UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2012

Or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

(Exact name of registrant as specified in its charter)

Delaware	1-16811	25-1897152
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

600 Grant Street, Pittsburgh, PA	15219-2800
(Address of principal executive offices)	(Zip Code)

(412) 433-1121
(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes Ö No__

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period thatngnd pos

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(Dollars in millions, except per share amounts)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	
Net sales:			
Net sales	95	$ 4,784	
Net sales to related parties *(Note 18)*		336	643
Total			

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

(Dollars in millions)	Six Months Ended June 30, 2012	2011
Increase (decrease) in cash and cash equivalents		
Operating activities:		
Net (loss) income	**$ (118)**	$ 136
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, depletion and amortization *(Note 5)*	**327**	340
Provision for doubtful accounts	**(3)**	5
Pensions and other postretirement benefits	**(311)**	55
Deferred income taxes	**107**	43
Net loss (gain) on disposal of assets *(Notes 4 and 19)*	**309**	(10)
Currency remeasurement loss (gain)	**6**	(145)
Distributions received, net of equity investees income	**(7)**	(26)
Changes in:		
Current receiv[illegible]		

Notes to Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

United States Steel Corporation (U. S. Steel) produces and sells steel mill products, including flat-rolled and tubular products, in North America and Central Europe. Operations in North America also include transportation services (railroad and barge operations) and real estate operations.

The year-end consolidated balance sheet data was derived from audited statements but does not include all disclosures required for complete financial statements by accounting principles generally accepted in the United States of America. The other information in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise. These financial statements, including notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission and do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America for complete financial statements. Additional information is contained in the United States Steel Corporation Annual Report on Form 10-K for the year ended December 31, 2011 which should be read in conjunction with these financial statements.

2. New Accounting Standards

On May 12, 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). The amendments in ASU 2011-04 change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The amendments are intended to create comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011. The adoption of this ASU did not have a material impact on U. S. Steel's financial statements.

On June 16, 2011, the FASB issued Accounting Standards Update No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income* (ASU 2011-05). is ef e(5)He

On September 15, 2011, the FASB issued Accounting Standards Update No. 2011-08, *Testing Goodwill for Impairment* (ASU 2011-08), which amends the guidance in ASC 350-20. The amendments in ASU 2011-08 provide entities with the option of performing a qualitative assessment before performing the first step of the two-step impairment test. If entities determine, on the basis of qualitative factors, it is not more likely than not that the fair value of the reporting unit is less than the carrying amount, then performing the two-step impairment test would be unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the carrying amount of a reporting unit exceeds its fair value, then the entity is required to perform the second step of the goodwill impairment test to measure the amount of the impairment loss, if any. ASU 2011-08 also provides entities with the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the first step of the two-step impairment test. ASU 2011-08 is effective for interim and annual periods beginning after December 15, 2011. U. S. Steel adopted ASU 2011-08 on January 1, 2012 and will incorporate the new guidance in its goodwill impairment evaluations going forward.

3. Segment Information

U. S. Steel has three reportable segments: Flat-rolled Products (Flat-rolled), U. S. Steel Europe (USSE), and Tubular Products (Tubular). The results of several other operating segments that do not constitute reportable segments are combined and disclosed in the Other Businesses category. Prior to January 31, 2012, our USSE reportable segment consisted of U. S. Steel Košice (USSK) and U. S. Steel Serbia (USSS). On January 31, 2012, U. S. Steel sold USSS (see note 4). The USSE segment information subsequent to January 31, 2012 reflects the results of USSK only.

The chief operating decision maker evaluates performance and determines resource allocations based on a number of factors, the primary measure being income (loss) from operations. Income (loss) from operations for reportable segments and Other Businesses does not include net interest and other financial costs (income), income taxes, postretirement benefit expenses (other than service cost and amortization ge ioreĎvice cosixpSExpSbeS nr , nreor

The results of segment operations for the three months ended June 30, 2012 and 2011 are:

(In millions) Second Quarter 2012	Customer Sales

The following is a schedule of reconciling items to loss from operations:

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Items not allocated to segments:				
Postretirement benefit expense	**$ (77)**	$ (96)	**$ (154)**	$ (191)
Other items not allocated to segments:				
Net loss on the sale of assets *(Note 4)*	**-**	-	**$ (310)**	-
Property tax settlements	**-**	-	**19**	-
Total other items not allocated to segments	**-**	-	**(291)**	-
Total reconciling items	**$ (77)**	$ (96)	**$ (445)**	$ (191)

Consists of the net periodic benefit cost elements, other than service cost and amortization of prior service cost for active employees, associated with our pension, retiree health care and life insurance benefit plans.

