Award 2, and 1000 shares for Award 3 and if the Participant terminates employment by reason of Retirement six months following the Award 3 grants, the Participant is entitled to vesting of 1/2 of all grants that would have vested at the end of the Vesting Year during which he or she retires (Vesting Year 3 in this example), or 1500 shares. This example focuses only on the shares that would vest during Vesting Year 3; however, another 3000 shares would have vested in the aggregate following Vesting Years 1 and 2, for a total of 4500 shares vesting under the Awards 1, 2 and 3. The 1500 shares would vest upon the next scheduled vesting date following termination. The post-termination exercise period would be measured for three years following the date of termination, even though the final pro rata tranche does not vest upon termination
- (b) "Disability" shall be determined, for all purposes under the Program, by reference to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A").
- (c) "Retirement" shall mean, for all purposes under the Program, the applicable employee's termination of employment after having satisfied the age and/or service requirements necessary to commence an immediate pension under the Corporation's defined benefit pension plan (*i.e.*, 65/5, 62/15, 60/15 or 30-Year retirement options), regardless of whether the employee is a participant in such pension plan; provided, however, such term does not include, unless the Committee consents, retirement under circumstances in which the employee accepts employment with a company that owns, or is owned by, a business that competes with the Corporation, or its Subsidiaries or affiliates.

-
- (d) "Termination" shall mean the applicable employee's termination of employment other than by Retirement, death or Disability.
 - (e) "Termination with Consent" shall mean Termination at any age with the consent of the Committee. Consent shall be deemed to be given if the employee incurs a break in continuous service due to layoff or disability as defined under the Corporate Code.

the request, directly or indirectly, of the entity which entered into the definitive agreement providing for such Business Combination with the Corporation or any direct or indirect subsidiary thereof), unless the Board determines, prior to such consummation, that there does not exist a reasonable assurance that, for at least a two-year period following consummation of such Business Combination, at least a majority of the members of the New Board will continue to consist of Continuing Directors and individuals whose election, or nomination for election by shareholders of the resulting or surviving entity (or any ultimate parent thereof) in such Business Combination, would be approved by a vote of at least a majority of the Continuing Directors and individuals whose election or nomination for election has previously been so approved; or

- (ii) a Business Combination that in substance constitutes a disposition of a division, business unit, or subsidiary; or
- (d) the shareholders of the Corporation approve a plan of a complete liquidation or dissolution of the Corporation or there is consummation of a sale or other disposition of all or substantially all of the assets of the Corporation, other than to a corporation with respect to which, following such sale or other disposition, more than 50% of the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Corporation's then outstanding voting securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Corporation's then outstanding voting securities.

5. **Restricted Stock.**

- A. **Restricted Stock Grants.** The Committee may grant Restricted Stock to Participants. A Participant must endorse in blank and return to the Corporation a stock power for each Restricted Stock grant.
- B. **Restrictions.** During the restriction period a Participant may not sell, transfer, assign, pledge or otherwise encumber or dispose of Shares of the Restricted Stock. During the restriction period a Participant shall have all rights and privileges of a stockholder, including the right to vote the Shares and to receive dividends, except as noted in the preceding sentence and except that any dividends payable in stock shall be subject to the restrictions. At the expiration of the restriction period, a stock certificate free of all restrictions for the number of Shares of Restricted Stock vested shall be registered in the name of, and delivered to, the Participant or, subject to the termination provisions below, to the Participant's estate.
- C. **Vesting.** The Committee shall determine the restriction period, provided that (i) Restricted Stock grants which are time-based shall vest ratably over a period of not less than three years (1/3 on each of the first, second and third grant date

