UNITED STATES STEEL CORP
Form PRE 14A
February 26, 2014

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 x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
¨ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ 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)

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

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United States Steel Corporation

Notice of Annual Meeting

of Stockholders and Proxy Statement

2014

Tuesday, April 29, 2014

10:00 a.m. Eastern Time

33rd Floor

U. S. Steel Tower

600 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

Mario Longhi
President
and Chief Executive Officer

March 14, 2014

Dear Fellow U. S. Steel Stockholder:

We will hold the annual meeting of stockholders of United States Steel Corporation on the 33rd floor of the U. S. Steel Tower, 600 Grant Street, Pittsburgh, Pennsylvania 15219, on Tuesday, April 29, 2014, at 10:00 a.m. Eastern Time.

At this meeting, the agenda will include the following:

- Election of the four nominees for Class I directors recommended by the Board of Directors and identified in the Corporation s proxy statement.

- Ratification of the appointment of PricewaterhouseCoopers LLP as the Corporation s independent registered public accounting firm for 2014.

- Advisory vote to approve executive compensation.

- Approval of the Amendment and Restatement of the 2005 Stock Incentive Plan.

- Approval of the amendment to the Restated Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors.

Your stockholder vote is important and we strongly urge you to cast your vote, whether or not you plan to attend the meeting. You can vote either by telephone, over the Internet or by marking, signing and returning your proxy or voting instruction card.

Sincerely,

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Notice of Annual Meeting of Stockholders

on April 29, 2014

We will hold our 2014 annual meeting of stockholders on the 33rd floor of the U. S. Steel Tower, 600 Grant Street, Pittsburgh, Pennsylvania 15219 on Tuesday, April 29, 2014, at 10:00 a.m. Eastern Time, in order to do the following:

vote on the four nominees for Class I directors recommended by the Board of Directors and identified in the Corporation s proxy statement,

vote on the ratification of the appointment of PricewaterhouseCoopers LLP as the Corporation s independent registered public accounting firm for 2014,

conduct an advisory vote to approve executive compensation,

vote on the Amendment and Restatement of the 2005 Stock Incentive Plan,

vote on the amendment to the Restated Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors,

transact any other business that properly comes before the meeting.

You are entitled to vote at the meeting if you were an owner of record of United States Steel Corporation common stock at the close of business on February 28, 2014.

Every shareholder must present a form of government-issued photo identification in order to be admitted to the annual meeting. If your shares are held in street name (that is through a bank, broker, nominee or other intermediary), you must also bring proof of ownership with you to the meeting. A recent account statement, letter or proxy from your broker, nominee or other intermediary will suffice. Although not required for admission to the meeting, if you received an attendance card, please bring it with you.

By order of the Board of Directors,

Joseph A. Napoli

Secretary

Dated: March 14, 2014

United States Steel Corporation

600 Grant Street

Pittsburgh, PA 15219-2800

Important Notice Regarding the Availability of Proxy Materials for

the Annual Meeting of Stockholders to Be Held on April 29, 2014

The proxy statement and the annual report of the Corporation are available at www.ReadMaterial.com/X

Proxy Statement

You are receiving this proxy statement because the Board of Directors is asking you to give your proxy (that is, the authority to vote your shares) to our proxy committee so they may vote your shares on your behalf at our annual meeting of stockholders. The members of the proxy committee are Mario Longhi and David S. Sutherland. They will vote your shares as you instruct. The proxy statement contains information about the matters being voted on and other information that may be helpful to you.

We will hold the meeting at 10:00 a.m. Eastern Time on April 29, 2014 on the 33rd floor of the U. S. Steel Tower, 600 Grant Street, Pittsburgh, Pennsylvania. If you need directions to the annual meeting, you may write to U. S. Steel Shareholder Services, 15th Floor, 600 Grant Street, Pittsburgh, PA 15219-2800 or send an email to shareholderservices@uss.com.

Proxy materials or a Notice of Internet Availability of Proxy Materials (the Notice) are being first sent to shareholders on or about March 14, 2014. In accordance with rules and regulations adopted by the Securities and Exchange Commission (the SEC), instead of mailing a printed copy of the Company s proxy materials to each shareholder of record, the Company may furnish proxy materials by providing access to those documents on the Internet. The Notice describes the matters to be considered at the meeting and gives instructions on how shares can be voted. Shareholders receiving the Notice can request a paper copy of the proxy materials and a proxy card by following the instructions set forth in the Notice.

