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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

United States Steel Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

United States Steel Corporation

Notice of Annual Meeting of Stockholders and Proxy Statement

2006

Tuesday, April 25, 2006
10:00 a.m. Eastern Time

Room 1000
Tenth Floor
Two Mellon Bank Center
501 Grant Street
Pittsburgh, PA 15219

Please vote promptly either by:

--> telephone,

--> the Internet, or

--> marking, signing and returning your proxy or voting instruction card.

United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219-2800

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

March 10, 2006

Dear Fellow U. S. Steel Stockholder,

We will hold the annual meeting of stockholders of United States Steel Corporation in Room 1000, Two Mellon Bank Center, 501 Grant Street, Pittsburgh, Pennsylvania, on Tuesday, April 25, 2006, at 10:00 a.m. Eastern Time.

We will elect directors and an independent registered public accounting firm at the meeting. The Board of Directors has nominated four of our ten current directors for election this year. You can read about them, and about the other directors who will continue in office, on pages 15-20 of our proxy statement.

We hope you will vote either by telephone, over the Internet or by marking, signing and returning your proxy or voting instruction card as soon as possible, [illegible]

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Notice of Annual Meeting of Stockholders
on April 25, 2006

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/*/ **How big a vote do the proposals need in order to be adopted?**

Directors are elected by a plurality of the votes of the shares present in person at the meeting or represented by proxy and entitled to vote; that is, those receiving the most votes are elected, even if they receive less than a majority of the votes present. The independent registered public accounting firm is elected by a majority of the votes of the shares present in person at the meeting or represented by proxy and entitled to vote. Abstentions are counted as votes present and entitled to vote and have the same effect as votes against a proposal. Broker non-votes are not counted as either votes for or votes against a proposal. Both abstentions and broker non-votes are counted in determining that a quorum is present for the meeting.

/*/ **What are broker non-votes?**

The New York Stock Exchange permits brokers to vote their customers' shares on routine matters when the brokers have not received voting instructions from their customers. The election of directors and the election of independent auditors are examples of routine matters on which brokers may vote in this way. Brokers may not vote their customers' shares on non-routine matters such as employee stock compensation plans, mergers and contested proposals unless they have ans, mergey s wy se mars oĎm Hroked as vote e oand b

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- preparing the audit committee report required by the rules of the Securities and Exchange Commission to be included in the Corporation's annual proxy statement; and

- being directly responsible for the appointment (subject to shareholder election), compensation, retention and oversight of the work of the Corporation's independent auditor, which reports directly to the Committee, and having the sole authority to approve all audit engagement fees and terms, as well as all non-audit engagements with the independent auditor.

The charter also requires that, to the extent practicable, all eligible (i.e. financially literate) independent directors shall be members of the Committee and that no director who serves on the audit committees of more than two ot itmi ha

comparable companies, the awards given to the CEO in past years, and the CEO's leadership, integrity and effectiveness,

- approving the salaries of the other officers of the Corporation,
- administering the Corporation's short-term incentive compensation plans,
- administering the plans and programs under which long-term incentives are granted and approving grants of stock options, restricted stock, performance awards and other incentives under those plans and programs,
- timely certifying as to the meeting of applicable performance levels under the foregoing plans and programs,
- producing the committee report on executive compensation for inclusion in the proxy statement,
- making recommendations to the Board with respect to equity-based compensation plans,
- overseeing employee benefit plans as they pertain to officers,
- making recommendations to the Board concerning policy matters relating to employee benefits,
- approving the retention and termination of any consulting firm retained to assist in the evaluation of director, CEO or senior executive compensation, and approving the consulting firm's fees and other retention terms. The Committee also may, in appropriate circumstances and at Corporation expense, hire independent advisors, including counsel,
- conducting an annual self-evaluation of the Committee's performance,
- reviewing its charter at its first meeting of each calendar year, and
- performing such other duties and responsibilities as may be assigned to the Committee by the Board or designated in plans approved by the shareholders. The Committee has the authority to delegate matters to subcommittees.

The Committee meets at least three times annually. It reports to the Board on all matters relevant to the Committee's discharge of its responsibilities, and makes such recommendations to the Board as the Committee deems appropriate.