- B. Performance Goal Establishment/Grant Mechanics. The Committee shall establish and approve the Performance Goal and the relevant peer group (the Peer Group) for performance comparison purposes at the beginning of each Performance Period. Unless otherwise determined by the Committee at the beginning of the relevant Performance Period, the Performance Goal shall be based upon the total shareholder return performance measure, and the Corporation's total shareholder return shall be compared to the total shareholder return of the Peer Group for the Performance Period.
- C. Performance Award Grants. At the beginning of each Performance Period, the Committee may grant Performance Awards to Participants for such Performance Period and shall identify for such grants the amount which may be earned based upon the level of achievement attained (the "Target" award, in the case of attainment of the target level of performance).
- D. Performance Vesting.
- (1) Payout Calculation. Payout shall be based upon the relative Annualized Total Shareholder Return ("Annualized TSR") over the Performance Period.
- (a) Annualized TSR = ((Final Price + all dividends paid during the relevant Performance Period)/Initial Price)^{1/3}-1.
 - (b) Initial Price = the Average Measurement Period Price relative to the public release of earnings for first quarter of the calendar year of grant.
 - (c) Final Price = the Average Measurement Period Price relative to the public release of earnings for the first quarter of the third calendar year succeeding the year of grant.
 - (d) Average Measurement Period Price = The average of the Fair Market Values for each of the ten days during the ten business day period beginning on the third business day following the public release of earnings for the first quarter of a calendar year.
 - (e) Stock prices may be determined using (a) any reputable online stock-quote service, such as Yahoo! Finance or Bloomberg, or (b) the financial pages of The Wall Street Journal.
- (2) Payout Basis. Payout will be based upon the Corporation's calculated Annualized TSR compared to the statistical Annualized TSR for the Peer Group ("Comparative TSR"). Awards will be evaluated based upon the following comparison:
- (a) Comparative TSR = 25th percentile → 50% of Target (the Threshold/Minimum Award).
 - (b) Comparative TSR = 50th percentile → 100% of Target (the Target Award).

-
- (c) Comparative TSR = 75th percentile and above —> 200% of Target (the Cap/Maximum Award).
 - (d) Interpolation will be used to determine actual awards for performance that correlates to an award between Minimum and Target and Target and Maximum Award levels.
 - (e) Award payout will follow the Performance Period (within 2¹/₂ months as provided in the Plan) and the Committee's written certification of achievement of Performance Goals, payable in the form of Shares.
- (3) Peer Group Adjustments. At the commencement of the Performance Period, the Committee may determine that specific guidance be considered in connection with possible adjustments to the Peer Group involved in the calculation of the Corporation's comparative performance with respect to the Performance Goal during the Performance Period. Any such determination will be in addition to, or will amend if it conflicts with, the following guidelines, which will be used in connection with the calculation:
- (a) If a Peer Group Company becomes bankrupt, the bankrupt company will remain in the Peer Group positioned at one level below the lowest performing non-bankrupt Peer Group Company. In the case of multiple bankruptcies, the bankrupt companies will be positioned below the non-bankrupt companies in reverse chronological order by bankruptcy date.
 - (b) If a Peer Group Company is acquired by another company, the acquired Peer Group Company will be removed from the Peer Group for the entire

-
- (4) Negative Discretion. The Committee retains negative discretion to reduce any and all Performance Awards to an amount below the amount that would be payable as a result of performance measured against the Performance Goals. The Committee may not increase Performance Awards above the amount payable as a result of performance measured against the Performance Goals.
- (5) Termination of Employment.
- (a) Retirement, Death, Disability, Termination with Consent. Unless otherwise determined by the Committee, a prorated value of the Performance Award will vest based upon the number of complete months worked during the Performance Period, in the event of a Participant's termination of employment by reason of Retirement, death, Disability or Termination with Consent, excepting any Termination with Consent by reason of disability other than as that term is defined under Section 409A, to be calculated and delivered at the end of the relevant Performance Period, provided that the relevant performance goals are achieved and subject to the Committee's negative discretion.
- (i) Example: If the Target number of Shares is 1000 shares for Performance Period 1 Awards, 1000 shares for Performance Period 2 Awards, and 1000 shares for Performance Period 3 Awards and if the Participant terminates employment by reason of Retirement six months following the first day of Performance Period 3, the Participant is entitled to vesting of 5/6's of the Performance Period 1 awards, 1/2 of the Performance Period 2 awards, and 1/6 of the Performance Period 3 awards (or 1500 shares), subject to the Committee's determination of the payout basis for each Performance Period. That is, the above example assumes that the Committee had determined the Performance Goals had been met at least to the 100% of Target level and that the payout basis was 100% of Target for each period. (Again, the Committee retains its negative discretion with respect to each Performance Period and with respect to each Participant and payments, if any, will be made following the relevant Performance Period.)
- (b) Termination without Consent and Termination for Cause. Unless otherwise determined by the Committee, Performance Awards will be forfeited immediately if a Participant's termination of employment is due to Termination without Consent or Termination for Cause.
- (6) Change of Control. If a Change of Control (as defined in Section 4.(F)(1) hereof) occurs, all Performance Awards vest immediately at the greater of 100% of Target and actual performance over the abbreviated Performance Period without regard to the Participant's continued employment or termination thereof.