Questions and Answers

¢ **Who may vote?**

You may vote if you were a holder of United States Steel Corporation (U. S. Steel or the Corporation) common stock at the close of business on February 28, 2014.

¢ **What may I vote on?**

You may vote on:

- the election of the four nominees for Class I directors recommended by the Board of Directors and identified on pages 22-23 of this proxy statement,
- the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2014,
- the advisory vote on executive compensation,
- the approval of the Amendment and Restatement of the 2005 Stock Incentive Plan, and
- the approval of the amendment to the Restated Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors.

¢ **How does the Board recommend I vote?**

The Board recommends that you vote:

FOR each of the nominees for director,

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2014, and

FOR approval of the Corporation s executive compensation.

FOR approval of the Amendment and Restatement of the 2005 Stock Incentive Plan.

FOR the amendment to the Restated Certificate of

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Incorporation to declassify the Board of Directors and provide for the annual election of directors.

¢ **How do I vote?**

You may vote by telephone or over the Internet by following the instructions on the enclosed proxy card (or, if you own your shares through a broker or other intermediary, on the voting instruction card). You may also vote by marking, signing and dating the enclosed proxy card or voting instruction card and returning it in the prepaid envelope. If you receive a Notice of Internet Availability of Proxy Materials (Notice), you may vote by following the instructions contained in the Notice. The proxy committee will vote your shares in accordance with your instructions. If you sign, date and return a proxy card but do not mark the boxes showing how you wish to vote, the proxy committee will vote your shares FOR each of the nominees for director, FOR ratification of the appointment of PricewaterhouseCoopers LLP, FOR approval of the Corporation s executive compensation, FOR the Amendment and Restatement of the 2005 Stock Incentive Plan and FOR the amendment to the Restated Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors. Unsigned proxy cards will not be voted at all. If you are a stockholder of record (that is, if you are registered on our books), you may also vote in person by attending the meeting. If you are not a stockholder of record (for example, if you hold your shares in street name), you will need to obtain a legal proxy from your broker, bank or other holder of record in order to vote in person at the meeting.

¢ **May I change my vote?**

If you are a stockholder of record, you may change your vote or revoke your proxy at any time before your shares are voted at the meeting by doing any of the following:

voting again by telephone or over the Internet,

sending us a proxy card dated later than your last vote,

notifying the Secretary of U. S. Steel in writing, or

voting at the meeting.

If you hold your shares in street name, please refer to the information forwarded by your bank, broker or other holder of record for procedures on revoking or changing your voting instructions.

¢ **How many outstanding shares are there?**

At the close of business on February 28, 2014, which is the record date for the meeting, there were shares of U. S. Steel common stock outstanding. Each share is entitled to one vote.

¢ **How many votes are required to elect a director or approve a proposal?**

Proposal 1 Election of Directors. Each director is elected by a vote of the majority of the votes cast with respect to that director s election. The Board will consider whether to accept or reject the resignation of an incumbent director who fails to receive a majority of the votes cast. The term a majority of the votes cast means that the number of votes cast for a director s election exceeds the number of votes cast against the director s election. Abstentions and broker non-votes are not counted as votes cast either for or against the director s election.

Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm. The ratification of the appointment of the independent registered public accounting firm must be approved by a majority of the votes of the shares present in person at the meeting or represented by proxy and entitled to vote.

Proposal 3 Advisory Vote on Executive Compensation. The advisory vote on executive compensation requires a majority of the votes of the shares present in person at the meeting or represented by proxy and entitled to vote. Because this vote is advisory, it will not be binding on the Board or the Corporation; however, the Board and its Compensation & Organization Committee will review the voting results and take them into consideration when

making future executive compensation decisions.

Proposal 4 Amendment and Restatement of the 2005 Stock Incentive Plan. The proposed Amendment and Restatement of the 2005 Stock Incentive Plan must be approved by a majority of the votes of the shares present in person at the meeting or represented by proxy and entitled to vote.

Proposal 5 Amendment to the Restated Certificate of Incorporation that will declassify the Board of Directors. The amendment to the Restated Certificate of Incorporation that will declassify the Board of Directors and provide for the annual election of directors must be approved by a majority of the outstanding shares of common stock.

