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, 2017

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)

[redacted]

UNITED STATES STEEL CORPORATION
CONSOLIDATED BALANCE SHEET

(Dollars in millions)	(Unaudited) June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,522**	$ 1,515
Receivables, less allowance of $28 and $25	**1,206**	976
Receivables from related parties, less allowance of $0 and $265 (Notes 18 and 21)	**238**	272
Inventories (Note 11)	**1,727**	1,573
Other current assets	**30**	20
Total current assets	**4,723**	4,356
Property, plant and equipment	**14,527**	14,196
Less accumulated depreciation and depletion	**10,517**	10,217
Total property, plant and equipment, net	**4,010**	3,979
Investments and long-term receivables, less allowance of $11 and $10	**548**	

Notes to Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Significant Accounting Policies

United States Steel Corporation produces and sells steel products, including flat-rolled and tubular products, in North America and Central Europe. Operations in North America also include iron ore and coke production facilities, railroad services and real estate operations. Operations in Europe also include coke production facilities.

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 (U.S. GAAP). The other information in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair statement 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 U.S. GAAP for complete financial statements. Additional information is contained in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which should be read in conjunction with these financial statements.

Change in Accounting Estimate - Capitalization and Depreciation Method

During 2017, U. S. Steel completed a review of its accounting policy for property, plant and equipment depreciated on a group basis. As a result of this review, U. S. Steel changed its accounting method for property, plant and equipment from the group method of depreciation to the unitary method of depreciation, effective as of January 1, 2017. The Company believes

[illegible]

Non-retirement postemployment benefits

U. S. Steel recorded a favorable adjustment associated with a change in estimate that resulted in a benefit of approximately $1 million for both of the three and six month periods ended June 30, 2017, compared to a favorable adjustment of approximately $17 million and $2 million for the three and six months ended June 30, 2016, respectively, related to employee costs for supplemental unemployment benefits and the continuation of health care benefits and life insurance coverage for employees associated with the temporary idling of certain facilities and reduced production at others. Payments for these benefits during the three and six months ended June 30, 2017 were $5 million and $13 million, respectively. Payments for these benefits during the three and six months ended June 30, 2016 were $21 million and $40 million, respectively.

7. Net Interest and Other Financial Costs

Net interest and other financial costs includes interest expense (net of capitalized interest), interest income, financing costs, derivatives gains and losses and foreign currency remeasurement gains and losses. Foreign currency gains and losses are primarily a result of foreign currency denominated assets and liabilities that require remeasurement and the impacts of euro-U.S. dollar derivatives activity. During the three months ended June 30, 2017 and 2016, net foreign currency losses of $11 million and gains of $6 million respectively, were recorded in other financial costs. During the six months ended June 30, 2017 and 2016, net foreign currency losses of $16 million and $2 million respectively, were recorded in other financial costs. Additionally, during the three and six months ended June 30, 2016, a net loss on debt extinguishment was recognized of $24 million and $22 million, respectively.

See Note 12 for additional information on U. S. Steel's use of derivatives to mitigate its foreign currency exchange rate exposure. See Note 13 for further details on U. S. Steel's redemption of its senior debt.

8. Stock-Based Compensation Plans

U. S. Steel has outstanding stock-based compensation awards that were granted by the Compensation & Organization Committee of the Board of Directors (the Committee) under the 2005 Stock Incentive Plan (the Plan) and the 2016 Omnibus Incentive Compensation Plan (the Omnibus Plan), which are more fully desar a [illegible]

As of June 30, 2017, total future compensation expense related to nonvested stock-based compensation arrangements was $30 million, and the weighted average period over which this expense is expected to be recognized is approximately 1 year.

Compensation expense for stock options is recorded over the vesting period based on the fair value on the date of g9edke anf e M

To the extent not otherwise discussed below, information concerning the Senior Notes and other listed obligations can be found in Note 16 of the audited financial statements in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Redemption of Recovery Zone Facility Bonds

On March 10, 2017, U. S. Steel announced the permanent shutdown of the No. 6 Quench & Temper Mill at Lorain Tubular Operations in Lorain, Ohio. Under the terms of the Trust Indenture dated as of December 1, 2010, between the Lorain County Port Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee (the Indenture), this action and our decision to relocate the Lorain No. 6 Quench & Temper equipment to one of several other sites under consideration to optimize our operations, triggered an Extraordinary Mandatory Redemption of the Lorain County Port Authority Recovery Zone Facility Revenue Bonds (the Recovery Zone Bonds) and accordingly required U. S. Steel to redeem the Recovery Zone Bonds and repay in full the principal amount plus accrued interest. In accordance with the terms of the Indenture, U. S. Steel paid in full all amounts due under the Indenture, comprised of $70 million principal and accrued interest of approximately $2 million, on April 27, 2017.