Administrative Regulation 0g

4. **Performance Goal Setting.**

- A. **Performance Goals.** The Corporate Performance Goals for the Performance Period shall be the targets, as set forth in each of the Corporate performance measures which shall be set by the Committee during the first 90 days of the Performance Period. Unless otherwise determined by the Committee at the beginning of the Performance Period, the Corporate performance measures will be the following objective measures:
- (i) **Return on Capital Employed (ROCE).** ROCE shall be calculated as follows: (a) Earnings before interest and taxes (EBIT) less minority interests, divided by consolidated worldwide capital employed (including minority interests) expressed as a percentage. Capital employed shall be calculated by using the average of the opening balance and the end of each quarter during the Performance Period for the sum of net fixed assets, inventories and accounts receivable, less accounts payable. For purposes of calculating ROCE, conditions of consolidated worldwide operations shall include:

- (1) The Committee shall establish and approve the relevant Incentive Targets for each Participant as well as the related Incentive Award for achieving each Performance Goal.
- (2) The Committee will assess the competitiveness of the various Incentive Award levels.

D. Performance Goal weighting.

- (1) Relative weighting. Unless otherwise determined by the Committee, the relative weighting assigned to each of the performance measures shall be as follows:
 - (a) ROCE. Return on Capital Employed shall be 80% of the Incentive Target value.
 - (b) Shipment Tons. Shipment Tons shall be 20% of the Incentive Target value.
 - (c) Citizenship Measures. Each of the Citizenship Measures shall add or subtract 5% of the Incentive Target value, or have no impact on the Incentive Award, depending upon actual performance with respect to each related Performance Goal.
- (2) Maximum award level. The maximum award level shall be 215% of the Incentive Target value with achievement of the highest ROCE Performance Goal representing 160% of such award, achievement of the highest Shipment Tons Performance Goal representing 40% of such award and achievement of the highest Citizenship Measures Performance Goals adding 5% each to such award.

5. Performance Measurement Mechanics

A. Payout determination.

- (1) Evaluation. The Committee shall evaluate actual Corporate performance against the Corporate Performance Goals for the Performance Period during the first 60 days following the end of the relevant Performance Period.
- (2) Calculation.
 - (a) Interpolation. Interpolation will be used to determine an Incentive Award for performance that correlates to performance between the pre-determined ROCE and Shipment Tons Performance Goals. Such interpolation will not be used in connection with the Citizenship Measures.

-
- (b) Maximum award. No one Participant may receive more than \$5 million in Incentive Awards for any one Performance Period under this Program.
 - (c) Adjustments. At the commencement of each Performance Period, the Committee may also determine that unusual **a a a a**

(B) Resignation, Early Retirement and Termination for Cause Following a Participant's Resignation, Early Retirement or Termination for Cause, all pending Incentive Awards are forfeited.

(1) Early Retirement. Early Retirement shall mean a retirement other than a Normal Retirement.

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

**Non-Qualified Stock Option Grant
(Long-Term Incentive Compensation Program under the 2005 Stock Incentive Plan)
NOT TRANSFERABLE EXCEPT BY WILL OR BY THE LAWS GOVERNING THE DESCENT AND DISTRIBUTION OF ESTATES**

Non-Qualified Stock Option granted by United States Steel Corporation, a Delaware corporation (the "Corporation"), to the optionee identified below (the "Optionee").

Name of Optionee:

PARTICIPANT NAME

Name of Employing Company on Date Hereof:

(the company recognized by the Corporation as employing the Optionee on the date hereof)

Number of Shares Subject to Purchase:

SHARES

Option PrTfh Pr rT"

3. The Option will become exercisable in annual installments over a three-year vesting period according to the following vesting schedule: 1/3 of the Option shares shall vest upon the 1st anniversary of the date of the Option, provided that the Optionee is employed by an Employing Company on such anniversary; an additional 1/3 of the Option shares will vest upon the 2nd anniversary of the date of the Option, provided that the Optionee is employed by an Employing Company on such anniversary; and an additional 1/3 of the Option shares will vest upon the 3rd anniversary of date of the Option, provided that the Optionee is employed by an Employing Company on such anniversary, with all fractional Option shares, if any, vesting as whole Option shares upon the latest vesting date. Any portion of the Option that is exercisable may be exercised in whole or in part from time to time during the Option period. The Option period shall begin on the date of the Option and shall end, except as provided in Section 4, on the date of the Option plus three years.