¢ **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. Proposal 2 is a routine matter on which brokers may vote in this way. Brokers may not vote their customers shares on non-routine matters unless they have received voting instructions from their customers. Proposals 1, 3, 4 and 5 are non-routine matters. Shares that are not voted by brokers on non-routine matters because their customers have not provided instructions are called broker non-votes.

¢ **What is the effect of abstentions and broker non-votes?**

An abstention will have no effect on the election of directors, but will have the same legal effect as a vote against each of the other proposals. Broker non-votes will have no effect on Proposals 1, 2, 3 and 4. Broker non-votes will have the same effect as a vote against Proposal 5 since Proposal 5 must be approved by a majority of the outstanding shares.

¢ **What constitutes a quorum?**

Under our by-laws, the holders of one-third of the voting power of the outstanding shares of stock entitled to vote, present in person or represented by proxy, constitute a quorum. A holder will be included in determining the presence

of a quorum even if the holder casts abstentions on all matters or was subject to broker non-votes on some matters.

¢ **Will my vote be confidential?**

All voting records which identify stockholders are kept permanently confidential except: (i) as necessary to meet legal requirements, (ii) in the case of proxy contests, (iii) if the shareholder makes a written comment on the proxy card or otherwise communicates his or her vote to management, or (iv) to allow the vote tabulator and inspector of election to tabulate and certify the results of the vote. The vote tabulator, inspector of election and the Corporation s transfer agent have agreed to keep voting records confidential.

¢ **How will voting be conducted on other matters raised at the meeting?**

If any matters are presented at the meeting other than the proposals on the proxy card, the proxy committee will vote on them using their best judgment. Your signed proxy card, or your telephone or Internet vote, gives them the authority to do this. Under our by-laws, notice of any matter to be presented by a stockholder for a vote at the meeting must have been received by our Corporate Secretary on or after December 31, 2013, and no later than January 30, 2014, and it must have been accompanied by certain information about the stockholder presenting it. We have not received notice of any matter to be presented other than those on the proxy card.

¢ **Who can attend the annual meeting?**

Only shareholders, or individuals that those shareholders have duly appointed as their proxies, may attend the annual meeting of stockholders. Every shareholder must present a form of government-issued photo identification in order to be admitted to the annual meeting. If your shares are held in street name (that is through a bank, broker, nominee or other intermediary), you must also bring proof of ownership with you to the meeting. A recent account statement, letter or proxy from your broker, nominee or other intermediary

will suffice. Although not required for admission to the meeting, if you received an attendance card, please bring it with you.

¢ **When must shareholder proposals be submitted for inclusion in the proxy statement for the 2015 annual meeting?**

If a shareholder wants to present a proposal at the 2015 annual meeting and have it included in our proxy statement for that meeting, the proposal must be received in writing by our Corporate Secretary no later than 5:00 p.m. Eastern Time on November 14, 2014.

¢ **What is the deadline for a shareholder to submit an item of business or other proposal for consideration at the 2015 annual meeting?**

Our by-laws describe the procedures that must be followed in order for a stockholder of record to present an item of business at an annual meeting of stockholders. Shareholder proposals or other items of business for the 2015 annual meeting that are not intended to be included in the proxy statement must be received by the Secretary of the Corporation on or after December 30, 2014 and no later than January 29, 2015 and must be accompanied by certain information about the stockholders making the proposals, as specified in our by-laws.

¢ **What is the deadline for a shareholder to nominate an individual for election as a director at the 2015 annual meeting?**

Our by-laws describe the procedures that must be followed in order for someone nominated by a stockholder of record to be eligible for election as a director. To nominate an individual for election as a director at the 2015 annual meeting, notice must be received by the Secretary of the Corporation on or after December 30, 2014 and no later than January 29, 2015. The notice must contain certain information about the nominee, including his or her age, address, occupation and share ownership, as well as certain information about the stockholder giving the notice, as specified in our by-laws.

The Board of Directors and its Committees

Under our by-laws and the laws of Delaware, U. S. Steel s state of incorporation, the business and affairs of U. S. Steel are managed under the direction of the Board of Directors. The Board met nine times in 2013. The non-employee directors hold regularly scheduled executive sessions without management. Effective as of January 1, 2014, David S. Sutherland, an independent director, was elected the chairman of the Board of Directors. The directors spend considerable time preparing for Board and committee meetings, and they attend as many meetings as possible. During 2013, all of the directors attended in excess of 75 percent of the meetings of the Board and the committees on which they served. The directors are expected to attend the annual meeting of stockholders. Eleven of the twelve directors who were on the Board at the time attended the 2013 stockholders meeting.