Corporate Governance & Public Policy Committee

The Corporate Governance & Public Policy Committee (the "Committee") serves as the Corporation's nominating committee. It has a written charter adopted by the Board which is available on the Corporation's website (www.ussteel.com) under "Investors" then "Corporate Governance". The charter gives the Committee the following duties and responsibilities:

- identifying and evaluating nominees for director and selecting, or recommending that the Board select, the director nominees for the next annual meeting of shareholders, while acknowledging that the CEO exercises the initiative to identify and recruit candidates with the knowledge and consent of the Committee,
- considering nominees recommended by shareholders for election as directors in the same manner as nominees recommended by the Committee,
- making recommendations to the Board concerning the appropriate size and composition of the Board, including (a) the composition and functions of Board committees, (b) the compensation of non-employee directors, and (c) all matters relating to the effective functioning of the Board,
- recommending to the Board a set of corporate governance principles applicable to the Corporation, reviewing such principles at the Committee's first meeting of each calendar year and recommending appropriate changes to the Board,
- reviewing matters bearing on the relationship between management and present or potential stockholders with emphasis on policy and major programs affecting ownership of the Corporation,
- reviewing communications to and from the investment community, particularly the Corporation's stockholders,

- reviewing legislative and regulatory issues affecting the Corporation's businesses and operations,
- reviewing public issues identified by management as likely to generate expectations of the Corporation by its constituencies, including ha regulatoĎnsŎent as le ex

Compensation of Directors

Our by-laws provide that each non-employee director shall be paid allowances and attendance fees as the Board may from time to time determine. Directors who are employees of U. S. Steel receive no compensation for their service on the Board. We pay our non-employee directors as follows:

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

Under our Deferred Compensation Program for Non-Employee Directors, each non-employee director is required to defer at least seventy percent of his or her retainer in the form of Common Stock Units and may elect to defer up to 100%. A Common Stock Unit is what is sometimes referred to as "phantom stock" because initially no stock is actually issued. Instead, we keep a book entry account for each director that shows how many Common Stock Units he or she has. When a director leaves the Board, he or she must take actual shares of common stock corresponding to the number of Common Stock Units in his or her account. We believe this is an effective way to increase the directors' equity interests in U. S. Steel and thereby further align their interest with that of the stockholders. We credit each non-employee director's deferred stock account with Common Stock Units every January. The ongoing value of each Common Stock Unit equals the market price of the common stock. When dividends are paid on the common stock, we credit each account with equivalent amounts in additional Common Stock Units. If U. S. Steel were to undergo a change in control resulting in the removal of a non-employee director from the Board, that director would receive a cash payment equal to the value of his or her deferred stock account.

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

Our by-laws require non-employee directors to retire at the end of the month in which they turn 72, even if their terms have not expired. Employee directors must retire from the Board when they retire as employees, except that the CEO may remain on the Board, at the Board's request, through the month in which he or she turns 70. Our by-laws also provide that directors who undergo a significant change in their business or professional careers should volunteer to resign from the Board.

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Proposals of the Board

The Board will present the following proposals at the meeting:

Proposal No. 1

Election of Directors

U. S. Steel's Certificate of Incorporation divides the directors into three classes: Class I, Class II and Class III. Each class must consist, as nearly as possible, of one-third of the directors. Once elected, directors serve for a term of three years and until their successors are duly elected and qualified. At each annual meeting, directors who are elected to succeed directors whose terms have expired are identified as being of the same class as those they succeed. A director elected to fill a vacancy is elected to the same class as the director he or she succeeds, and a director elected to fill a newly created directorship holds office until the next election of the class to which he or she is elected.

The current four Class II directors are nominees for election this year. The Board is recommending them for a three-year term that will expire at the 2009 annual meeting. Of the 10 current directors, two are officers of U. S. Steel; five have top executive experience with a wide variety of other businesses; one had a distinguished career in the military and the diplomatic corps before entering business; and two have had distinguished careers in public service. A brief statement about the background of each nominee and each continuing director is given on the following pages. If any nominee for whom you have voted becomes unable to serve, your proxy may be voted for another person designated by the Board.