Reflects the effects of Michigan property tax settlements that occurred in the first quarter 2012.

4. Dispositions

The net loss on disposal of assets for the first six month of 2012 primarily relates to the following dispositions:

U. S. Ste9Ď ® § M

Goodwill represents the excess of the cost over the fair value of acquired identifiable tangible and intangible assets and liabilities assumed from businesses acquired. We have two reporting units that have a significant amount of goodwill. Our Flat-rolled reporting unit was allocated goodwill from the Stelco Inc. (Stelco) and Lone Star Technologies Inc. (Lone Star) acquisitions in 2007. These amounts reflect the benefits the Flat-rolled reporting unit realizes from expanding our flexibility in meeting our customers' needs and running our Flat-rolled facilities at higher operating rates to source our semi-finished product needs. Our Texas Operations reporting unit, which is part of our Tubular reportable segment, was allocated goodwill from the Lone Star acquisition, reflecting the benefits the reporting unit is realizing from the expansion of our tubular operations.

Goodwill is tested for impairment at the reporting unit level annually in the third quarter and whenever events or circumstances indicate that the carrying value may not be recoverable. U. S. Steel completed its annual goodwill impairment test during the third quarter of 2011 and determined that there was no goodwill impairment for any of the reporting units. On Januar

Compensation expense for stock options is recorded over the vesting period based on the fair value on the date of grant, as calculated by U. S. Steel using the Black-Scholes model and the assumptions listed below. The stock options vest ratably over a three-year service period and have a term of ten years.

Black-Scholes Assumptions	**May 2012 Grant**	**May 2011 Grant**
Grant date price per share of option award	**$ 22.31**	$ 45.81
Expected annual dividends per share, at grant date	**$ 0.20**	$ 0.20
Expected life in years	**5.0**	5.0
Expected volatility	**68%**	64%
Risk-free interest rate	**0.8%**	1.8%
Grant date fair value per share of unvested option awards as calculated from above	**$ 11.95**	$ 24.39

The expected annual dividends per share are based on the latest annualized dividend rate at the date of grant; the expected life in years is determined primarily from historical stock option exercise data; the expected volatility is based on the historical volatility of U. S. Steel stock; and the risk-free interest rate is based on the U. S. Treasury strip rate for the expected life of the option.

Restricted stock units generally vest ratably over three years. The fair value of the restricted stock units is the market price of the underlying common stock sstricte cotabSyteĎ rock thon allyy csivteH t erĎhreend

Unrecognized tax benefits
Unrecognized tax benefits are the differences between a tax position taken, or expected to be taken, in a tax return and the benefit recognized for accounting purposes pursuant to the guidance found in ASC Topic 740 on income taxes. The total amount of unrecognized tax benefits was $108 million at June 30, 2012 and $110 million at December 31, 2011. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was $99 million and $100 million as of June 30, 2012 and December 31, 2011, respectively.

U. S. Steel is under examination by tax authorities in multiple jurisdictions for various tax years. In conjunction with the conclusion of certain audits, U. S. Steel expects to reduce its liability for unrecognized tax benefits by $17 million and record a corresponding tax benefit during the third quarter of 2012.

U. S. Steel records interest related to uncertain tax positions as a part of net interest and other financial costs in the Statement of Operations. Any penalties are recognized as part of selling, general and administrative expenses. As of June 30, 2012 and December 31, 2011, U. S. Steel had accrued liabilities of $8 million and $6 million, respectively, for interest related to uncertain tax positions. U. S. Steel currently does not have any liabilities recorded for income tax penalties.

Deferred taxes
As of June 30, 2012, the net domestic deferred tax asset was $526 million compared to $697 million at December 31, 2011. A substantial amount of U. S. Steel's domestic deferred tax assets relates to employee benefits that will become deductible for tax purposes over an extended period of time as cash contributions are made to employee benefit plans and retiree benefits are paid in the future. As a result of our cumulative historical earnings, we continue to believe it is more likely than not that the net domestic deferred tax asset will be realized.