Third Amended and Restated Credit Agreement

As of June 30, 2017, there were no amounts drawn on the $1.5 billion credit facility agreement (Third Amended and Restated Credit Agreement). However, since the value of our inventory and trade accounts receivable less specified reserve

Change in control event under various financing agreements

If there is a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling $2,523 million as of June 30, 2017 (including the Senior Notes and the Senior Secured Notes) may be declared due and payable; (b) the Third Amended and Restated Credit Agreement and USSK's €200 million Revolving Credit Agreement may be terminated and any amounts outstanding declared due and payable; and (c) U. S. Steel may be required to either repurchase the leased Fairfield Works slab caster for $27 million or provide a letter of credit to secure the remaining obligation.

14. Asset Retirement Obligations

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

(In millions)	June 30, 2017	December 31, 2016
Balance at beginning of year	**$ 79**	$ 89
Additional obligations incurred	**—**	[illegible]
Obligations settled	**(2)**	(15

17. Reclassifications from Accumulated Other Comprehensive Income (AOCI)

(In millions) [(a)]	Pension and Other Benefit Items		Foreign Currency Items	Other	Total
Balance at December 31, 2016	$ (1,771)		$ 274	$ —	$ (1,497)
Other comprehensive income before reclassifications	**186**		**105**	**(1)**	**290**
Amounts reclassified from AOCI	**(94)**	[(b)]	**—**	**(2)**	**(96)**
Net current-period other comprehensive income	**92**		**105**	**(3)**	**194**
Balance at June 30, 2017	**$ (1,679)**		**$ 379**	**$ (3)**	**$ (1,303)**

(a) Amounts do not reflect a tax benefit as a result of a full valuation allowan related party transactions and will be accounted for and recognized as third-party transactions. See Note 21 for further details.

19. **Restructuring and Other Charges**

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Management's analysis of the **percentage change in net sales** for U. S. Steel's reportable business segments for the six months ended June 30, 2017 versus the six months ended June 30, 2016 is set forth in the following table:

Six Months Ended June 30, 2017 versus Six Months Ended June 30, 2016

Steel Products [a]

to supply iron ore pellets to third-party customers. The Company is also exploring 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. After) Ďcŧy

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes U. S. Steel's liquidity as of June 30, 2017:

(Dollars in millions)		
Cash and cash equivalents	$	1,522
Amount available under $1.5 Billion Credit Facility [a]		1,496
Amount available under USSK credit facilities		283
Total estimated liquidity	$	3,301

[a] See below for discussion of the reasons for reduced availability under this Facility.

As of June 30, 2017, $167 million of the total cash and cash equivalents was held by our foreign subsidiaries. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of the election effective December 31, 2013 to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

U. S. Steel maintains a $1.5 billion asset-backed revolving credit facility. As of June 30, 2017, there were no amounts drawn on the $1.5 billion credit facility agreement (Third Amended and Restated Credit Agreement). However, since the value of our inventory and trade accounts receivable less specified reserves calculated in accordance with the Third Amended and Restated Credit Agreement do not support the full amount of the facility at June 30, 2017, the amount available to the Company under this facility was reduced by $4 million to $1,496 million. Additionally, U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Third Amended and Restated Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $150 million. Based on the most recent four quarters as of June 30, 2017, we have met this covenant. If we are unable to meet this covenant in future periods, the amount available to the Company under this facility would be reduced by $150 million.

At June 30, 2017, USSK had no borrowings under its €200 million (approximately $[illegible] million) unsecured revolving credit facility (the USSK Credit Agreement). The USSK Credit Agreement contains certain USSK financial covenants as well as other customary terms and conditions. At June 30, 2017, USSK had full availability under the USSK Credit Agreement. The USSK Credit Agreement expires in July 2020. The USSK Credit Agreement permits one additional one-year extension to the final maturity date with the mutual consent of USSK and its lenders.

At June 30, 2017, USSK had no borrowings amount plus accrued interest. In accordance with the terms of the Indenture, U. S. Steel paid in full all amounts due under the Indenture, comprised of $70 million principal and accrued interest of approximately $2 million, on April 27, 2017.

We use surety bonds, trusts and letters of credit to provide financial assurance for certain transactions and business activities. The use of some forms of financial assurance and cash collateral have a negative impact on liquidity. U. S. Steel has committed $160 million of liquidity sources for financial assurance purposes as of June 30, 2017. Increases in certain

In 2010, the EPA retained the annual nitrogen dioxide NAAQS standard, but created a new 1-hour NAAQS and established new data reduction and monitoring requirements. While the EPA has classified all areas as being in attainment or unclassifiable, it is requiring implementation of a network of monitoring stations to assess air quality. Until the network is implemented and further designations are made, the impact on operations at U. S. Steel facilities cannot be reasonably estimated at this time.