11. In each case where the Optionee exercises this Option in whole or in part the Corporation will notify the Optionee of the amount of withholding tax, if any, required under federal and, where applicable, state and local law, and the Optionee shall, forthwith upon the receipt of such notice, remit the required amount to the Corporation in cash upon request or, in accordance with such regulations as the Committee may prescribe, elect to have the withholding obligation satisfied in whole or in part by requesting the Corporation in writing to withhold from the shares otherwise deliverable to Optionee or by delivering to the Corporation shares of its common stock equal to the amount of the aggregate minimum statutory withholding tax obligation to be so satisfied. Optionee understands that no shares of stock shall be delivered to Optionee, notwithstanding the exercise thereof, unless and until Optionee shall have satisfied any obligation for withholding taxes with respect thereto as provided herein.

12. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof.

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

**Restricted Stock Grant
(Long-Term Incentive Compensation Program under the 2005 Stock Incentive Plan)**

United States Steel Corporation, a Delaware Corporation, herein called the Corporation, grants to the undersigned employee of the employing company identified below (the "Grantee") the number of shares of the class of common stock of the Corporation set forth below:

Name of Grantee:	PARTICIPANT NAME
Name of Employing Company on Date Hereof:	(the company recognized by the Corporation as employing the Grantee on the date hereof)
Number of Shares of Restricted Stock Granted:	# SHARES
Date of This Grant:	GRANT DATE

By my acceptance of the above listed shares are granted under and governed by the terms and conditions of the Corporation's Long-Term Incentive Compensation Plan (the "Plan")

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

**Performance Award Grant
(Long-Term Incentive Compensation Program under the 2005 Stock Incentive Plan)**

United States Steel Corporation, a Delaware Corporation, herein called the Corporation, grants to the undersigned employee of the employing company identified below (the "Grantee") a Performance Award representing the right to receive a specified number of shares of the common stock of the Corporation ("Shares") set forth below, which right, if payable, shall be paid in Shares:

Name of Grantee:	PARTICIPANT NAME
Name of Employing Company on Date Hereof:	(the company recognized by the Corporation as employing the Grantee on the date hereof)
Target Number of Shares Subject to Award:	# SHARES
Maximum Number of Shares Subject to Award:	(two times the Target Number of Shares Subject to Award)
Performance Period	The period beginning with the beginning of the Measurement Period, as hereinafter defined ("MP"), related to the earnings release for the first quarter 2007 and ending on the earlier of (i) the end of the MP related to the earnings release for the first quarter 2010 or (ii) the date of a Change of Control, as defined in the Administrative Regulations
Performance Goals	(see Exhibit A, attached)
Date of This Award:	GRANT DATE

By my acceptance, I agree that the above-listed Performance Award is granted under and governed by the terms and conditions of the Corporation's 2005 Stock Incentive Plan (the "Plan"), the Corporation's Administrative Regulations for the Long-Term Incentive Compensation Program (the "Administrative Regulations"), and the Grant Terms and Conditions contained herein, as well as such amendments to the Plan and/or the Administrative Regulations as the Compensation & Organization Committee, or its successor committee (the "Committee"), may adopt from time to time.