As of June 30, 2012, the net foreign deferred tax asset was $62 million, net of established valuation allowances of $979 million. At December 31, 2011, the net foreign deferred tax asset was $66 million, net of established valuation allowances of $1,018 million. Net foreign deferred tax assets will fluctuate as the value of the U.S. dollar changes with respect to lue l nef t of h

14. Debt

(In millions)	Interest Rates %	Maturity	June 30, 2012	[illegible]mber 31, [illegible]011
2037 Senior Notes	6.65	2037	$ 350	350
2022 Senior Notes	7.50	2022	400	-
20[illegible] Senior Notes	7.375	2020	600	[illegible]00
2[illegible] Se[illegible]ior Notes	7.00	2018	500	[illegible]00
2[illegible] Se[illegible]ior Notes	6.05	[illegible]	450	[illegible]50
201[illegible] Se[illegible]ior Convertible Notes	4.00	[illegible]	[illegible]	[illegible]63
20[illegible] S[illegible]ior Notes	5.65	[illegible]	[illegible]	[illegible]
Prov[illegible]ce Note (C$150 million)	1.00	[illegible]	[illegible]	[illegible]
Environmental Revenue Bonds	5.38 - 6.88	2015 - 2030	455	[illegible]5
Recovery Zone Facility Bonds	6.75	2040	70	70
Fairfield Caster Lease		2012	-	$ 11
Other capital leases and all other obligations		2012 - 2014	5	[illegible]

The eligible accounts receivable and receivables sold to third-party conduits are summarized below:

(In millions)	June 30, 2012	December 31, 2011
Balance of accounts receivable-net, eligible for sale to third-party conduits	**$ 1,309**	$ 1,214
Accounts receivable sold to third-party conduits	**-**	380
Accounts receivable-net, included in the accounts receivable balance on the balance sheet of U. S. Steel	**$ 1,309**	$ 834

The net book value of U. S. Steel's retained interest in the receivables represents the best estimate of the fair market value due to the short-term nature of the receivables. The retained interest in the receivables is recorded net of the allowance for bad debts, which hi ch Qiǒ i

iron ore pellets from related parties amounted to $61 million and $65 million for the three months ended June 30, 2012 and 2011, respectively, and $120 million and $109 million for the six months ended June 30, 2012 and 2011, respectively.

Accounts payable to related parties include amounts collected on behalf of PRO-TEC Coating Company (PRO-TEC) of $107 million and $84 million at June 30, 2012 and December 31, 2011, respectively. U. S. Steel, as PRO-TEC's exclusive sales agent, is responsible for credit risk related to PRO-TEC's receivables. U. S. Steel also provides PRO-TEC markĎo

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 financial position. U. S. Steel does not accrue for unasserted asbestos claims because it is not possible to determine whether any loss is probable with respect to such claims or even to estimate the amount or range of any possible losses. The vast majority of pending claims against U. S. Steel allege so-called "premises" liability-based alleged exposure on U. S. Steel's current or former premises. These claims are made by an indeterminable number of people such as truck drivers, railroad workers, salespersons, contractors and their employees, government inspectors, customers, visitors and even trespassers. In most cases the claimant also was exposed to asbestos in non-U. S. Steel settings; the relative periods of exposure between U. S. Steel and non-U. S. Steel settings vary with each claimant; and the strength or weakness of the causal link between U. S. Steel exposure and any injury vary widely as do the nature and severity of the injury claimed.

It is not possible to predict the ultimate outcome of asbestos-related lawsuits, claims and proceedings due to the unpredictable nature of personal injury litigation. Despite this uncertainty, management believes that the ultimate resolution of these matters will not have a material adverse effect on U. S. Steel's financial condition, although the resolution of such matters could significantly impact results of operations for a particular quarter. Among the factors considered in reaching this conclusion are: (1) the generally declining trend in the number of claims; (2) that it has been many years since U. S. Steel employed maritime workers or manufactured or sold asbestos containing products; and (3) U. S. Steel's history of trial outcomes, settlements and dismissals.