United States - CERCLA 108(b) Financial Assurance

In December 2016, the EPA published a proposed rule focused on developing financial assurance for managing hazardous substances in the hard rock, mining industry, in accordance with CERCLA Section 108(b). The EPA has a court-mandated deadline for publication of the final rule by December 1, 2017. The proposed rule requires subject facilities to calculate their level of financial responsibility based on a formula included in the rule, secure an instrument or otherwise self-assure for the calculated amount, demonstrate to the EPA the proof of the security, and maintain the security until the EPA releases facilities from the CERCLA 108(b) regulations. The proposed rule is currently in draft form, subject to comment by the public and the regulated community. The final impact of the rule upon U. S. Steel taconite mines is unknown at this time, but could have a material adverse impact on the Company.

Environmental Remediation

In the United States, U. S. Steel has been identified as a potentially responsible party (PRP) at 8 sites under CERCLA as of J t8sen(g

OFF-BALANCE SHEET ARRANGEMENTS

U. S. Steel did not enter into any new material off-balance sheet arrangements during the second quarter

CHANGE IN ACCOUNTING ESTIMATE

Capitalization and Depreciation Method

During 2017, U. S. Steel completed a review of its accounting policy for property, plant and equipment dep d on a gr asis. As a res view, U. S. Steel changed its accounting method for property, plant and equipment from the group method of iation to unitary metho ation, effective as of January 1, 2017. The change from the group method to the unitary method of depreciation ferable u U.S. GAAP t in a more precise estimate of depreciation expense. Additionally, the change to the unitary method of depreciatio nsistent he depr pplied by our competitors, and improves the comparability of our results to our competitors. Our change in the d of dep d a ge in accounting estimate effected by a change in accounting principle and has been applied prospectively. For e 2017, th ect of the change was an increase in both income from continuing operations and net earnings of $112 million (million decrease ost of sales due to the capitalization of maintenance and outage spending that would have been previously ffset by increased de iation expense of $6 million, as a result of the impact of unitary depreciation on the existing net book value of ts a sse

U. S. Steel is also actively involved in several appeals before the Court of International Trade (CIT) concerning the orders imposed in 2016 on flat-rolled steel cases as well as several Oil Country Tubular Goods (OCTG) cases. In addition to the ongoing appeals before the CIT, the Company is litigating several cases at the U.S. Court of Appeals for the Federal Circuit. In the Turkey OCTG AD appeal before the U.S. Court of Appeals for the Federal Circuit, the Court affirmed the DOC's decision to deny a duty-drawback adjustment to respondents. The Court's decision sets an important precedent and gives domestic petitioners an important new tool for combating duty-drawback adjustments in other antidumping and countervailing duty actions.

[illegible] administrative [illegible] five-year (sunset) reviews before the U.S. International Trade Commission (USITC) and the DOC. U. S. Steel continues to litigate the second administrative review (2015 - 2016) concerning the Korea OCTG investigation. The investigation is ongoing and not expected to conclude until 2018. [illegible]

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Item 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

U. S. Steel has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2017. 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 are: (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 30, 2017, U. S. Steel's disclosure controls and procedures were effective.

CHANGES IN INTERNAL CONTROL OVER FINANC

persons who arranged for disposal of a hazardous substance at a site, and persons who transported a hazardous substance to a site. CERCLA imposes strict and joint and several liabilities. Because of various factors, including the ambiguity of the regulations, the difficulty of identifying the responsible parties for any particular site, the complexity of determining the relative liability among them, the uncertainty as to the most desirable remediation techniques, and the amount of damages and cleanup costs and the time period during which such costs may be incurred, we are unable to reasonably estimate U. S. Steel's ultimate liabilities under CERCLA.

At June 30, 2017, U. S. Steel has received information requests or been identified as a PRP at a total of eight CERCLA sites, two of which have liability that has not been resolved. Based on currently available information, which is in many cases preliminary and incomplete, management believes that U. S. Steel's liability for CERCLA cleanup and remediation costs at the other six sites will be between $100,000 and $1 million for [illegible]

Minnesota Ore Operations

On February 6, 2013, the EPA published a Federal Implementation Plan (FIP) that applies to taconite facilities in Minnesota. The FIP establishes and requires emission limits and the use of low NOx reduction technology on indurating furnaces as Best

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Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Pipasu Soni, 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 statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial inuonabb Hu

Exhibit 32.1

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

I, David B. Burritt, President 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, 2017, 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/ David B. Burritt

David B. Burritt
President and Chief Executive Officer

July 26, 2017

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

Exhibit 32.2

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

I, Pipasu Soni, Vice President of Finance and Interim 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, 2017, 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/ Pipasu Soni

Pipasu Soni
Vice President, Finance
and Interim Chief Financial Officer

July 26, 2017

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