Independence

The following non-employee directors are independent within the definitions of independence of both the New York Stock Exchange listing standards and the Securities and Exchange Commission (the SEC) standards for audit committee members: Dan O. Dinges, John G. Drosdick, John J. Engel, Richard A. Gephardt, Murry S. Gerber, Thomas W. LaSorda, Charles R. Lee, Robert A. McDonald, Glenda G. McNeal, Seth E. Schofield, David S. Sutherland and Patricia A. Tracey. In addition, the Board has affirmatively determined that none of the directors or nominees for 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 $120,000 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 percent 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 personally works on the Corporation s audit; or (4) he or she or an immediate family member was within the last three years 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

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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.

In making its determination of director independence, the Board of Directors considered the fact that U. S. Steel purchased certain goods and services from WESCO International, Inc. in 2013. Mr. Engel, a Class III director, is the Chairman, President and Chief Executive Officer of WESCO. The Board determined that Mr. Engel did not have a direct or indirect material interest in these transactions and that the transactions were undertaken in the ordinary course of business. In addition, the amount of payments made by U. S. Steel were significantly less than 2% of WESCO s annual gross revenues. As a result, the Board concluded that these transactions would not affect Mr. Engel s independence.

The Board also determined that (i) no member of the Compensation & Organization Committee has a relationship to the Corporation which is material to that director s ability to be independent from management in connection with the duties of a compensation committee member, and (ii) each member of the Committee therefore satisfies the independence requirements of the NYSE listing standards.

Director Retirement Policy

Our by-laws require non-employee directors to retire at the first annual meeting of stockholders after they turn 74, even if their terms have not expired; however, the Board can grant exceptions to this policy on a case-by-case basis. The Board has granted such exceptions for Mr. Lee and Mr. Schofield, both of whom are 74. Mr. Lee and Mr. Schofield will now retire at the 2015 annual meeting of stockholders. Because of the extensive changes that took place to the Corporation s senior management during 2013 (including a new Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Information Officer and Chief Procurement Officer), the Board concluded that it was important to retain the services of these two experienced directors for an additional one year.

Employee directors must retire from the Board when they cease to be a principal officer of the Corporation, except that the Chief Executive Officer (CEO) may remain on the Board after retirement as an employee, at the Board s request, through the last day of 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.

Board Committees

The Board has three principal committees, each of which is comprised exclusively of independent directors: the Audit Committee, the Compensation & Organization Committee and the Corporate Governance & Public Policy Committee. Each such committee has a written charter adopted by the Board, which is available on the Corporation s website (www.ussteel.com) under Investors then Corporate Governance. Each committee may hire outside advisors, including counsel, at the Corporation s expense. The Board also has an Executive Committee made up of Messrs. Sutherland and Longhi, the role of which is to act on, and report to the Board on, significant matters that may arise between Board meetings. The table below shows the current committee memberships of each independent director and the number of meetings that each principal committee of the Board held in 2013.

Director	Audit Committee	Compensation & Organization Committee	Corporate Governance & Public Policy Committee
Dan O. Dinges	X	X	
John G. Drosdick		X*	
John J. Engel	X*		
Richard A. Gephardt			X*
Murry S. Gerber		X	X
Thomas W. LaSorda	X		X
Charles R. Lee	X	X	
Robert A. McDonald	X	X	
Glenda G. McNeal	X		X
Seth E. Schofield	X		
David S. Sutherland**			
Patricia A. Tracey		X	X
Number of Meetings in 2013	7	10	7

* Chairman

** As Chairman of the Board, Mr. Sutherland is a non-voting, ex-officio member of each Committee.

Audit Committee

Pursuant to its Charter, the Audit Committee s duties and responsibilities include the following:

- reviewing and discussing with management and the independent registered public accounting firm matters related to the annual audited financial statements, quarterly financial statements, earnings press releases and the accounting principles and policies applied;

- reviewing and discussing with management and the independent registered public accounting firm matters related to the Corporation s internal control over financial reporting;

- reviewing the responsibilities, staffing and performance of the Corporation s internal audit function;

- reviewing issues that arise with respect to the Corporation s compliance with legal or regulatory requirements and corporate policies dealing with business conduct;

- being directly responsible for the appointment (subject to shareholder ratification), compensation, retention, and oversight of the work of the Corporation s independent registered public accounting firm (including resolution of disagreements between management and such firm regarding financial reporting), while possessing the sole authority to approve all audit engagement fees and terms as well as all non-audit engagements with such firm; and

discussing policies with respect to risk assessment and risk management.