Environmental matters – U. S. Steel is subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance. Changes in accrued liabilities for remediation activities are summarized in the following table:

(In millions)	**Six Months Ended June 30, 2012**
Beginning of period	**$ 206**
Accruals for environmental remediation deemed probable and reasonably estimable	**9**
Payments	**(8)**
End of period	**$ 207**

Accrued liabilities for remediation activities are included in the following balance sheet lines:

(In millions)	**June 30, 2012**	**December 31, 2011**
Accounts payable	**$ 20**	$ 20
Deferred credits and other noncurrent liabilities	**187**	186
Total	**$ 207**	$ 206

Expenses related to remediation are recorded in cost of sales and totaled $6 million and $4 million for the three months ended June 30, 2012 and 2011, respectively, and $9 million and $5 million for the six months ended June 30, 2012 and 2011, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred. Due to uncertainties inherent in remediation projects and the associated liabilities, it is possible that total remediation costs for active matters and projects with ongoing study and scope development may exceed the accrued liabilities by as much as 15 to 30 percent.

<u>Remediation Projects</u>
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*

the unknown conditions related to the properties sold. Aside from the environmental liabilities already recorded as a result of these transactions due to specific approximately $168 milliĎ ɞ

Item

Segment results for Flat-rolled

	Quarter Ended June 30, 2012	Quarter Ended June 30, 2011	% Change	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011	% Change
Income from operations ($ millions)	**$ 177**	$ 374	-53%	**$ 360**	$ 338	7%
Gross margin	**9.5%**	15.6%	-39%	**10.2%**	10.3%	-1%
Raw steel production (mnt)	**4,688**	4,894	-4%	**9,731**	9,492	3%
Capability utilization	**77%**	81%	-5%	**80%**	79%	1%
Steel shipments (mnt)	**3,986**	3,936	1%	**8,078**	7,890	2%
Average realized steel price per ton	**$ 772**	$ 803	-4%	**$ 768**	$ 761	1%

The decrease in Flat-rolled results in the second quarter of 2012 compared to the same period in 2011 resulted from a decrease of $31 per ton in average realized prices (approximately $120 million), increased other operating costs (approximately $65 million, which includes facility maintenance and outage costs), higher raw materials costs (approximately $45 million) and unfavorable changes from steel substrate sales to our Tubular segment (approximately $40 million). These decreases were partially offset by reduced energy costs primarily due to lower natural gas prices (approximately $65 million) and an increase of 50 thousand tons in shipments (approximately $10 million).

The improvement in Flat-rolled results in the first half of 2012 compared to the same period in 2011 resulted mainly from decreased energy costs primarily due to a reduction in natural gas prices (approximately $110 million) and an increase of $7 per ton in average realized prices (approximately $60 million) and an increase of 188 thousand tons in shipments (approximately $30 million). These improvements were partially offset by increased other operating costs (approximately $75 million, which includes facility maintenance and outage costs), unfavorable changes from steel substrate sales to our Tubular segment (approximately $35 million) higher accruals for profit-based payments (approximately $30 million), decreased shipment volumes (approximately $25 million) and higher raw material costs (approximately $15 million).

Segment results for USSE

	Quarter Ended June 30, 2012	Quarter Ended June 30, 2011	% Change	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011	% Change
Income (loss) from operations ($ millions)	**$ 34**	($ 18)	NM	**$ —**	($ 23)	100%
Gross margin	**12.0%**	6.3%	90%	**7.7%**	5.9%	31%
Raw steel production (mnt)	**1,173**	1,431	-18%	**2,413**	3,112	-22%
Capability utilization	**94%**	78%	21%	**89%**	85%	5%
Steel shipments (mnt)	**955**	1,138	-16%	**2,000**	2,583	-23%
Average realized steel price per ton	**$ 767**	$ 930	-18%	**$ 757**	$ 870	-13%

The improvement in USSE results in the second quarter of 2012 compared to the same period in 2011 was primarily due to lower raw materials costs (approximately $75 million), the elimination of operating losses subsequent to January 31, 2012 associated with our former Serbian operations (which were approximately $45 million in the 2011 period), decreased other operating costs (approximately $40 million, which includes operating efficiencies due to increased production volume at USSK) and an increase of 129 thousand tons in shipments at USSK (approximately $15 million). These improvements were partially offset by a decrease in average realized prices for USSK (approximately $90 million), unfavorable foreign currency translation effects (approximately $25 million) and increased energy costs primarily due to an increase in electricity costs (approximately $5 million).

