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UNITED STATES STEEL CORPORATION
CONSOLIDATED BALANCE SHEET

(Dollars in millions)		(Unaudited) March 31, 2009		December 31, 2008
Assets				
Current assets:				
Cash and cash equivalents	$	[illegible]	$	[illegible]
Receivables, less allowance of $46 and $52 *(Note 18)*		1,406		2,106
Receivables from related parties *(Note 20)*		121		182
Inventories *(Note 12)*		2,080		2,492
Deferred income tax benefits *(Note 10)*		305		177
Other current assets		[illegible]		[illegible]
Total current assets		5,093		5,732
Investments and long-term receivables, less allowance of $10 and $10		[illegible]		

In December 2008, the FASB issued FSP No. 132(R)-1, “Employers’ Disclosures about Postretirement Benefit Plan Assets,” (FSP No. 132(R)-1). FSP No. 132(R)-1 amends FAS No. 132 to provide guidance on an employer’s disclosures about plan assets of a defined benefit pension or other postretirement plan. The additional required disclosures focus on fair value by category of plan assets. This FSP is effective for fiscal years ending after December 15, 2009. We do not exs

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U. S. Steel has coke swap agreements with other steel manufacturers designed to reduce transportation costs. U. S. Steel did not ship or receive any coke under the swap agreements during the first three months of 2009. U. S. Steel shipped approximately 285,000 tons and received approximately 222,000 tons of coke under the swap agreements during the first three months of 2008.

U. S. Steel also has iron ore pellet swap agreements with an iron ore mining and processing company to obtain iron ore pellets that meet U. S. Steel's specifications. U. S. Steel shipped and received approximately 101,000 tons of iron ore pellets during the first three months of 2009. U. S. Steel shipped and received approximately 437,000 tons of iron ore pellets during the first three months of 2008.

The coke and iron ore pellet swaps are recorded at cost in accordance with APB 29, "Accounting for Nonmonetary Transactions" and FAS No. 153, "Exchanges of Nonmonetary Assets." There was no income statement impact related to these swaps in either 2009 or 2008.

13. Derivative Instruments

In March 2008, the FASB issued FAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133" (FAS 161). FAS 161 amends and expands the disclosure requirements of FAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), to provide qualitative and quantitative information on how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under FAS 133 and its related interpretations, and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. FAS 161 was effective for U. S. Steel as of January 1, 2009; however, we chose to early adopt FAS 161 in the first quarter of 2008.

U. S. Steel is exposed to foreign currency exchange rate risks as a result of our European and Canadian operations. USSE's revenues are primarily in euros and costs are primarily in U.S. dollars, euros and Serbian dinars. On June 19, 2008, the European Council approved the Slovak Republic's entry into the Eurozone as of January 1, 2009. Prior to Slovakia's entry into the Eurozone, the USSE segment also had foreign currency exchange risks related to fluctuations between the Slovak koruna and the euro. USSC's revenues are denominated in both Canadian and U.S. dollars. While the majority of USSC's costs are in Canadian dollars, it makes significant raw material purchases in U.S. dollars. In addition, the acquisition of USSC was funded both from the United States and through the reinvestment of undistributed earnings from USSE, creating intercompany monetary assets and liabilities in currencies other than the functional currency of the entities involved, which can impact income when remeasured at the end of each quarter. An $820 million U.S. dollar-denominated intercompany loǍr®ily ineno a-

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14. Debt

(In millions)	Interest Rates %	Maturity	March 31, 2009	December 31, 2008
2037 Senior Notes	6.65	2037	**$ 350**	$ 350
2018 Senior Notes	7.00	2018	**500**	500
2017 Senior Notes	6.05	2017	**450**	M

U. S. Steel was in compliance with all of its debt covenants at March 31, 2009. We have received executed consents from the lenders holding a majority of the commitments under our $750 million credit facility and a majority of the debt under each of our $655 million of outstanding term loans to eliminate the existing financial covenants and replace them with a fixed-charge coverage ratio covenant of 1.1:1 that is only tested if availability under the $750 million credit facility falls below approximately $112.5 million. The fixed charge coverage ratio will be defined in the amendments, and we expect it to be calculated at the end of each quarter, on the basis of the ratio, for the four consecutive quarters then ended, of operating cash flow to cash charges. For the amendments, U. S. Steel will be required to revise pricing and amend certain terms and conditions and provide collateral, principally in the form of inventory. The amendments are not expected to become effective until later in the second quarter and are subject to the completion of definitive financing documentation and collateral diligence.

If the amendments are not implemented and our operations continue at current levels, we may be unable as of the end of the third quarter of 2009 to meet the financial covenants under our current Credit Facility and Term Loans. In such event, we would have to repay any then outstanding borrowings under the Credit Facility and our Term Loans would become immediately payable. Any such acceleration of then outstanding indebtedness in excess of $100 million under our credit facility or such term loans would constitute a default under our new senior convertible notes, if such notes are issued. Furthermore, if we were unable to repay the amounts then due out of our available cash or the proceeds of a refinancing, there would be a termination event under our Receivables Purchase Agreement. Even if we were able to repay the amounts then due, such repayment could have a material adverse effect on our liquidity and financial position.

15. Asset Retirement Obligations

U. S. Steel's asset retirement obligations primarily relate to mine and landfill closure and post-closure costs. The following table reflects changes in the carrying values of asset retirement obligations:

April 2009, we reached agreement with the USW to defer some of these contributions until 2012 and 2013. See Note 7 for further details.

Also, effective January 1, 2009, profit sharing includes income from operations from Texas Operations. At the same time the profit sharing formula has been modified such that at certain higher levels of income from operations, profit sharing payments will be capped and any excess amounts will be contributed to our trust to fund retiree health care and life insurance benefits for USW retirees.