The charter requires the Committee to perform an annual self-evaluation and to review its charter during its first meeting of each calendar year.

The charter requires the Committee to meet at least five times each year. The Committee met seven times in 2013.

The charter requires that the Committee be comprised of at least three directors, each of whom is independent and financially literate, and at least one of whom must have accounting or related financial management expertise. The charter also requires that no director who serves on the audit committees of more than two other public companies may serve on the Committee unless the Board determines that such simultaneous service will not impair the ability of such director to effectively serve on the Committee. The Board has determined that John J. Engel, the Committee s

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chairman, and Charles R. Lee meet the SEC s definition of audit committee financial expert. Mr. Engel and Mr. Lee are independent, as that term is defined by the New York Stock Exchange and the SEC.

Compensation & Organization Committee

Pursuant to its Charter, the Compensation & Organization Committee s duties and responsibilities include the following:

- determining and approving the CEO s compensation level based on the evaluation of the CEO s performance;
- approving the compensation of the other executives of the Corporation;
- with the Board, annually reviewing the Corporation s executive management succession plans and the policies regarding succession in the event of an emergency or the retirement of the CEO;
- administering the plans and programs under which short-term and long-term incentives are awarded to executives and approving such awards;
- assessing whether the Corporation s compensation and organization policies and practices for executives and non-executives are reasonably likely to create a risk that could have a material adverse effect on the Corporation;
- considering the most recent shareholder advisory vote on executive compensation in connection with determining executive compensation policies and decisions;
- reviewing with management and recommending to the Board the Compensation Discussion & Analysis and producing the Committee report for inclusion in the proxy statement; and
- adopting and amending employee benefit plans and designating participants therein.

The Committee may, in its sole discretion, retain or obtain the advice of any compensation consultant, independent legal counsel, or other adviser to assist the Committee in fulfilling its duties and responsibilities. The Committee is directly responsible for the appointment, compensation (which shall be paid by the Corporation), and oversight of any such adviser and, before selecting an adviser, must take into consideration all factors relevant to such adviser s independence, including without limitation the factors set forth in the New York Stock Exchange rules.

The charter requires the Committee to perform an annual self-evaluation and to review its charter during its first meeting of each calendar year.

The charter requires that the Committee be comprised of at least three directors, each of whom is independent.

The Committee s processes for determining the amounts of compensation to pay the Corporation s executives are provided below. Additional detail on the Committee s processes can be found in the Compensation Discussion & Analysis section.

The charter requires the Committee to meet at least five times each year. The Committee met ten times in 2013. Committee agendas are established in consultation among management, the Committee chair and the Committee s independent consultant. The Committee typically meets in executive session for at least a portion of each regular meeting. Generally, the CEO and the Senior Vice President Human Resources and Administration attend Committee meetings but are not present for the executive sessions.

The Committee has retained Pay Governance as its independent consultant to assist the Committee in evaluating executive compensation programs and in setting executive officers compensation. The use of an independent consultant provides additional assurance that the Corporation s executive compensation programs are reasonable and consistent with the Corporation s objectives. The consultant reports directly to the Committee and does not perform services for management without the express approval of the Committee (there were no services performed for management in 2013). The consultant regularly participates in Committee meetings, including executive sessions, and advises the Committee with respect to compensation trends and best practices, plan design, and the reasonableness of individual compensation awards. The Committee has concluded that there was no conflict of interest with Pay Governance during 2013. In reaching this conclusion, the Committee considered the factors set forth in the rules of the SEC and the New York Stock Exchange regarding compensation consultant independence.

With respect to the CEO s compensation, the Committee makes its determinations based upon its evaluation of the CEO s performance and with input from its consultant. Each year, the Committee reviews the CEO s goals and objectives, and the evaluation of the CEO s performance with respect to the prior year s approved CEO goals and objectives, with the Board of Directors. The CEO does not participate in the presentations to, or discussions with, the Committee in connection with the setting of his compensation.