Net interest and other financial costs

(Dollars in millions)	Quarter Ended June 30, 2012	Quarter Ended June 30, 2011	% Change	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011	% Change
Interest and 2 Ď Ţ						

allowance was recorded for both the Canadian and Serbian deferred tax assets primarily due to cumulative losses in these jurisdictions in recent years. On January 31, 2012, U. S. Steel sold USSS and the Serbian deferred tax assets and the offsetting valuation allowance were removed in the first quarter of 2012 in connection with the sale. Net foreign deferred tax assets will fluctuate as the value of the U.S. dollar changes with respect to the Canadian dollar and the euro. If evidence changes and it becomes more likely than not that the Company will realize the foreign deferred tax assets, the valuation allowance of $975 million for Canadian deferred tax assets as of June 30, 2012, would be partially or fully reversed. Any reversal of this amount would result in a decrease to income tax expense.

For further information on income taxes see note 9 to the Financial Statements.

Net income–[illegible]

Over the longer term, we are considering business strategies to leverage our significant iron ore position in the United States and to exploit opportunities related to the availability of reasonably priced natural gas as an alternative to coke in the iron reduction process to improve our cost competitiveness, while reducing our dependence on coal and coke. We are considering an expansion of our iron ore pellet operations at our Keewatin, MN (Keetac) facility which would increase our production capability by approximately 3.6 million tons thereby increasing our iron ore self-sufficiency. The total cost as currently conceived is broadly estimated to be approximately $820 million and final permitting for the expansion was completed in December 2011. We also are examining alternative iron and steelmaking technologies such as gas-based, direct-reduced iron and electric arc furnace (EAF) steelmaking. Our capital investments in the future may reflect such strategies, although we expect that iron and steelmaking through the blast furnace and basic oxygen furnace manufacturing processes will remain our primary processing technology for the long term.

The foregoing statements regarding expected 2012 capital expenditures, capital projects and expected benefits from the implementation of the ERP project are forward-looking statements. Factors that may affect our capital spending and the projects include: (i) levels of cash flow from operations; (ii) changes in tax laws; (iii) general economic conditions; (iv) steel industry conditions; (v) cost and availability of capital; (vi) receipt of necessary permits; and (vii) unforeseen hazards such as contractor performance, material shortages, weather conditions, explosions or fires. There is also a risk that the completed projects will not produce at the expected levels and within the costs currently projected. Predictions regarding benefits resulting from the implementation of the ERP project are subject to uncertainties. Actual results could differ materially from those expressed in these forward-looking statements.

Disposal of assets in the first six months of 2012 primarily reflects proceeds from the sale of the majority of the operating assets of Birmingham Southern Railroad Company and the Port Birmingham Terminal. Disposal of assets in the first six months of 2011 primarily reflects cash proceeds of approximately $6 million from transactions to swap a portion of the emissions allowances at USSK as well as various other transactions, none of which were individually material.

Borrowings against revolving credit facilities in the first six months of 2012 reflect amounts drawn under USSK's €280 million total unsecured revolving credit facilities.

Repayments of revolving credit facilities in both the first six months of 2012 and 2011 reflect USSK's repayment of the outstanding borrowings under its €280 million total unsecured revolving credit facilities.

Receivables Purchase Agreement Payments in the first six months of 2012 reflect activity under the Receivables Purchase Agreement.

Issuance of long-term debt, net of financing costs in the first six months of 2012 reflects the issuance of $400 million of 7.50% Senior Notes due 2022. U. S. Steel received net proceeds of $392 million after related discounts and other fees.

Repayment of long-term debt in the first six months of 2012 reflects the redemption of our $300 million 5.65% Senior Notes due 2013.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes U. S. Steel's liquidity as of June 30, 2012:

(Dollars in millions)

At June 30, 2012, in the event of a change in control of U. S. Steel, debt obligations totaling $3,163 million, which includes the Senior Notes and the Senior Convertible Notes, may be declared immediately due and payable. In such an event, U. S. Steel may also be required to either repurchase the leased Fairfield slab caster for $19 million or provide a letter of credit to secure the remaining obligation.