The Board has affirmatively determined that no non-employee director has a material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation). The Board made such determination based on all relevant facts and circumstances, including the categorical standards for independence adopted by the Board. Under those standards, no director is independent if:

a. within the previous three years:

   1. he or she has been an employee, or an immediate family member (as defined below) has been an executive officer, of the Corporation;

   2. he or she, or an immediate family member, has received more than $100,000 in any twelve-month period in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); or

   3. he or she has been employed, or an immediate family member has been employed, as an executive officer of another company where any of the Corporation's present executives serve on that company's compensation committee;

b. he or she is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of $1 million or 2% of such other company's gross revenues; or

c. (1) he or she or an immediate family member is a current partner of a firm that is the Corporation's internal or external auditor; (2) he or she is a current employee of such a firm; (3) he or she has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (4) he or she or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Corporation's audit within that time.

"Immediate family member" includes a person's spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. It does not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

Our by-laws describe the procedures that must be used in order for someone nominated by a stockholder of record to be eligible for election as a director. They require that notice be received by the Secretary at least 45 days, but not more than 75 days, before the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting of stockholders. The notice must contain certain information about the nominee, including his or her age, address, occupation and share ownership, as well as the name, address and share ownership of the stockholder giving the notice.

The Board recommends a vote for the election of each nominee.

<u>Seth E. Schofield Director since 2001 Age 66</u>
Retired Chairman and Chief Executive Officer, USAir Group

Mr. Schofield graduated from the Harvard Business School Program for Management Development in 1975. He served in various corporate staff positions after joining USAir in 1957 and became Executive Vice President-Operations in 1981. Mr. Schofield served as President and Chief Operating Officer from 1990 until 1991. He was elected President and Chief Executive Officer in 1991 and became Chairman of the boards of USAir Group and USAir, Inc. in 1992. He retired in January 1996. Mr. Schofield is a director of Marathon Oil Corporation and Calgon Carbon Corporation. He is also an Advisory Board member of Desai Capital Management.

<u>John P. Surma Director since 2001 Age 51</u>
Chairman of the Board of Directors and Chief Executive Officer
United States Steel Corporation

Mr. Surma received a BS degree in accounting from Pennsylvania State University in 1976 and joined Price Waterhouse LLP at that time. He joined Marathon Oil Company in 1997 as Senior Vice President, Finance and Accounting. He was named Senior Vice President, Finance & Administration in January 1998; President of Speedway SuperAmerica LLC in September 1998, and Senior Vice President, Supply & Transportation in January 2000. Effective January 1, 2001 he became President of Marathon Ashland Petrtnance & A

John G. Drosdick **Director since 2003** **Age 62**

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Continuing Class I Directors
Terms Expire 2008

Richard A. Gephardt Director since 2005 Age 65
Retired United States Congressman

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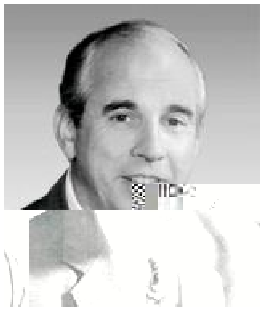

Douglas C. Yearley **Direct0a**

Audit & Finance Committee Report

Our committee has reviewed and discussed U. S. Steel's audited financial sĎsÎĎ Î

Security Ownership of Certain Beneficial Owners

The following table furnishes information concerning all persons known to U. S. Steel to beneficially own five percent or more of the voting stock of U. S. Steel:

Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
U. S. Steel Common Stock	Legg Mason Funds Management, Inc.; Legg Mason Capital Management, Inc.; LMM LLC; and Legg Mason Focus Capital, Inc. (collectively "Legg Mason", filing as a group) 100 Light Street Baltimore, Maryland 21202	9,366,290(1)	8.26(1)
U. S. Steel Common Stock	Jeffrey L. Gendell, individually and as managing member of Tontine Management, L.L.C., general partner of Tontine Partners, L.P., and as managing member of Tontine Overseas Associates, L.L.C. 55 Railroad Avenue 3rd Floor Greenwich, Connecticut 06830	9,277,396(2)	8.18(2)

(1) Based on Schedule 13G dated February 14, 2006, which indicated that Legg Mason [illegible]

(1) Includes shares held under, or pursuant to, the U. S. Steel Savings Fund Plan, the U. S. Steel Dividend Reinvestment and Direct Stock Purchase Plan, the 2002 Stock Plan, and the 2005 Stock Incentive Plan.