With the oversight of the CEO and the Senior Vice President Human Resources and Administration, the Corporation s compensation group formulates recommendations on matters of compensation philosophy, plan design, and the specific compensation recommendations for other executive officers. The CEO gives the Committee a compensation recommendation reflecting a performance assessment for each of the other executives. These recommendations are then considered by the Committee with the assistance of its compensation consultant.

For 2013, the Committee considered reports and analysis that it had requested of management and its independent consultant concerning risks associated with the Corporation s compensation and organization policies and practices. The Committee concluded that the Corporation s compensation and organization policies and practices for executives and non-executives are not reasonably likely to create a risk that could have a material adverse effect on the Corporation.

Corporate Governance & Public Policy Committee

The Corporate Governance & Public Policy Committee serves as the Corporation s nominating committee. Pursuant to its Charter, the duties and responsibilities of this Committee include:

identifying and evaluating nominees for director and selecting, or recommending that the Board select, the director nominees for the next annual meeting of shareholders;

making recommendations to the Board concerning the appropriate size and composition of the Board and its committees;

making recommendations to the Board concerning the compensation of non-employee directors;

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 relationships with, and communications to and from, the investment community, including the Corporation s stockholders;

reviewing matters and discussing risk relating to legislative, regulatory and public policy issues affecting the Corporation s businesses and operations;

reviewing and approving codes of conduct applicable to employees of the Corporation and its principal operating units; and

assessing and making recommendations concerning overall corporate governance to the extent specific matters are not the assigned responsibility of other board committees.

The Committee establishes criteria for selecting new directors, which include (a) their independence, as defined by applicable law, stock exchange listing standards and the categorical standards listed in the Corporation s Corporate Governance Principles,

(b) their business or professional experience, (c) their integrity and judgment, (d) their records of public service, (e) their ability to devote sufficient time to the affairs of the Corporation, (f) the diversity of backgrounds and experience they will bring to the Board, and (g) the needs of the Corporation from time to time. The Committee s charter provides that all directors should be individuals of substantial accomplishment with demonstrated leadership capabilities and that they should represent all shareholders and not any special interest group or constituency.

In evaluating diversity, the Committee considers not only racial and gender diversity, but also the need for a Board that represents diverse experience at policy making levels in business, government and education and in industries that are relevant to the Corporation s business operations. The director selection criteria described above, including diversity, are evaluated by the Committee each time a new candidate is considered for Board membership. In addition, at the end of each year, the Board of Directors conducts a thorough self-evaluation of its performance. This evaluation includes an assessment of whether the Board (i) has the appropriate mix of skills, experience and other characteristics, and (ii) is made up of a sufficiently diverse group of people (in terms of age, background, experience, gender and race). The biography of each nominee for election and each Continuing Director on pages 22-28 of this proxy statement includes a discussion of the attributes that each brings to the total mix of skills and experience of the Board.

The Committee will evaluate candidates for the Board of Directors recommended by stockholders using the same criteria that are described above. Stockholders wishing to recommend a candidate may submit a recommendation to the Secretary of the Corporation. That submission should include (i) the candidate s name, address, occupation and share ownership; (ii) any other biographical information that will enable the Committee to evaluate the candidate in light of the foregoing criteria; and (iii) information concerning any relationship between the candidate and the shareholder making the recommendation.

The Corporation has an agreement with the United Steelworkers (the USW) that permits the USW to suggest two individuals for consideration for Board membership. The agreement recognizes that every director has a fiduciary duty to the Corporation and all of its stockholders, and that each individual recommended by the USW must meet the criteria described above.

The Committee s charter gives the Committee the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm s fees and other retention terms.

The charter requires the Committee to perform an annual self-evaluation and to review its charter during its first meeting of each calendar year.

The charter requires that the Committee be comprised of at least three directors, each of whom is independent.

The charter requires the Committee to meet at least four times each year. The Committee met seven times in 2013.

Board Leadership Structure

The Board regularly considers the appropriate leadership structure for the Corporation. It has concluded that the Corporation and its shareholders are best served by the Board retaining discretion to determine whether the same individual should serve as both Chief Executive Officer and Chairman of the Board, or whether the Chairman of the Board should be an independent director. The Board believes that it is important to retain the flexibility to make this determination at any given point in time based on what it believes will provide the best leadership structure for the Company, taking into account the needs of the Corporation at that time.