The slab caster facility at Fairfield, Alabama is subject to a 24-year lease which expires in June 2013. U. S. Steel has the option to purchase the caster or to renew the lease at the end of the basic term. As required in the lease agreement, U. S. Steel issued an irrevocable notice in June 2012 stating its intent to either purchase the caster or renew the lease. Prior to lease expiration, a second irrevocable notice must be provided [illegible] adverse effect on our competitive position with regard to domestic mini-mills, some foreign steel producers (particularly in developing economies such as China) and producers of materials which compete with steel, all of which may not be required to incur equivalent costs in their operations. In addition, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities and its production methods. U. S. Steel is also responsible for remediation costs related to our prior disposal of environmentally sensitive materials. Many of our competitors do not have similar historical liabilities.

Our U.S. facilities are subject to the U.S. environmental standards, including the CAA, the Clean Water Act, the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as well as state and local laws and regulations.

U. S. Steel Canada (USSC) is subject to the environmental laws of Canada, which are comparable to environmental standards in the United States. Environmental [illegible] between the federal government and the provincial governments, which in turn delegates certain matters to municipal governments. Federal environmental statutes include the federal Canadian Environmental Protection Act, 1999 and the Fisheries Act. Various provincial statutes regulate environmental matters such as the release and remediation of hazardous substances; waste storage, treatment and disposal; and air emissions. As in the United States, Canadian environmental laws (federal, provincial and local) are undergoing revision and becoming more stringent.

USSK is subject to the environmental laws of Slovakia and the European Union (EU). A related law of the EU commonly known as Registration, U[illegible]

New requirements for 2011 monitoring and reporting included greenhouse gas emissions from vacuum degassing (decarburization), and methane emissions from on-site landfills. Facilities for which greenhouse gas emissions from decarburization were determined and reported included Gary Works, Great Lakes Works, and the Edgar Thomson Plant. Calculation of landfill methane emissions from U. S. Steel facilities has been completed. However, new provisions for incorporating on-site landfill methane emissions into EPA's electronic reporting tool are still pending, and not expected to be completed until this fall.

As with previous year's reports, EPA intends to make this information publicly available from all facilities.

The European Commission (EC) has created an Emissions Trading System (ETS). Under the ETS, the EC establishes CO emissions limits for every EU member state and approves grants of CO emission allowances to individual emitting facilities pursuant to national allocation plans that are proposed by each of the member states. The allowances can be bought and sold by emitting facilities to cover the quantities of CO they emit in their operations.

In July 2008, Slovakia granted USSK CO emission allowances as part of the national allocation plan for the 2008 to 2012 trading period (NAP II) approved by the EC. Based on actual CO emissions to date, USSK will have sufficient allowances for the NAP II period without purchasing additional allowances. In the first six months 2011, U. S. Steel entered into transactions to sy .nǦ Þ establishment of an Offset System in Canada. These draft documents propose rules and provide guidance on the requirements and processes to create offset credits and the requirements and processes to verify the eligible greenhouse gas reductions achieved from an offset project. Canada’s federal government has stated that, once in plta° Ď̆hgreenhoce

USSE conducts business primarily in Europe. Like our North American operations, USSE is affected by the cyclical nature of demand for steel products and the sensitivity of that demand to worldwide general economic conditions. The sovereign debt issues and the resulting economic uncertainties are adversely affecting markets in the EU. We are subject to market conditions in those areas which are influenced by many of the same factors that affect U.S. markets, as well as matters specific to international markets such as quotas, tariffs and other protectionist measures. As previously disclosed, we sold our Serbian operations on January 31, 2012.

Demand for oil country tubular goods depends on several factors, most notably the number of oil and natural gas wells being drilled, completed and re-worked, the depth and drilling conditions of these wells and the drilling techniques utilized. The level of these activities depends primarily on the demand for natural gas and oil and the expectation of future prices of these commodities. Demand for our tubular products is also affected by the continuing development of shale oil and gas resources, the level of inventories maintained by manufacturers, distributors, and end users and by the level of imports in the markets we serve.

Steel sheet imports to the United States accounted for 13 percent of the U.S. steel market in 2011 and 2010 and 15 percent in 2009. Increases in future levels of imported steel could reduce future market prices and demand levels for steel produced in our North American facilities.