(2) Includes shares which may be acquired upon exercise of outstanding options as follows (all options other than those granted on May 24, 2005 were exercisable on January 31, 2006): Mr. Surma: 546,500; Mr. Sandman: 88,000; Mr. Goodish: 177,500; Mrs. Haggerty: 152,000; Mr. Connelly: 83,000; and all directors and executive officers as a group: 1,179,500.

(3) Total shares beneficially owned in each case constitute less than one percent of the outstanding shares, and all directors and executive officers as a group owned 1.6 percent of the common stock.

The following table shows Common Stock Units credited under the United States Steel Corporation Deferred Compensation Plan for Non-Employee Directors:

Name	**Common Stock Units**
J. Gary Cooper	9,021
Robert J. Darnall	7,773
John G. Drosdick	7,302
Richard A. Gephardt	2,552
Charles R. Lee	16,243
Frank J. Lucchino	6,052
Seth E. Schofield	10,544
Douglas C. Yearley	10,502

(2) Grants of restricted stock under the U. S. Steel 2002 Stock Plan at the closing price of $39.99 on the date of grant. Grants are subject to conditions including continued employment and achievement of business performance standards. Dividends are paid on restricted stock. Shown below is the vesting schedule for restricted stock awards reported in the Summary Compensation Table and scheduled to vest less than three years from the date of grant, together with the number and value, as of December 31, 2005, of the aggregate holdings of restricted stock for each of the executive officers named in the Summary Compensation Table. Vesting shown assumes achievement of business performance at peer-group standard (as described in the Compensation & Organization Committee Report on Executive Compensation beginning on page 29).

	Vesting Schedule for Restricted Stock				Unvested Restricted Shares Aggregate Holdings	
Name	**Date Granted**	**May 2006 (Shares)**	**May 2007 (Shares)**	**May 2008 (Shares)**	**Shares**	**Value as of December 31, 2005($)***
J. P. Surma	May 24, 2005	14,200			14,200	682,594
	May 24, 2005		8,500	8,500	17,000	817,190
D. D. Sandman	May 24, 2005	5,500			5,500	264,385
	May 24, 2005		3,000	3,000	6,000	288,420
J. H. Goodish	May 24, 2005	7,000			7,000	336,490
	May 24, 2005		6,500	6,500	13,000	624,910
G. R. Haggerty	May 24, 2005	4,800			4,800	230,736
	May 24, 2005		3,000	3,000	6,000	288,420
J. J. Connelly	May 24, 2005	1,500			1,500	72,105
	May 24, 2005		1,100	1,100	2,200	105,754

* Based on a value of $48.07 per share.

(3) Only the 2003 option shares were granted with tandem stock appreciation rights ("SARs"). Grant-date value is [illegible]

2005 Option Grants

The following table sets forth certain information concerning options granted during 2005 to each executive officer named in the Summary Compensation Table:

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term ($)			
Name or Group	Number of Securities Underlying Options Granted[1]	% of Total Options Granted to Employees in 2005[2]	Exercise or Base Price per Share ($)	Expiration Date	0%	5%	10%	Grant Date Value ($)[3]
J. P. Surma	146,500	16.8%	40.37	May 24, 2013	0	2,823,773	6,763,422	2,140,365
D. D. Sandman	58,000	6.7%	40.37	May 24, 2013	0	1,117,944	2,677,669	847,380
J. H. Goodish	71,000	8.2%	40.37	May 24, 2013	0	1,368,518	3,277,836	1,037,310
G. R. Haggerty	52,000	6.0%	40.37	May 24, 2013	0	1,002,295	2,400,668	759,720
J. J. Connelly	20,000	2.3%	40.37	May 24, 2013	0	385,498	923,334	292,200
All Stockholders	N/A	N/A	40.37	May 24, 2013	0	2,097,166,501	5,023,074,398	N/A
All Optionees	870,600	100.0%	40.37	May 24, 2013	0	16,780,728	40,192,729	12,719,466
Optionees' Gain as % of All Stockholders' Gain	N/A	N/A	40.37	May 24, 2013	0	0.8%	0.8%	N/A

(1) All options will be exercisable on May 24, 2006.