17. Variable Interest Entities

In accordance with Financial Accounting Standards Board Interpretation No. 46 (revised December 2003), “Consolidation of Variable Interest Entities, an interpretation of ARB No. 51” (FIN 46R), U. S. Steel consolidates the following entities:

Blackbird Acquisition Inc.
Blackbird Acquisition Inc. (Blackbird) is an entity established to facilitate the purchase and sale of certain fixed assets. U. S. Steel has no ownership interest in Blackbird; however, because the entity was established to conduct substantially all of its activities on behalf of U. S. Steel and does not have sufficient equity investment at risk to finance its activities without additional subordinated financial support from U. S. Steel, U. S. Steel is considered to be the primary beneficiary. At March 31, 2009 and December 31, 2008, there were no assets or liabilities consolidated through Blackbird.

Daniel Ross Bridge, LLC
Daniel Ross Bridge, LLC (DRB) was established for the development of a 1,600 acre master-planned community in Hoover, Alabama. DRB manages the development and marketing of the property. At March 31, 2009, DRB was financed primarily through a secured, non-recourse lot development loan of approximately $1 million. The creditors of DRB have no recourse to the general credit of U. S. Steel. The majority of the expected returns flow to U. S.
SoS [illegible]

USSR pays the conduits a discount based on the conduits' borrowing costs plus incremental fees. We incurred insignificant costs for the three months ended March 31, 2009 and $2 million for the three months ended March 31, 2008 relating to fees on the Receivables Purchase Agreement. These costs are included in other financial costs in the statement of operations.

The table below summarizes cash flows related to the program:

	Three Months Ended March 31,	
(In millions)	2009	2008
Proceeds from:		
Collections reinvested	**$ -**	$ 2,802

The table below summarizes the trade receivables for USSR:

(In millions)	March 31, 2009	December 31, 2008
Balance of accounts receivable-net, purchased by USSR	**$ 677**	$ 1,030
Revolving interest sold to conduits	**-**	-
Accounts receivable – net, included in the accounts receivable balance on the balance sheet of U. S. Steel	**$ 677**	$ 1,030

The facility may be terminated on the occurrence and failure to cure certain events, including, among others, failure of USSR to maintain certain ratios related to the collectability of the receivables and failure to make payment under its material debt.

To facilitate the amendments of our credit facilities (see Note 14), we have also agreed to amend our Receivables Purchase Agreement and we will be required to revise pricing and amend certain terms and conditions. The amendment is not expected to become effective until later in the second quarter and is subject to completion of definitive documentation.

Purchases from equity investees for outside processing services amounted to $65 million and $34 million for the quarters ended March 31, 2009 and 2008, respectively. Purchases of taconite pellets from equity investees amounted to $11 million and $16 million for the quarters ended March 31, 2009 and 2008, respectively.

Accounts payable to related parties include balances due PRO-TEC Coating Company (PRO-TEC) of $44 million and $42 million I ή Hd

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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 190 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 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; however, with the decline in mass plaintiff cases, the incidence of claimants actually alleging a claim against U. S. Steel is increasing. In addition, in many asbestos cases, the claimants 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.

The amount U. S. Steel has accrued for pending asbestos claims is not material to U. S. Steel's fi

Remediation Projects

U. S. Steel is involved in environmental remediation projects at or adjacent to several current and former U. S. Steel facilities and other locations that are in various stages of completion ranging from initial characterization through post-closure monitoring. Based on the anticipated scope and degree of uncertainty of projects, we categorize projects as follows:

(1) *Projects with Ongoing Study and Scope Development* are those projects which are still in the study and development phase. For these projects the extent of remediation that may be required is not yet known, the remediation methods and plans are not yet developed, and cost estimates cannot be determined. Therefore, material additional costs are reasonably possible.

(2) *Significant Projects with Defined Scope* are those projects with significant accrued liabilities, a defined scope and little likelihood of material additional costs.

(3) *Other Projects* are those projects with relatively small accrued liabilities for which we believe that, while additional costs are possible, they are not likely to be material, and those projects for which we do not yet possess sufficient information to form a judgment about potential costs.

Projects with Ongoing Study and Scope Development – There are six environmental remediation projects where reasonably possible additional costs for completion are not currently estimable, but could be material. These projects are five Resource Conservation and Recovery Act (RCRA) programs (at Fairfield Works, Lorain Tubular, USS-POSCO Industries (UPI), the Fairless Plant and U. S. Steel's former Geneva Works) and a voluntary remediation program at the former steel making plant at Joliet, Illinois. As of March 31, 2009, accrued liabilities for these projects totaled $21 million for the costs of studies, investigations, interim measures, design and/or remediation. The Geneva Works project was previously considered a "significant project with defined scope"; however, further studies are being conducted which are likely to result in an expanded scope. Additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects may prove insignificant or could be as much as $40 million to $70 million. The scope of the UPI project, depending on agency negotiations and other factors, could become defined in 2009.

Significant Projects with Defined Scope – As of March 31, 2009, a total of $54 million was accrued for the West Grand Calumet Lagoon and other projects at or related to Gary Works where the scope of work is defined, including RCRA program projects, Natural Resource Damages (NRD) claims, completion of projects for the Grand Calumet River and the related Corrective Action Management Unit (CAMU), and closure costs for three hazardous waste disposal sites and one solid waste disposal site. Additional projects with defined scope include the Municipal Industrial & Disposal Company (MIDC) CERCLA site in Elizabeth, PA, and the Duluth St. Louis Estuary [illegible]

choose the most cost-effective way to meet their targets from a range of options which include carbon trading, offsets and credit for early action (between

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Antitrust Class Actions – In a series of lawsuits filed in federal court in the Northern District of Illinois beginning September 12, 2008, individual direct or indirect buyers of steel products have asserted that eight steel manufacturers, including U. S. Steel, conspired in violation of antitrust laws to restrict the domestic production of raw steel and thereby to fix, raise, maintain or stabilize the price of steel products in the United States. The cases are filed as class actions and claim treble damages for the period 2005 to present, but do not allege any damage amounts. U.S. Steel will vigorously defend these lawsuits and does not believe that it has any liability regarding these matters.