Imports of flat-rolled steel to Canada accounted for 35 percent of the Canadian market for flat-rolled steel products in 2011, 40 percent in 2010 and 39 percent in 2009.

Energy related tubular products imported into the United States accounted for an estimated 47 percent in 2011, 46 percent in 2010 and 58 percent in 2009.

Many of these imports have violated U.S. or Canadian trade laws. Under these laws, duties can be imposed against dumped products, which are products sold at a price that is below that producer's sales price in its home market or at a price that is lower than its cost of production. Countervailing duties (CVD) can be imposed against products that benefited from foreign government f

The DOC and the ITC concluded their five-year (sunset) reviews of an AD order against tin and chromium coated steel sheet from Japan in September 2011 and May 2012, respectively. The DOC determined that revoking this order would likely lead to the continuation or recurrence of dumping, and the ITC determined that revoking the order would likely lead to the continuation or recurrence of material injury within a reasonably foreseeable time. As a result, the order remains in place.

The DOC and the ITC concluded their five-year (sunset) reviews of a CVD order against circular welded pipe from Turkey, as well as their five-year (sunset) reviews of AD orders against circular welded pipe from Brazil, India, Mexico, South Korea, Taiwan, Thailand, and Turkey, in October 2011 and June 2012, respectively. The DOC determined that revoking these orders would likely lead to the continuation or recurrence of a countervailable subsidy or dumping, and the ITC determined that revoking the orders would likely lead to the continuation or recurrence of material injury within a reasonably foreseeable time. As a result, the orders remain in place.

In response to a decision by the U.S. Court of Appeals for the Federal Circuit, Congress passed legislation in the first quarter of 2012 clarifying its intent that the United States anti-subsidy law, also known as the CVD law, applies to non-market economy (“NME”) countries, such as China. On March 13, 2012, the President signed this legislation into law. While this issue is subject to ongoing litigation, the legislation makes it likely that the 25 current CVD orders against NME imports (24 on Chinese products, 1 on Vietnamese) will remain in effect.

The following international trade orders of interest to U. S. Steel are currently undergoing five-year (sunset) reviews in the United States: (i) AD and CVD orders on corrosion-resistant steel from Korea, (ii) an AD order on corrosion-resistant steel from Germany, and (iii) an AD order on seamless standard, line and pressure pipe from Germany.

U. S. Steel is also participating in litigation at the DOC and the ITC where domestic producers are seeking to obtain AD and CVD relief against circular welded pipe from Oman, the United Arab Emirates, Vietnam, and India (the AD case against India would cover a producer that is not subject to the AD order currently in place against imports of circular welded pipe from India.)

We expect to continue to experience competition from imports and will continue to closely monitor imports of products in which we have an interest. Additional complaints may be filed if unfairly traded imports adversely impact, or threaten to adversely impact, financial results.

NEW ACCOUNTING STANDARDS

See note 2 to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes in U. S. Steel’s exposure to market risk from December 31, 2011 except as noted below.

Historically, volatility in the foreign currency markets has had significant implications for U. S. Steel as a result of foreign currency accounting remeasurement effects, primarily on a U.S. dollar denominated intercompany loan from a U.S. subsidiary to a European entity. As of January 1, 2012, the functional currency of this European entity was changed from the euro to the U.S. dollar primarily because of significant changes in economic facts and circumstances, including the sale of U. S. Steel Serbia. This change in functional currency has been applied on a prospective basis since January 1, 2012. The remaining foreign currency remeasurement exposure is not expected to have significant effects on U. S. Steel’s financial results going forward.

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EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

U. S. Steel has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2012. 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 U.S. Securities and Exchange Commission 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 law and regulations. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of June 9s2io cti

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

GENERAL LITIGATION

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 is vigorously defending these lawsuits and does not believe that it is probable a liability regarding these matters has been incurred. We are unable to estimate a range of possible loss at this time.