(2) Indicates percentage of total option shares granted.

(3) Grant date values are based upon the Black-Scholes option pricing model, as described in Footnote 1 to the financial statements included in our 2005 Annual Report on Form 10-K. The grant date values were determined based upon the following assumptions:

	2005	2004	2003
Expected volatility	44%	44%	46%
Risk free interest rate	3.7%	3.3%	2.3%
Expected annual dividends per share	$ 0.40	$ 0.20	

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Compensation & Organization Committee Report on Executive Compensation

The Compensation & Organization Committee (the "Committee") of U. S. Steel sets policies and administers programs on executive compensation. When action should be taken on a specific compensation item, we either make a recommendation to the U. S. Steel Board or a subsidiary company board or take action on our own, whichever is appropriate. The Committee reports to the Board all actions that do not require the Board's approval. The purpose of this report is to summarize the philosophy, specific program objectives and other relevant factors considered by the Committee in making decisions with respect to the compensation of U. S. Steel executive officers, including the officers named in the Summary Compensation Table. In 2005 the Corporation implemented a new compensation strategy for all domestic, non-represented employees. The centerpiece of this strategy is a new compensation program that more c e more c

The data used in developing and adjusting salary structures are obtained from surveys and proxy disclosures coordinated by an independent consultant engaged by the Committee.

The Committee makes decisions on salary adjustments giving the highest weighting to performance; but other factors are also considered such as contribution, accountability and experience. Unless the Committee values a position more than other companies value the position, once an executive officer's salary passes the midpoint for the position, increases seldom exceed amounts necessary to maintain the salary near the ³dısi ds y under this plan, the Committee gives such weight to the various factors as it deems appropriate.

Based on consideration of overall performance and/or other factors, the Committee may reduce or eliminate a short-term incentive award that would otherwise be payable under the above discussed plans. Such plans are no longer in effect following the 2005 performance period.

Long-Term Incentive Awards

Long-term incentive awards are of major importance in the mix of compensation elements because these awards provide the most direct link to the returns that you, as U. S. Steel stockholders, receive. The USX and the U. S. Steel Group stockholders approved the 2002 Stock Plan on October 25, 2001. We administer this plan, under which we may grant (1) stock options, (2) stock appreciation rights (although no stock appreciation rights have been granted since 2003 nor will any be granted in the future) and/or (3) restricted stock. Our stock options and restricted stock meet the requirements for deductibility under the tax laws.

The U. S. Steel stockholders approved the 2005 Stock Incentive Plan on April 26, 2005. A new long-term incentive program under the 2005 Stock Incentive Plan will be in effect for performance periods beginning in 2006. The new program represents a new, market-driven design for U. S. Steel's long-term incentive awards which is based on a market median long-term incentive multiple of the market median base salary for each position. With this as a basis, total long-term incentive value will be distributed equally among three equity vehicles—stock options, restricted stock and performance shares.

Stock Option Grants

The Committee granted stock options in May 2005 under the amended 2002 Stock Plan, the final such grant under the 2002 Plan. These grants were substantially lower in grant-date value and share number when compared to prior years, reflecting the substantial increase in our share price and to continue the transition to a more market-based long-term incentive plan approach in 2006.

Restricted Stock Grants

The Committee established, for each recipient, an annual target level of restricted stock based on the same factors as those considered in granting stock options. A major grant is made to cover five years, with the intention that one fifth of the shares vests each year if performance is at the target level. The Committee vests restricted stock at levels higher or lower than annual targets, depending upon performance.

A major grant was made in 2000 by the USX Committee to cover the five-year performance period ending with 2004. Prior to 2005, we made interim grants only to permit vesting at the target level for the number of years remaining in the period. To emphasize the long-term nature of the awards, vesting decisions have been based on three-year average performance, which is compared with three-year peer-group performance for relevant businesses.

Vesting of restricted stock shares is based on pre-established performance measures specifically related to the responsibilities of plan participants. We can vest a portion of the annual target shares only if performance reaches the minimum, or threshold, level established for that period. After vesting, executive officers are expected to hold their shares consistent with the share ownership and retention guidelines for the respective executive officer's level within the Corporation.