Randle Reef – The Canadian and Ontario governments have identified a sediment deposit in Hamilton Harbor near USSC's Hamilton Works for remediation, which the regulatory agencies estimate will require expenditures of approximately C$90 million (approximately $71 million). The national and provincial governments have each allocated C$30 million (approximately $24 million) for this project and they have stated that they will be looking for local sources, including industry, to fund the remaining C$30 million (approximately $24 million). USSC has committed to supply the steel necessary for the proposed encapsulation and has accru9atedas accru9at Ďe ret Ď7

U. S. Steel is party to a take-or-pay arrangement for information technology related services for our global operations that expires in 2012. Under this arrangement, U. S. Steel is required to contract for services, with annual minimum spending commitments ranging from $19 million to $31 million for a total minimum spending commitment of $120 million over the five-year term. If U. S. Steel elects to terminate the contract early, payment for the outstanding balance of the $120 million commitment is required and termination fees may apply.

U. S. Steel is party to a take-or-pay arrangement for the supply of industrial gases that expires in 2012. Under this arrangement, U. S. Steel is required to pay a minimum facility fee of approximately $1 million per month. U. S. Steel cannot elect to terminate this contract early unless associated steelmaking operations at the Edgar Thomson plant are permanently discontinued. At March 31, 2009, a maximum termination payment of $20 million, which declines through the contract period, would apply if associated steelmaking operations were permanently discontinued.

U. S. Steel is party to a take-or-pay arrangement for the supply of industrial gases that expires in 2012. Under this arrangement, U. S. Steel is required to pay a minimum facility fee of approximately $1 million per month. U. S. Steel cannot elect to terminate this contract early unless associated steelmaking operations at Granite City Works are permanently discontinued or an alternative steelmaking technology eliminates the use of oxygen. At March 31, 2009, a maximum termination payment of $8 million, which declines through the contract period, would apply if associated steelmaking operations were permanently discontinued.

U. S. Steel is party to an arrangement for the supply of industrial gases that expires in 2013. There is no monthly minimum facility fee associated with this arrangement; however, U. S. Steel cannot elect to terminate this contract early unless associated steelmaking operations at Gary Works are permanently discontinued. At March 31, 2009, a maximum termination payment of $64 million, which declines through the contract period, would apply if associated steelmaking operations were permanently discontinued.

U. S. Steel is party to an arrangement for mill operating support services at Gary Works that expires in 2015. U. S. Steel is required to pay a minimum facility fee of less than $1 million per month. After May 1, 2010, U. S. Steel can elect to terminate this contract early by providing 90 days notice and paying a maximum termination fee of $19 million plus an equipment buyout payment principally equal to the fair market value of the equipment at the time of termination.

U. S. Steel is party to a take-or-pay arrangement for the supply of industrial gases that expires in 2015. Under this arrangement, U. S. Steel is required to pay a minimum facility fee of approximately $1 million per month. U. S. Steel cannot elect to terminate this contract early unless associated steelmaking operations at Great Lakes Works are permanently discontinued. At March 31, 2009, a maximum termination payment of $8 million, which declines through the contract period, would apply if steelmaking operations were permanently discontinued.

U. S. Steel is party to a take-or-pay arrangement for the supply of industrial gases that expires in 2016. Under this arrangemen yder this

- We announced public offeringä

1 percent reduction in the assumed compound annual growth rate used for the Flat-rolled and Texas Operations reporting units, respectively, may have resulted in a material impairment charge. Additionally, if our discounted future cash flow projections are not realized, either because of an extended recessionary period or other unforeseen events, goodwill may be subject to impairment in future periods.

RESULTS OF OPERATIONS

Net sales by segment for the first quarter of 2009 and 2008 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	% Change
Flat-rolled Products (Flat-rolled)	**$ 1,592**	$ 3,162	-50%
U. S. Steel Europe (USSE)	**622**	1,356	-54%
Tubular Products (Tubular)	**515**	621	-17%
Total sales from reportable segments	**2,729**	5,139	-47%
Other Businesses	**21**	57	-63%
Net sales	**$ 2,750**	$ 5,196	-47%

Management's analysis of the **percentage change in net sales** for U. S. Steel's reportable business segments for the quarter ended March 31, 2009 versus the quarter ended March 31, 2008 is set forth in the following table:

Quarter Ended March 31, 2009 versus Quarter Ended March 31, 2008

	Steel Products [a]					
	Volume	Price	Mix	FX [b]	Coke & Other	Net Change
Flat-rolled	-49%	8%	0%	-4%	-5%	-50%
USSE	-43%	-1%	0%	-7%	-3%	-54%
Tubular	-47%	33%	2%	0%	-5%	-17%

(a) Excludes intersegment sales
(b) Foreign currency effects

Net sales were $2,750 million in the first quarter of 2009, compared with $5,196 million in the same quarter last year. Sales for all three reportable segments decreased significantly primarily due to lower shipments as a result of the global recession.