The Board has determined that the Corporation and its stockholders are currently best served by having Mr. Sutherland serve as the independent non-executive Chairman of the Board, and Mr. Longhi serve as the Chief Executive Officer. The Board believes that this structure allows Mr. Longhi to focus on strategy and the day-to-day operation of the business, while allowing Mr. Sutherland to focus on the leadership of the Board of Directors.

If the Chairman of the Board is not independent, the independent directors annually elect from among themselves a Lead Director. The duties of the Lead Director are as follows:

- chair executive sessions of the non-employee directors;
- serve as a liaison between the Chief Executive Officer and the independent directors;
- approve Board meeting agendas and, in consultation with the Chief Executive Officer and the independent directors, approve Board meeting schedules to ensure there is sufficient time for discussion of all agenda items;
- approve the type of information to be provided to directors for Board meetings;
- be available for consultation and direct communication with the Corporation s shareholders;
- call meetings of the independent directors when necessary and appropriate; and
- perform such other duties as the Board may from time to time designate.

If the Chairman of the Board is independent, the Chairman s duties also include the duties of the Lead Director.

Board s Role in Risk Oversight

Pursuant to its charter, the Audit Committee of the Board of Directors is responsible for reviewing and discussing the Corporation s policies with respect to risk assessment and risk management, including the following:

- the guidelines and policies that govern the process by which the assessment and management of the Corporation s exposure to risk are handled by senior management, and
- the Corporation s major risk exposures and the steps management has taken to monitor and control such exposures.

Although the Audit Committee has primary responsibility for overseeing risk management, each of our other Board committees also considers the risks within their specific areas of responsibility. For example, the charter of the Compensation & Organization Committee gives it responsibility for assessing whether the Corporation s compensation and organization policies and practices for executives and non-executives are reasonably likely to create a risk that could have a material adverse effect on the Corporation. Pursuant to its charter, the Corporate Governance & Public Policy Committee considers the risks associated with legislative, regulatory and public policy issues affecting the Corporation s businesses and operations. Each committee periodically reports to the full Board of Directors on their respective activities, including, when appropriate, those activities related to risk assessment and risk management oversight.

The Board as a whole also considers risk assessment and management. For example, the Board annually reviews the Corporation s strategic plan which includes a review of safety, environmental, operating and competitive matters; political and regulatory issues; employee and labor issues; and financial results and projections.

The Senior Vice President, Chief Risk Officer & Treasurer of the Corporation reports to the Executive Vice President and Chief Financial Officer and is responsible for the Corporation s financial and business risk management, including the assessment, analysis and monitoring of business risk and opportunities and the identification of strategies for managing risk. The Chief Risk Officer provides regular reports to the Audit Committee and Board of Directors on these matters.

The Corporation believes that its leadership structure, as described above, supports the Board s role in risk oversight.

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.

The objective of U. S. Steel s director compensation programs is to enable the Corporation to attract and retain as directors individuals of substantial accomplishment with demonstrated leadership capabilities. In order to align the interests of directors with the interests of the shareholders, our non-employee directors also participate in the Deferred Compensation Program for Non-Employee Directors and the Non-Employee Director Stock Program, each of which is described below.

Non-employee directors are paid an annual retainer fee of $200,000. Until July 1, 2013, Committee Chairs and the Lead Director were paid an additional annual fee of $10,000.

Effective as of July 1, 2013, the amount of this additional annual fee was increased to $20,000 for Committee Chairs and $25,000 for the Lead Director.

Effective as of January 1, 2014, an additional annual fee of $50,000 is payable to the Chairman of the Board if he or she is not an employee of the Corporation.

No meeting fees or committee membership fees are paid.

Under our Deferred Compensation Program for Non-Employee Directors, each non-employee director is required to defer at least 50 percent of his or her retainer in the form of Common Stock Units and may elect to defer up to 100 percent. 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 receives actual shares of common stock corresponding to the number of Common Stock Units in his or her account. 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 non-employee director is eligible to receive 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.