In May 2005, the three-year (2002-2004) average performance of U. S. Steel was compared by the Committee with that of competitors for the measures shown below. This comparison has provided the primary basis for the determination of vesting levels for restricted stock. However, vesting levels may be reduced (or eliminated entirely) based on overall performance and/or other factors considered relevant by the Committee.

Performance measures considered in connection with the vesting of restricted stock grants are:

- Income from operations as a percent of capital employed
- Income from operations per ton shipped
- Operating cash flow as a percent of capital employed
- Safety Performance

Prior to the vesting of restricted stock shares in the year 2005, the Committee certified in writing that the pre-established applicable performance levels required under the 2002 Stock Plan were satisfied. The 2005 vesting was the final vesting of the restricted stock grant made in 2000.

The Committee also awarded performance restricted stock in May 2005 with vesting determined 100% in 2006 and a one-time transition grant of performance restricted stock for which vesting will be determined 50% in 2007 and 50% in 2008. The objective of the transition grant is to promote retention due to the extended vesting provisions of the new 2006 long-term incentive plan.

Severance Agreements

We authorized the review of our severance agreements in light of a revision to the tax laws (Jobs Creation Act of 2004) and in relation to current market practices. We recommended that the Corporation's Board replace the form of agreement currently in use with a revised severance agreement to better reflect current market practices and to comply with the requirements of the Jobs Creation Act of 2004. All persons who were parties with the Corporation to the previous form of severance agreement executed the new form of agreement, which effectively terminated the previous agreements. In addition to the severance agreements, provisions in the administrative regulations to our stock plans require accelerated vesting of all prior grants under such plans in the event of a change in control.

* * * * * *

The Committee periodically compares data on long-term incentive grants made at other companies with those made at U. S. Steel. Our objective in making grants under the 2002 Stock Plan is to provide opportunities to receive above-average compensation (compared with that of similar companies) when performance is above the target level.

Overall, executive compensation at U. S. Steel is designed to provide total pay that is above average when both short- and long-term incentive goals are exceeded. In response to the SEC's proposed expanded executive compensation disclosure requirements, the Committee reviewed a sample form of a tally sheet which may be used for future disclosure purposes.

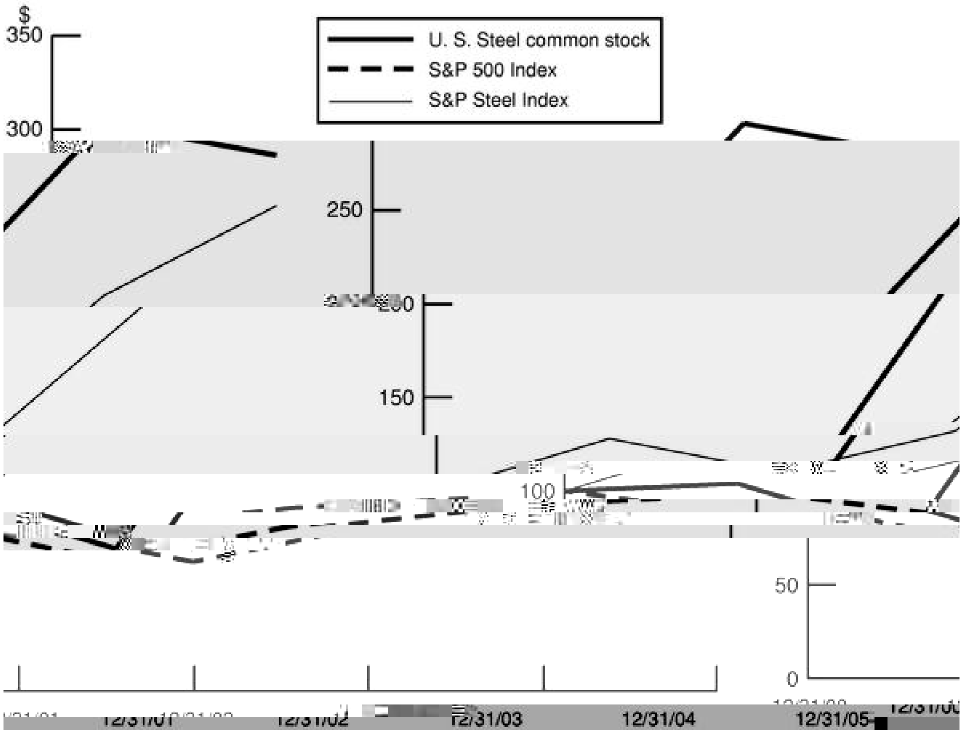
In addition to the compensation comparisons described above, the Committee annually compares the salary, bonus and long-term incentive payouts for the CEO and U. S. Steel's other top officers with the same elements for similar positions at comparable companies. Mr. Surma's compensation reflects the same elements and factors discussed above. Having determined that the requisite performance criteria had been satisfied, the Committee vested 46,000 shares of Mr. Surma's restricted stock in May of 2005. Such vesting was the final vesting of restricted stock grants made prior to 2005. Also in May 2005, he received a grant of 146,500 stock options and two grants of restricted stock—one grant of 14,200 shares and another grant of 17,000 shares. Both grants are dependent upon the Corporation's 2005 performance and his continued employment on the relevant vesting determination dates. The 14,200 shares will be available for vesting in May 2006, and 8,500 shares of the 17,000 shares will be available for vesting in each of May 2007 and May 2008. Following a market study of CEO compensation, Mr. Surma's salary was increased to an annual rate of $925,000 in May 2005, an increase of $125,000. In 2006, he was awarded a bonus of $1,750,000 based upon the Corporation's 2005 performance.