Operating expenses

Profit-based union payments

As a result of the operating loss incurred, results for the first quarter of 2009 did not include any costs for profit-based payments. The provisions of the 2008 Collective Bargaining Agreements with the USW (the 2008 CBAs) provide for such payments only after a base threshold of operating income is earned. Results for the first quarter of 2008 included costs of $24 million related to profit-based payments pursuant to the provisions of the 2003 Collective Bargaining Agreement with the USW and to payments pursuant to agreements with other unions. These costs are included in cost of sales on the statement of operations.

as Administrative Agent and with the same financial covenants and limitations as the Credit Facility. A principal repayment of $40 million is required on the second anniversary date. As of March 31, 2009, $180 million was outstanding under the three-year Term Loan.

We have received executed consents from the lenders holding a majority of the commitments under our Credit Facility and a majority of the debt under each of our $655 million of outstanding term loans discussed above (Term Loans) to eliminate the existing Financial Covenants and replace them with a fixed-charge coverage ratio covenant of 1.1:1 that is only tested if availability under the Credit Facility falls below approximately $112.5 million. The fixed charge coverage ratio will be defined in the amendments, and we expect it to be calculated at the end of each quarter, on the basis of the ratio, for the four consecutive quarters thereEnded, of operating cash flow to cash charges. F0es tandŎxŞe(aHrdi i

In April 2009, we reached agreement with the USW to defer $95 million of contributions otherwise required to be made during 2009 and the beginning of 2010 to our trust for retiree health care and life insurance until 2012 and 2013. Further, the USW has agreed to permit us to use all or part of the $75 million contribution we made in 2008 to pay current retiree health care and death benefit claims, subject to a make-up contribution in 2013.

We previously placed a freeze on hiring and annual merit-based salary increases, discontinued the company match on our 401(k) program and discontinued all non-essential travel and other outside services costs. Effective July 1, 2009, our CEO's base compensation will be reduced by 20 percent, other executive base salaries will be reduced by 10 percent, and our general manager salaries will be reduced by 5 to 10 percent. Fees for our Board of Directors will also be reduced by 10 percent.

Our CEO informed the Compensation and Organization Committee of the Board of Directors (Committee) that in light of his existing long-term incentive grants and direct share ownership, he declined to be considered for any 2009 long-term incentive grants should the Committee take up that matter at a later date for other executives and employees. Respecting the CEO's request, the Committee accepted his recommendation noting that it was an appropriate expression of leadership at this difficult time. (The grant-date value of the CEO's long-term incentive compensation in 2008 was $6.4 million.)

As previously discussed, our Credit Facility and Term Loans contain Financial Covenants and other conditions to borrowing and re-borrowing. The current global recession may affect our ability to comply with those covenants and conditions due to its impact on our earnings and cash flow, and may affect the lenders' ability to make loans under the Credit Facility and the availability of funds under the RPA. If the proposed amendments to the Credit Facility and the Term Loans previously discussed become effective, borrowings would be limited by the borrowing base described in the proposed amendments. In general, availability under the Credit Facility would be limited to a monthly borrowing base of certain eligible inventory less the total amounts outstanding under the Term Loans. If we are unable to complete the amendments, we may not be able to meet the Financial Covenants. If that occurs, we would be required to repay the Term Loans and any amounts outstanding under the Credit Facility and could not make further borrowings under the Credit Facility.

We use surety bonds, trusts and letters of credit to provide financial assurance for certain transactions and business activities. The use of some forms of financial assurance and collateral have a negative impact on liquidity. U. S. Steel has committed $122 million of liquidity sources for financial assurance purposes as of March 31, 2009, and may need to increase this amount in 2009.

In the event of the bankruptcy of Marathon Oil Corporation, obligations of $496 million relating to Environmental Revenue Bonds and two capital leases, as well as $28 million relating to an operating lease, may be declared immediately due and payable.

The guarantee of the indebtedness of an unconsolidated entity of U. S. Steel totaled $9 million at March 31, 2009. In the event that any default related to the guaranteed indebtedness occurs, U. S. Steel has access to its interest in the assets of the investee to reduce its potential losses under the guarantee.

The current recession has restricted our visibility even in the near term and has limited our ability to predict our cash needs with any degree of certainty. Our major cash requirements in 2009 are expected to be for capital expenditures, employee benefits and carrying costs related to the idled facilities. We finished the first quarter of 2009 with $1.1 billion of available cash. When business conditions begin to improve, our working capital requirements will likely increase and we may need to draw upon our credit facilities for necessary cash. Funding under the RPA is based on a pool of eligible receivables that has declined as a result of lower orders. A sudden increase in orders could require a significant amount of investment in working capital. Should we experience a significant increase in orders or an unexpected need for funds that cannot be met with available cash and our liquidity facilities, we may need to access the capital markets. Over the longer term, we have significant future debt maturities (see Note 15 to the Financial Statements in U. S. Steel's Annual Report on Form 10-K for the year ended December 31, 2008) and other obligations. Given the uncertainty regarding the duration of the global recession and the current turmoil in the financial markets, it is impossible to predict with any degree of certainty how much cash we will be able to generate, or the availability and terms of new borrowings or equity securities, to meet our long-term obligations.

We intend to repay the Term Loans from net proceeds from the public offerings of common stock and senior convertible notes due 2014, which were announced on April 27, 2009. Our ability to consummate these offerings will depend upon market and other conditions and we cannot predict whether we will be able to do so or what the terms and conditions will be for these offerings. If we are unable to refinance the Term Loans our ability to borrow the full amount under the Credit Facility may be reduced as the borrowing base formula includes a reduction for amounts outstanding under the Term Loans.

U. S. Steel management believes that U. S. Steel's liquidity will be adequate to satisfy our 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. However, in the current unsettled financial markets it is unclear what terms and conditions may be available to us although we expect such terms to be less favorable than those on our outstanding obligations.