ENVIRONMENTAL PROCEEDINGS

Gary Works

On March 4, 2010 the EPA notified U. S. Steel that the requirements of the January 26, 1998 Clean Water Act consent decree in United States of America v. USX (Northern District of Indiana) had been satisfied. By order on June 25, 2012, the U. S. District Court terminated the consent decree in its entirety. As of June 30, 2102, project costs have amounted to $60.7 million. In 1998, U. S. Steel also entered into a consent decree with the public trustees, which resolves liability for naturalĎuɞ bl

Fairfield Works

A consent decree was signed by U. S. Steel, EPA and the U.S. DOJ and filed with the United States District Court for the Northern District of Alabama (United States of America v. USX Corporation) on December 11e

On February 2, 2009, U. S. Steel received an NOV from IEPA alleging approximately 16 separate violations at Granite City Works, including inappropriate charging of a coke battery while off the collecting main; failing to perform some required MACT monthly and quarterly inspections; failing to timely repair the baffles on the quench tower; failing to adequately wash the baffles on the quench tower; inappropriately using the emergency pour station at the BOP; failing to sufficiently apply a wetting agent to the slag from Blast Furnace A and failing to update and properly implement its Fugitive Dust Program. On November 16, 2009, U. S. Steel received a notice of intent to pursue legal action regarding the alleged violations from IEPA. Resolution of these issues continues to be negotiated with IEPA.

On March 17, 2009, U. S. Steel received an NOV from IEPA alleging the following at Granite City Works: 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. IEPA has not made a penalty demand to date. Resolution of the issues identified in the NOV continues to be negotiated with EPA.

The Canadian and Ontario governments have identified for remediation a sediment deposit, commonly referred to as Randle Reef, in Hamilton Harbor near USSC's Hamilton Works, for which the regulatory agencies estimate expenditures of approximately C$120 million (approximately $118 million). The national and provincial governments have each allocated C$30 million (approximately $29 million) for this project and may be willing to increase that amount to C$40 million (approximately $39 million), respectively, provided that local sources, including industry, agree to fund C$40 million (approximately $39 million). Current local funding commitments are C$35 million (approximately $34 million). USSC has committed to contribute approximately 11,000 tons of hot rolled steel and to fund C$2 million (approximately $2 million). The steel contribution is expected to be made in 2014. As of June 30, 2012, U. S. Steel has an accrued liability of approximately $10 million reflecting the contribution commitment.

U. S. Steel is identified as a Potentially Responsible Party (PRP) at the former Breslube-P9 B t Å1°forMtri

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

July 31, 2012

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Exhibit 31.2

<u>CHIEF FINANCIAL OFFICER CERTIFICATION</u>

I, Gretchen R. Haggerty, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Steel Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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

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

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

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial state¿ ExĎchpan re

Exhibit 32.1

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 Corporation, certify that:

(1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending June 30, 2012, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ John P. Surma
John P. Surma
Chairman of the Board of Directors
and Chief Executive Officer

July 31, 2012

A signed original

Exhibit 32.2

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

I, Gretchen R. Haggerty, Executive Vice President and Chief Financial Officer of United States Steel Corporation, certify that:

(1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending June 30, 2012, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results 03Hus tion 03H,ERatsult

Mine (Federal Mine Safety and Health Administration (MSHA) ID)	Total # of Significant & Substantial violations under §104 [(a)]	Total # of orders under §104(b) [(a)]	Total # of unwarrantable failure citations and orders under §104(d) [(a)]	Total # of violations under §110(b)(2) [(a)]	Total # of orders under §107(a) [(a)]	Total dollar value of proposed assessments from MSHA	Total # of mining related fatalities	Received Notice of Pattern of Violations under §104(e) [(a)] (yes/no)?	Received Notice of Potential to have Pattern under §104(e) [(a)] (yes/no)?	Total # of Legal Actions Pending with the Mine Safety and Health Review Commission as of Last Day of Period [(b)]	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Mt. Iron (2100819, 2100820, 2100282)	28	0	0	0	0	$ 44,315	0	no	no	169	54	0
Keewatin (2103352)	6	0	0	0	0	$ 26,525	0	no	no	34	9	0

(a) References to Section numbers are to sections of the Federal Mine Safety and Health Act of 1977.

(b) Includes all legal actions pending before the Federal Mine Safety and Health Review Commission, together with the Administrative Law Judges thereof, for each of our iron ore operations. These actions may have been initiated in prior quarters. All of the legal actions were initiated by us to contest citations, orders or proposed assessments issued by the Federal Mine Safety and Health administration, and if we are successful, may result in the reduction or dismissal of those citations, orders or assessments. As of the last day of the period, all 203 legal actions were to contest citations and proposed assessments.