Under Mr. Surma's tenure as President & Chief Executive Officer since Octob a'

Shareholder Return Performance Presentation

The line graph below compares the yearly change in cumulative total stockholder return of our common stock with the cumulative total return of the Standard & Poor's 500 Stock Index and the S&P Steel Index. The S&P Steel Index is made up of U. S. Steel, Nucor Corporation, Allegheny Technologies Incorporated and Worthington Industries, Inc.

Comparison of Cumulative Total Return[1]
on $100 Invested in U. S. Steel Stock on December 31, 2000
vs.
S&P 500 Index and S&P Steel Index



(1) Total

USX Corporation entered into agreements with Mr. Surma and Mr. Sandman in consideration for their agreeing to serve as vice chairmen of U. S. Steel. The agreement with Mr. Surma calls for U. S. Steel, Marathon, Marathon Ashland Petroleum LLC ("MAP") and Speedway SuperAmerica LLC ("SSA") to provide certain non-qualified benefit supplements in addition to the pension and savings benefits and non-qualified deferred compensation to which he is otherwise entitled. Mr. Surma's pension benefit supplements payable by U. S. Steel are described on page 36. Marathon will provide such supplements to the extent, if any, that they are not provided by U. S. Steel. In addition to the pension enhancements, 15 years will be added to his actual U. S. Steel service solely for the purpose of determining vesting and eligibility for company contributions under the U. S. Steel Supplemental Thrift Program. The agreement with Mr. Sandman calls for U. S. Steel to provide enhanced pension benefits to Mr. Sandman if he remains employed by U. S. Steel at least through 2006. These benefits are described on page 36.

Statement Regarding the Delivery of a Single Set of Proxy Materials to Households With Multiple U. S. Steel Shareholders

If you have consented to the delivery of only one set of proxy materials to multiple U. S. Steel shareholders who share your address, then only one proxy statement and only one annual report are being delivered to your household unless we have received contrary instructions from one or more of the shareholders sharing your address. We will deliver promptly upon oral or written request a separate copy of the proxy statement or the annual report to any shareholder at your address. If you wish to receive a separate copy of the proxy statement or the annual report, you may call us toll-free at 1-866-433-4801 or write to us at U. S. Steel Shareholder Services, Room 611, 600 Grant Street, Pittsburgh, PA 15219-2800. Shareholders sharing an address who now receive multiple copies of the proxy statement or the annual report may request delivery of a single copy by calling us at the above number or writs 1Ď sat

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with the Board any issues that arise with respect to the Corporation's compliance with legal or regulatory requirements.

d) The Committee will annually review the business expense reporting of the officers of the Corporation.