Our opinion regarding liquidity is a forward-looking statement based upon currently available information. To the extent that operating cash flow is materially lower than recent levels or external financing sources are not available on terms competitive with those currently available, future liquidity may be adversely affected.

Debt Ratings

In March 2009, Moody's Investors Service placed its ratings assigned to our senior unsecured debt under review for possible downgrade citing the challenges facing us as steel industry conditions remain difficult with very weak demand and low capacity utilization levels.

In April 2009, Standard & Poor's Ratings Services placed its ratings assigned to our senior unsecured debt on CreditWatch with negative implications. They cited the weak operating environment, the lack of signs of meaningful recovery in steel end-markets in 2009 and our relatively high fixed-cost structure compared to minimill competitors.

In April 2009, Fitch Ratings affirmed its BBB- ratings assigned to our senior unsecured debt and revised our outlook to negative. The negative outlook reflects Fitch's view that the steel market will be extremely weak over the near term, that capacity utilization rates are historically low and that there is limited visibility on earnings.

Off-balance Sheet Arrangements

U. S. Steel did not enter into any new off-balance sheet arrangements during the first quarter of 2009.

ENVIRONMENTAL MATTERS, LITIGATION AND CONTINGENCIES

U. S. Steel has incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. In recent years, these expenditures have been mainly for process changes in order to meet Clean Air Act obligations and similar obligations in Europe, although ongoing compliance costs have also been significant. To the extent that these expenditures, as with all costs, are not ultimately reflected in the prices of our products and services, operating results will be reduced. U. S. Steel believes that our major North American and many European integrated steel competitors are confronted by substantially similar conditions and thus does not believe that our relative position with regard to such competitors is materially affected by the impact of environmental laws and regulations. However, the costs and operating gsfing

operations and US

(SEC) guidance organized using the same topical structure in separate sections within the Codification. This will have an impact to our financial statements since all references to authoritative accounting literature will be references in accordance with the Codification.

On April 9, 2009, the FASB issued FASB Staff Position (FSP) No. 107-1 and APB 28-1 (FSP 107-1 and APB 28-1), “Interim Disclosures about Fair Value of Financial Instruments.” This FSP requires disclosures of fair value for any financial instruments not currently reflected at fair value on the balance sheet for all interim periods. This FSP is effective for interim and annual periods ending after June 15, 2009 and should be applied prospectively. U. S. Steel does not expect any material financial statement implications relating to the adoption of this FSP.

On April 9, 2009, the FASB issued FSP No. 115-2 and Financial Accounting Standard (FAS) 124-2 (FSP No. 115-2 and FAS 124-2), “Recognition and Presentation of Other Than Temporary Impairments.” This FSP is intended to bring greater consistency to the timing of impairment recognition, and provide greater clarity to investors about the credit and noncredit components of impaired debt securities that are not expected to be sold. This FSP also requires increased and more timely disclosures regarding expected cash flows, credit losses, and an aging of securities with unrealized losses. This FSP is effective for interim and annual periods ending after June 15, 2009 and should be applied prospectively. U. S. Steel does not expect any material financial statement implications relating to the adoption of this FSP.

In December 2008, the FASB issued FSP No. 132(R)-1, “Employers’ Disclosures about Postretirement Benefit Plan Assets,” (FSP No. 132(R)-1). FSP No. 132(R)-1 amend FAS No. 132 to provide guidance on an employer’s disclosures about plan assets of a defined benefit pension or other postretirement plan. The additional required disclosures focus on fair value by category of plan assets. This FSP is effective for fiscal years ending after December 15, 2009. We do not expect a material impact on our financial statements when these additional disclosure provisions are adopted.

In December 2008, the FASB issued FSP No. 140-4 and FASB Interpretation No. (FIN) 46(R)-8, “Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities,” (FSP No. 140-4 and FIN 46(R)-8). FSP No. 140-4 and FIN 46(R)-8 amends FAS No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities,” and FIN 46 (revised December 2003) (FIN 46(R)), “Consolidation of Variable Interest Entities,” to provide additional disclosures about transfers of financial assets and involvement with variable interest entities. This FSP is effective for the first reporting period after December 15, 2008. The effect of adopting this FSP was immaterial to our financial statements.

In December 2007, the FASB issued FAS No. 141(R), “Business Combinations” (FAS 141(R)), which replaces FAS No. 141. FAS 141(R) requires the acquiring entity in a business combination to recognize all assets acquired and liabilities assumed in the transaction, establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed and requires the acquirer to disclose certain information related to the nature and financial effect of the business combination. FAS 141(R) also establishes principles and requirements for how an acquirer recognizes any noncontrolling interest in the acquiree and the goodwill acquired in a business combination. FAS 141(R) was effective on a prospective basis for business combinations for which the acquisition date is on or after January 1, 2009. For any business combination that takes place subsequent to January 1, 2009, FAS 141(R) may have a material impact on our financial statements. The nature and extent of any such impact will depend upon the terms and conditions of the transaction. FAS 141(R) also amends FAS No. 109, “Accounting for Income Taxes,” such that adjustments made to deferred taxes and acquired tax contingencies after January 1, 2009, even for business combinations completed before this date, will impact net income. This provision of FAS 141(R) may have a material impact on our financial statements (see Note 10 and the discussion of deferred taxes for USSC in

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 March 31, 2009. 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 applicable uĎi andandaical a

collection requests pursuant to Section 114 of the Clean Air Act. These alleged violations include those currently being prosecuted by IDEM that are identified abo