United States Steel Corporation

Accepted as of the above date: **ACCEPTANCE DATE**

By _____
Authorized Officer

By _____
PARTICIPANT ES
Signature of Grantee

Terms and Conditions

1. The Performance Period for purposes of determining whether the Performance Goal has been met shall be the approximate three-year period determined in accordance with the Administrative Regulations, but using the dates set forth above, unless earlier terminated upon the occurrence of a Change of Control as defined in Section 4(F)(1) of the Administrative Regulations. A "Measurement Period" shall begin on the third business day following the public release of the Corporation's earnings for the immediately preceding calendar quarter and shall end on the twelfth business day following such public release. The Performance Goal for purposes of determining whether, and the extent to which, the Performance Award will vest is set forth in Exhibit A to this agreement. The Peer Group for purposes of determining whether the Performance Goal has been achieved is set forth in Exhibit B. The Peer Group is subject to adjustment as described in the Administrative Regulations and as the Committee, in its discretion, may additionally set forth at the commencement of the Performance Period in accordance with Section 162(m) of the Internal Revenue Code. Exhibits A and B are incorporated by reference herein. Subject to the Administrative Regulations and the provisions of this agreement, the Performance Award shall become payable, if vested, following the Committee's determination after the end of the Performance Period, as to whether and the extent to which the Performance Goal has been achieved; provided that the Committee retains negative discretion to reduce any and all Performance Awards that would otherwise be payable as a result of performance measured against the Performance Goals. The Committee may not increase the amount payable as a result of performance measured against the Performance Goals.

11. Grantee shall be advised by the Corporation as to the amount of any federal, state, local or foreign income or employment taxes required to be withheld by the Corporation on the compensation income resulting from the Performance Award. Grantee shall pay any taxes required to be withheld directly to the Corporation in cash upon request; provided, however, that Grantee may satisfy such obligation in whole or in part by requesting the Corporation in writing to withhold from the Shares otherwise deliverable to Grantee having a Fair Market Value, on the date the award is vested, equal to the amount of the aggregate minimum statutory withholding tax obligation to be so satisfied. Grantee understands that no shares of stock shall be delivered to Grantee, notwithstanding the Committee's certification that the Performance Goal has been met, unless and until Grantee shall have satisfied any obligation for withholding taxes with respect thereto as provided herein.

12. Nothing herein shall be construed as giving Grantee any right to be retained in the employ of an Employing Company or affect any right that the Employing Company may have to terminate the employment of such Grantee.

13. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof.

EXHIBIT A

**Performance Goals* for Performance Period
(Measurement Period for the First Quarter 2007 — Measurement Period for the First Quarter 2010)**

Performance Goal	U. S. Steel TSR Performance Relative to Peer Group	Threshold		Target	Maximum
		< 25 th Percentile	25 th Percentile	50 th Percentile	75 th Percentile or Greater
Payment Levels	% of Target Shares Vested	0%	50%	100%	200%

* The Performance Goal for the 2007 Performance Award grants shall be the Target percentile determined by the Committee comparing United States Steel Corporation's Total Shareholder Return to the Total Shareholder Returns of the Peer Group companies. The payout shall be calculated in accordance with the Administrative Regulations under the Long-Term Incentive Compensation Program under the 2005 Stock Incentive Plan (the "Administrative Regulations").

Notes:

- Amounts for performance between the 25th and 50th and 50th and 75th percentiles will be interpolated.
- Total Shareholder Return (TSR) is calculated in accordance with the Administrative Regulations.
- Peer Group—See Exhibit B.

EXHIBIT B

**Peer Group for the Performance Period
(Measurement Period for the First Quarter 2007 — Measurement Period for the First Quarter 2010)**

The Peer Group* for the Performance Period shall consist of the following business entities:

1. Caterpillar Inc
2. E. I. Du Pont de Nemours and Co
3. Johnson Controls Inc
4. International Paper Co
5. Alcan Inc
6. Alcoa Inc
7. Sunoco Inc
8. Weyerhaeuser Co
9. Deere & Co
10. Honeywell International Inc.
11. Visteon Corp
12. Goodyear Tire & Rubber Co
13. Lear Corp
14. Amerada Hess Corp
15. Whirlpool Corp
16. Union Pacific Corp
17. Masco Corp
18. PACCAR Inc
19. Nucor Corp
20. Textron Inc
21. Eaton Corp
22. Navistar International Corp
23. PPG Industries Inc
24. Ingersoll-Rand Co Ltd
25. Parker-Hannifin Corp
26. MeadWestvaco Corp
27. Terex Corp
28. Eastman Chemical Co
29. AK Steel Holding Corp
30. Timken Co (The)

* To be adjusted in accordance with the Administrative Regulations.