4) With respect to the Independent Auditor:

a) The Committee will be directly responsible for the appointment (subject to shareholder election), compensation, retention, and oversight of the work of the Corporation's independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting), while possessing the sole authority to pre-approve all audit engagement fees and terms as well as all non-audit engagements with the independent auditor.

b) At least annually, the Committee will obtain and review:

(i) a report by the independent auditor describing: the independent auditing firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and

(ii) the independence letter issued by the independent auditor under Independence Standards Board Standard No. 1, and will actively engage in a dialogue with the independent auditor with respect to any relationships disclosed in that letter;

all of which will put the Committee in a position to evaluate the auditor's qualifications, performance and independence, which evaluation shall include the review and evaluation of the lead partner of the independent auditor and take into account the opinions of management and the Corporation's internal auditors, and which shall also include consideration of whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself and not just the regular rotation of the lead audit partner as required by law. The Committee will report regularly to the Board and review with the Board any issues with respect to the qualifications, performance, and independence of the independent auditor.

c) The Committee will meet periodically and separately with the independent auditor in executive session (without management present) to discuss any audit issues and management's response, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. It is the Committee's responsibility to resolve such disagreements regarding financial reporting practices.

d) The Committee shall oversee and review the adequacy of hiring policies that have been established by the Committee for employees or former employees of the independent auditor, taking into account the pressures that may exist for auditors consciously or subconsciously seeking a job with the company they audit.

e) The Committee will continually explore ways to improve its working relationship with the independent auditor, including processes that permit informal discussion of accounting treatments well in advance of reporting deadlines.

5) With respect to Internal Audit:

a) The Committee will have functional responsibility for the Director—Audit Division with administrative oversight by the Executive Vice President & Chief Financial Officer.

b) The Committee will meet periodically and separately in executive session (without the Independent Auditor or other members of management present) with the Director—Audit Division to review the responsibilities, budget and staffing of the Corporation's internal audit function and any concerns the Director may have.

c) The Committee will review with internal audit its annual audit plan, provide direction to the internal audit staff, and review its activities.

d) The Committee will review the appointment and performance of the Director—Audit Division and report regularly to the Board and review with the Board the performance of the Audit Division.

6) With respect to Finance:

a) The Committee will review and discuss the appropriate capital structure and financial policies of the Corporation.

b) The Committee will make recommendations to the Board concerning dividends.

c) The Committee will review and report to the Board concerning the Corporation's compliance with financial covenants and other terms of loans and other agreements.

d) The Committee will, within the authority levels established by the Board, approve financings by the Corporation (except financings which involve the issuance of common stock), including the recommendation of action to subsidiaries, partnerships, and joint ventures.

e) The Committee will, within the authority levels establ [illegible] Board, [illegible]

c) At least annually, the Committee will meet with the General Counsel separately in executive session (without other members of management present).

d) The Committee will meet separately with management as desired.

e) The Committee will annually review a report outlining the activities undertaken by the Committee over the past year to meet the requirements of this charter.

f) The Committee will inform management as to appropriate funding for payment of:

 i) compensation to the independent auditor,

 ii) compensation to any advisors employed by the Committee, and

 iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

g) The Committee shall conduct an annual self-evaluation.

h) The Committee shall review this charter during its first meeting of each calendar year.

Last reviewed and approved by the Board of Directors on January 31, 2006.

You may vote A) By completing the proxy card attached below and returning it in the enclosed envelope, or
B) By toll-free telephone call, or
C) On the Internet.

2006 ANNUAL MEETING OF STOCKHOLDERS
ATTENDANCE CARD

(SHAREHOLDER NAME)

You are invited to attend the Annual Meeting of Stockholders on April 25, 2006. The Meeting will be held in Room 1000, Tenth Floor, Two Mellon Bank Center, 501 Grant Street, Pittsburgh, PA 15219 at 10:00 AM Eastern Time. Use of this attendance card is for our mutual convenience and your right to attend the meeting without this attendance card is not affected upon

TO VOTE BY TELEPHONE OR INTERNET USE THE INFORMATION PROVIDED BELOW.

VOTING#

BY TELEPHONE	BY INTERNET
Toll-free **1-8** [illegible]	