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Fairless Plant

In January 1992, U. S. Steel commenced negotiations with EPA regarding the terms of an Administrative Order on consent, pursuant to RCRA, under which U. S. Steel would perform an RFI and a CMS at our Fairless Plant. A Phase I RFI report was submitted during the third quarter of 1997. A Phase II/III RFI will be submitted following EPA approval of the Phase I report. While the RFI/CMS will determine whether there is a need for, and the scope of, any remedial activities at the Fairless Plant, U. S. Steel continues to maintain interim measures at the Fairless Plant and has completed investigation activities on specs at t ĎŮes ḓ Ĉ ǂ

Great Lakes Works

On January 6, 2006, Great Lakes Works received a proposed administrative consent order from the Michigan Department of Environmental Quality (MDEQ) that alleged violations of NPDES permits at the facility. On February 13, 2007, MDEQ and U. S. Steel agreed to a revised Administrative Consent Order that resolves this matter. As required by the Administrative Consent Order, U. S. Steel has paid a civil penalty of $300,000 and has reimbursed MDEQ $50,000 in costs. The Order identifies certain compliance actions that address the alleged violations. U. S. Steel has completed work on most of these compliance actions, and has initiated work on the others. One of the compliance actions addresses three river basins along the Detroit River and U. S. Steel has completed the corrective measure necessary to remove historical basin sediments from these areas. As of December 31, 2007, $1.8 million had been spent on the project. In addition, $661,000 was accrued for possible additional requirements to obtain MDEQ approval. Another compliance action includes modifications to the Cold Mill Wastewater Treatment Plant where U. S. Steel has agreed to rehabilitate four clarifiers and two wastewater conveyance pipelines, upgrade the computer control system and evaluate other potential improvements of this system. The vast majority of the elements of this project have been completed at a cost of $8.6 million and U. S. Steel anticipates spending an additional $1.9 million, most of which will be capitalized. Costs to complete the few remaining compliance actions are presently not determinable.

EPA Region V has conducted inspections and issued information and emission testing requests under Section 114 of the Clean Air Act regarding operations at Great Lakes Works. U. S. Steel has responded to the requests, continues to respond to the requests and has held discussions with EPA Region V and MDEQ regarding the requests and the regulatory agencies' concerns. Further discussions are planned later in 2009.

Granite City Works

Granite City Works received two NOVs, dated February 20, 2004 and March 25, 2004, for air violations at the coke batteries, the blast furnace and the steel shop. All of the issues have been resolved except for an issue relating to air emissions that occurs when coke is pushed out of the ovens, for which a compliance plan has been submitted to the Illinois Environmental Protection Agency (IEPA). IEPA referred the two NOVs to the Illinois Attorney General's Office for enforcement. On September 14, 2005, the Illinois Attorney General filed a complaint in the Madison County Circuit Court, titled People of the State of Illinois ex. rel. Lisa Madigan vs. United States Steel Corporation, which included the issues raised in the two NOVs. In December 2006, IEPA added to its complaint by adding a release of coke oven gas in February 2006. In October 2007, the Court entered a Second Supplemental Complaint in which IEPA added alleged violations regarding excessive opacity emissions from the blast furnace, and incorrect sulfur dioxide (SO_2) emission factors regarding blast furnace gas emissions. On December 18, 2007, U. S. Steel entered into a Consent Order with the Illinois Attorney General and IEPA that resolved the Complaint, as supplemented. The Order required that U. S. Steel: (1) pay a penalty of $300,000, which U. S. Steel paid on January 10, 2008; (2) demonstrate compliance with Coke Oven Pushing Operations in accordance with the compliance schedule provided in the Order; (3) comply with the basic oxygen furnace (BOF) opacity emissions in accordance with the schedule provided in the Order; and (4) submit to IEPA a revised permit application with the correct SO_2 emission factors, which U. S. Steel submitted in January 2008. On March 31, 2008, U. S. Steel submitted a revised BOF Compliance Schedule and requested to modify the Order consistent with the revised BOF Compliance Schedule. U. S. Steel is currently negotiating with IEPA and the Illinois Attorney General as to what upgrades at the BOF will precede the compliance demonstration. Therefore, the compliance demonstration deadline for the BOF is indefinitely postponed by agreement of the parties.

EPA Region V has conducted inspections and issued information and emission testing requests under Section 114 of the Clean Air Act regarding operations at Granite City Works. U. S. Steel has responded to the requests, continues to respond to the requests and has held discussions with EPA Region V and MDEQ regarding the requests and the regulatory agencies' concerns. Further discussions are planned later in 2009.

At Granite City Works, U. S. Steel and Gateway Energy & Coke Company, LLC (Gateway), a subsidiary of SunCoke Energy, Inc., have agreed with two environmental advocacy groups to establish an Environmental Trust Fund (Trust), which requires the permittees (U. S. Steel and Gateway) to collectively deposit $1.0 million by September 30th of each year, beginning September 30, 2008 and ending September 30, 2012. U. S. Steel contributed $500,000 to the Trust on September 30, 2008, which amounted to its share of the required 2008 deposit. As grantors, U. S. Steel and Gateway have established the Trust as a part of the cost to construct a heat recovery coke plant adjacent to Granite City Works. The capital contribution and all net income of the Trust are to be used for the purposes of promoting energy efficiency, greenhouse gas reductions and PM2.5 emission reduction, to be implemented in the local community where Granite City Works is located. The Trust can be used for projects at public buildings or property owned by the city, local schools, parks and library districts.