[Form of amendment]

Mr. Dan D. Sandman
2173 Hycroft Drive
Pittsburgh, PA 15241

February __, 2007

Dear Dan, ^{update on} ~~to~~ ~~st~~

Pursuant to the terms of your letter agreement dated September 14, 2001 ("Agreement"), a copy of which is attached hereto, you were permitted to elect, prior to retirement, the ~~frame of the~~ ~~lump sum~~ ~~and~~ ~~installment~~ ~~payments~~ and timing of the distribution of the enhanced pension benefits provided by the Agreement. However, such elections would not now be permitted under Internal Revenue Code section 409A, which was added by the American Jobs Creation Act of 2004 and which governs the tax treatment of nonqualified deferred compensation arrangements. Accordingly, the purpose of this letter is to confirm our amendment to the Agreement to eliminate the ability to make such elections.

~~Specifically~~, in order for United States Steel Corporation to administer the Agreement in compliance with the requirements of Section 409A, including the six-month delay requirement that applies to distributions to ~~be~~ ~~made~~ ~~in~~ ~~the~~ ~~form~~ ~~of~~ ~~1~~ ~~Revenue~~

United States Steel Corporation
Computation of Ratio of Earnings to Combined Fixed Charges
and Preferred Stock Dividends
(Unaudited)

(Dollars in Millions)	Year Ended December 31,				
	2006	2005	2004	2003	2002
Portion of rentals representing interest	\$ 44	\$ 45	\$ 51	\$ 46	\$ 34
Capitalized interest	3	12	8	8	6
Other interest and fixed charges	123	87	131	156	136
Pretax earnings which would be required to cover preferred stock dividend requirements	10	25	23	35	—
Combined fixed charges and preferred stock dividends (A)	<u>\$ 180</u>	<u>\$ 169</u>	<u>\$ 213</u>	<u>\$ 245</u>	<u>\$ 176</u>
Earnings-pretax income with applicable adjustments (B)	<u>\$1,884</u>	<u>\$1,467</u>	<u>\$1,687</u>	<u>\$(559)</u>	<u>\$ 202</u>
Ratio of (B) to (A)	10.47	8.68	7.92	(a)	1.15

(a) Earnings did not cover fixed charges and preferred stock dividends by \$804 million.

Straightline Source, Inc.	Delaware
Straightline, Inc.	Delaware
Swan Point Development Company	Delaware
Swan Point Yacht & Country Club, Inc.	Delaware
Transtar, Inc.	Delaware
Birmingham Southern Railroad Company	Alabama
Delray Connecting Railroad	Michigan
Elgin, Joliet and Eastern Railway Company	Delaware
Fairfield Southern Company, Inc.	Delaware
Lake Terminal Railroad Company, The	Delaware
McKeesport Connecting Railroad Company	Delaware
Tracks Traffic and Management Services, Inc.	Delaware
Union Railroad Company	Delaware
Warrior & Gulf Navigation Company	Delaware
Mobile River Terminal Company	Alabama
Sisco Stevedoring, LLC	Company



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements listed below of our report dated February 27, 2007 relating to the consolidated financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 27, 2007 relating to the financial statement schedules, which appears in this Form 10-K.

<u>On Form S-3:</u>	<u>Relating to:</u>
File No. 333-75148	United States Steel Corporation Dividend Reinvestment and Stock Purchase Plan
333-108131	United States Steel Corporation Dividend Reinvestment and Stock Purchase Plan
333-112257	United States Steel Corporation Debt Securities, Preferred Stock and Depository Shares, Common Stock, Warrants, Stock Purchase Units and Stock Purchase Contracts Registration Statement
<u>On Form S-8:</u>	<u>Relating to:</u>
File No. 333-76394	United States Steel Corporation 2002 Stock Plan
333-99257	United States Steel Corporation Savings Fund Plan for Salaried Employees
333-125221	United States Steel Corporation 2005 Stock Incentive Plan

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania

February 27, 2007

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, c

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint 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, 2006 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 27th day of February, 2007.

/s/ RÅ / R R / RÅ S de

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the und0e

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint 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, 2006 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 27th day of February, 2007.

/s/ Frank J. Lucchino

Frank J. Lucchino

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby make, constitute and appoint 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, 2006 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 27th day of February, 2007.

/s/ Seth E. Schofield

Seth E. Schofield

CHIEF FINANCIAL OFFICER CERTIFICATION

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

I, John P. Surma, Chairman of the Board of Directors and Chief Executive Officer of United States Steel Corporati9r C