On February 2, 2009, Granite City Works received an NOV from IEPA alleging approximately 16 separate violations. Specifically, IEPA alleged that Granite City Works: inappropriately charged a battery while off the collecting mains because of (1) damaged coke guides on one occasion and (2) derailment of the pushing control system on two occasions; failed to perform some monthly and quarterly inspections required by Iron & Steel Maximum Achievable Control Technology (MACT) standards or Coke MACT standards; failed to initiate repairs within 30 days after recording that the baffles on the quench tower were damaged on the monthly inspection report; failed to adequately wash the baffles on the quench tower per the MACT standard; inappropriately used the emergency pour station at the BOP during routine, non-emergency maintenance; failed to sufficiently apply a wetting agent to the slag from BF-A to minimize fugitive emissions while loading trucks; and, failed to update and properly implement its Fugitive Dust Program. U. S. Steel provided a written response to EPA on March 18, 2009 and is meeting with IEPA on April 8 to resolve the issues identified in the NOV. U. S. Steel is to supplement its response by April 29th. IEPA has not made any penalty demand to date.

On March 17, 2009, Granite City Works received an NOV from IEPA alleging; door leaks from B Battery; volatile organic compounds from pressure relief valves from gas blanketing tank; coke by products process unit and information (lacking); failure to report retagging project for benzene in service equipment; and, failure to maintain records for benzene in service equipment repairs. U. S. Steel is currently drafting a response that is due on May 8, 2009. IEPA has not made a penalty demand to date.

In late January, Granite City Works advised U. S. Steel Law and Environmental Affairs that it exceeded its natural gas usage and corresponding emission limits for 2008 at designated combustion units, including boilers and ladle drying. To satisfy air permit requirements, Law drafted a notification letter to IEPA that was submitted to IEPA by the Granite City Works general manager on January 30, 2009. Per U. S. Steel's January 30, 2009 correspondence, U. S. Steel provided a Compliance Plan regarding fuel use and fuel balance to IEPA on February 28, 2009. Granite City Works, Environmental Affairs, and Law continue to investigate the issue and determined that the limits were also exceeded m[illegible]

U. S. Steel and the current property owner pursuant to an asset sales agreement and a permit issued by the Utah Department of Environmental Quality. U. S. Steel has reviewed environmental data concerning the site gathered by itself and third parties, developed work plans, initiated remedial measures on certain areas of the site, completed remediation on others, and continues to conduct field investigations. U. S. Steel has recorded a liability of $18.1 million as of March 31, 2009, for our estimated share of the remaining costs of remediation. In addition, U. S. Steel anticipates that corrective measures to address the existing tar pond could add significant costs to this project that are presently not determinable. As a result, it is reasonably possible that additional costs of as much as $40 to $70 million may be incurred at this site in combination with five other projects. See Note 21 to the Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

USS-POSCO Industries (UPI)

At UPI, a joint venture between subsidiaries of U. S. Steel and POSCO, corrective measures have been implemented for the majority of the former SWMUs and U. S. Steel is investigating a remedy for impacted ground water at the former wire mill. U. S. Steel is also in discussions with the California Department of Toxic Substances Control (DTSC) about whether or not additional corrective measures may be required at three remaining SWMUs within the facility. Arsenic impacted soils have been delineated at two of the SWMUs. While it is likely that corrective measures will be required at one or more of these SWMUs, it is not possible at this time to define a scope or estimate costs for what may be required by DTSC. It is reasonably possible that additional costs of as much as $40 to $70 million may be incurred at this site in combination with five other projects. See Note 21 to the Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

Other

On December 20, 2002, U. S. Steel received a letter from the Kansas Department of Health & Environment (KDHE) requesting U. S. Steel’s cooperation in cleaning up the National Zinc site located in Cherryvale, Kansas, a former zinc smelter operated by Edgar Zinc from 1898 to 1931. In April 2003, U. S. Steel and Salomon Smith Barney Holdings, Inc. (SSB) entered into a consent order to conduct an investigation and develop remediation alternatives. In 2004, a remedial action design report was submitted to and approved by KDHE. Implementation of the preferred remedy was essentially completed in late 2007. The respondents are finalizing the Removal Action Summary report by addressing some minor site maintenance issues, deed restrictions and operating and maintenance plans for approval by KDHE. On December 12, 2008, U. S. Steel and SSB entered into a Consent Decree with DOJ to settle the past costs claim for this amount. On January 8, 2009, DOJ lodged the Consent Decree with the Court for approval. On March 11, 2009, the U.S. District Court of Kansas entered a Consent Decree to settle DOJ’s claim for past costs of $1.0 million against U. S. Steel and SSB (now called Citigroup Global Market Holdings, Inc.). On March 31, 2009, the companies complied with the Consent Decree by each paying $502,400 (Superfund Interest included) to the DOJ.

On January 23, 2006, the KDHE sent a letter to U. S. Steel requesting that U. S. Steel address a former zinc smelter site in Girard, Kansas that was leased by American Sheet Steel Company in 1900. U. S. Steel is preparing a Corrective Action Study that will include a proposed remedial measure for impacted soils at this site. The costs to implement this measure are estimated to be $1.1 million. In addition, U. S. Steel will incur additional costs to purchase this residential property. U. S. Steel has accrued a total of $1.3 million to complete the investigation, conduct the remedial measure and purchase the property for these purposes.

In January of 2004, U. S. Steel received notice of a claim from the Texas Commission on Environmental Quality (TCEQ) and notice of claims from citizens of a cap failure at the Dayton Landfill.

U. S. Steel, Lubrizol and ExxonMobil are the largest PRPs at the site and have agreed to equally share costs for investigating the site, making U. S. Steel's share 33 $^{1}/_{3}$ percent. OnĎ ®

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can prove actual disease, if any; actual exposure, if any, to U. S. Steel products; or the duration of exposure to asbestos, if any, on U. S. Steel's premises. U. S. Steel has noted over the years that the form of complaint including its allegations, if any, concerning damages often depends upon the form of complaint filed by particular law firms and attorneys. Often the same damage allegation will be in multiple complaints regardless of the number of plaintiffs, the number of defendants, or any specific diseases or conditions alleged.

U. S. Steel aggressively pursues grounds for the dismissal of U. S. Steel from pending cases and litigates cases to verdict where we believe litigation is appropriate. U. S. Steel also makes efforts to settle appropriate cases, especially mesothelioma cases, for reasonable, and frequently nominal, amounts.

The following table shows activity with respect to asbestos litigation:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims	Amounts Paid to Resolve Claims (in millions)
December 31, 2006					

Risks related to rating agency downgrades

As discussed under "Liquidity and Capital Resources—Debt Ratings," with respect to our senior unsecured debt, Moody's Investor Service placed its rating under review for possible downgrading, Standard & Poor's Ratings Services placed its rating on CreditWatch with negative implications and Fitch Ratings affirmed its rating and revised our outlook to negative. We cannot predict the substance or timing of any action by these rating agencies but based on preliminary discussions with the agencies one or more downgrades may occur imminently. If our debt is downgraded, raising capital will become more difficult, borrowing costs under our credit facilities and other future borrowings will increase, the terms under which we purchase goods and services will be affected and our ability to take advantage of potential business opportunities will be limited. We may also be forced to provide collateral or financial assurance for environmental closure and other presently unsecured obligations.

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UNITED STATES STEEL CORPORATION
SUPPLEMENTAL STATISTICS (Unaudited)

(Dollars in millions)	Quarter Ended March 31, 2009	2008
(LOSS) INCOME FROM OPERATIONS		
Flat-rolled [(a)(b)]	**$ (422)**	$ 97
U. S. Steel Europe	**(159)**	161
Tubular	**127**	51
Other Businesses [(b)]	**(3)**	18
Segment (Loss) Income from Operations	**(457)**	327
Retiree benefit (expenses) income	**(32)**	1
Other items not allocated to segments:		
Net gain on sale of assets	**97**	-
Workforce reduction charges	**(86)**	-
Litigation reserve	**-**	(45)
Flat-rolled inventory transition effects	**-**	(17)
Total (Loss) Income from Operations	**$ (478)**	$ 266
CAPITAL EXPENDITURES [(c)]		
Flat-rolled [(a)(b)]	**$ 98**	$ 75
U. S. Steel Europe	**10**	32
Tubular	**3**	4
Other Businesses [(b)]	**7**	3
Total	**$ 118**	$ 114
OPERATING STATISTICS		
Average realized price: ($/net ton) [(d)]		
Flat-rolled [(a)(b)]	**$ 715**	$ 646
U. S. Steel Europe	**672**	791
Tubular	**2,353**	1,297
Steel Shipments: [(d)(e)]		
Flat-rolled [(a)(b)]	**2,123**	4,701
U. S. Steel Europe	**897**	1,638
Tubular [(b)]	**207**	433
Raw Steel-Production: [(e)]		
Flat-rolled	**2,279**	5,558
U. S. Steel Europe	**999**	1,908
Raw Steel-Capability Utilization: [(f)]		
Flat-rolled	**38.0%**	91.7%
U. S. Steel Europe	**54.8%**	103.4%

(a) Includes the results of the pickle lines acquired as of August 29, 2008.
(b) Effective with the fourth quarter of 2008, the operating results of our iron ore operations, which were previously included in Other Businesses, are included in the Flat-rolled segment. Prior periods have been restated to reflect this change.
(c) Excludes spending by variable interest entities, which is not funded by U. S. Steel.
(d) Excludes intersegment transfers.
(e) Thousands of net tons.
(f) Based on annual raw steel production capability of 24.3 million net tons for Flat-rolled and 7.4 million net tons for U. S. Steel Europe.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

U. S. Steel had no sales of unregistered securities during the period covered by this report and we have suspended purchases under our Common Stock Repurchase Program.

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Item 6. EXHIBITS

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] y] y]by Rules 13a-14(a) r 15d-14(arities e Securities Exchang § ò

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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/ Gregory A. Zovko

Gregory A. Zovko
Vice President and Controller

April 27, 2009

WEB SITE POSTING

This Form 10-Q will be posted on the U. S. Steel web site, www.ussteel.com, within a few days of its filing.

Exhibit 12.1

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

(Dollars in Millions)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Year Ended December 31, 2008	2007	2006	2005	2004
Portion of rentals representing interest	$ [illegible]	[illegible]					
		[illegible]					

Exhibit 12.2

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

	Three Months Ended March 31,		Year Ended December 31,				
(Dollars in Millions)	**2009**	**2008**	**2008**	**2007**	**2006**	**2005**	**2004**
Portion of rentals representing interest	**$ 7**	$ 9	$ 33	$ 32	$ 44	$ 45	$ 51
Capitalized interest	**4**	2	14	7	3	12	8
Other interest and fixed charges	**38**	49	179	135	123	87	131
Total fixed charges (A)	**$ 49**	$ 60	$ 226	$ 174	$ 170	$ 144	$ 190
Earnings-pretax income with applicable adjustments (B)	**$ (472)**	$ 362	$ 3,203	$ 1,305	$ 1,884	$ 1,467	$ 1,687
Ratio of (B) to (A)	**(a)**	6.03	14.17	7.50	11.08	10.19	8.88

(a) Earnings did not cover fixed charges by $521 million.

Exhibit 31.2

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 bHm

Exhibit 32.1

CHIEF EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO
<u>18 U.S.C. SECTION 1350</u>

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

(1) e X MꞱK Ꝩ

Exhibit 32.2

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

I, Gretchen R.