Director Compensation

The following table sets forth certain information concerning the compensation of directors for 2013:

Name	Fees Earned or Paid in Cash ($)	Stock Awards (2)(3) ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation (4) ($)	Total ($)
Dan O. Dinges	100,000	100,000	0	0	0	200,000
John G. Drosdick	107,500	107,500	0	0	10,000	225,000
John J. Engel	107,500	110,000	0	0	0	217,500
Richard A. Gephardt	107,500	110,000	0	0	0	217,500
Murry S. Gerber	100,000	100,000	0	0	10,000	210,000
Thomas W. LaSorda (1)	66,667	83,847	0	0	0	150,514
Charles R. Lee	100,000	97,500	0	0	10,000	207,500
Frank J. Lucchino (1)	33,333	30,833	0	0	0	64,166
Robert A. McDonald (1)	0	0	0	0	0	0
Glenda G. McNeal	100,000	100,000	0	0	0	200,000
Seth E. Schofield	108,750	108,750	0	0	0	217,500
David S. Sutherland	0	200,000	0	0	0	200,000
Patricia A. Tracey	100,000	100,000	0	0	0	200,000

(1) Mr. Lucchino retired from the Board of Directors effective as of April 30, 2013. Mr. LaSorda joined the Board of Directors on April 30, 2013. Mr. McDonald joined the Board of Directors on January 1, 2014.

(2) The amount shown represents the aggregate grant date fair value, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (ASC 718), as described in the Corporation s financial statements for the year ended December 31, 2013 included in the Corporation s annual report on Form 10-K for 2013. All of the 2013 stock awards represent Common Stock Units under the Deferred Compensation Program for Non-Employee Directors, except in the case of Mr. LaSorda where $66,667 of the amount shown represents Common Stock Units under the Deferred Compensation Program for Non-Employee Directors and $17,180 represents shares awarded under the Non-Employee Director Stock Program.

(3) The aggregate stock awards outstanding at the end of 2013 for each director listed in the table are as follows and represent Common Stock Units under the Deferred Compensation Program for Non-Employee Directors:

	Number of Common Stock Units *
Dan O. Dinges	11,035
John G. Drosdick	24,147
John J. Engel	10,066
Richard A. Gephardt	18,997
Murry S. Gerber	6,297
Thomas W. LaSorda	3,669
Charles R. Lee	33,399
Frank J. Lucchino	0
Robert A. McDonald	0
Glenda G. McNeal	15,192
Seth E. Schofield	27,737
David S. Sutherland	28,305
Patricia A. Tracey	15,192

* Fractional units are not included. The amounts shown also include Common Stock Units that are convertible only into cash in the following amounts: 858 for each of Messrs. Drosdick, Lee and Schofield and 680 for Mr. Gephardt. Upon his resignation from the Board of Directors,

all remaining Common Stock Units in Mr. Lucchino s account were converted into actual shares of the Corporation s common stock and distributed to him.

(4) The amounts shown represent contributions made under the U. S. Steel Matching Gift Program. Under this Program, United States Steel Foundation, Inc. matches charitable contributions made by directors and employees to eligible educational institutions, subject to certain limitations and conditions set forth in the Program.

Communications from Security Holders and Interested Parties

Security holders and interested parties may send communications through the Secretary of the Corporation to (1) the Board, (2) the Committee chairmen, (3) the Chairman of the Board or the Lead Director, or (4) the outside directors as a group. The Secretary will collect, organize and forward to the directors all communications that, in his or her judgment, are appropriate for consideration by the directors. Examples of communications that would not be considered appropriate for consideration by the directors include solicitations for products or services, employment matters, and matters not relevant to the shareholders, to the functioning of the Board, or to the affairs of the Corporation.

Policy With Respect To Related Person Transactions

The Board of Directors of the Corporation has adopted a written policy that requires certain transactions with related persons to be approved or ratified by its Corporate Governance & Public Policy Committee. For purposes of this policy, related persons include (i) any person who is, or at any time since the beginning of the Corporation s last fiscal year was, a director or executive officer of the Corporation or a nominee to become a director of the Corporation, (ii) any person who is the beneficial owner of more than 5 percent of any class of the Corporation s voting securities; and (iii) any immediate family member of any person described in (i) or (ii). The types of transactions that are subject to this policy are transactions, arrangements or relationships (or any series of similar transactions, arrangements or relationships) in which the Corporation, or any of its subsidiaries, was, is or will be a participant and in which any related person had, has or will have a direct or indirect material interest and the aggregate amount involved will or may be expected to exceed $120,000. The standards applied by the Corporate Governance & Public Policy Committee when reviewing transactions with related persons include (a) the benefits to the Corporation of the transaction; (b) the terms and conditions of the transaction and whether such terms and conditions are comparable to the terms available to an unrelated third party or to employees generally; and (c) the potential for the transaction to affect the independence or judgment of a director or executive officer of the Corporation. Under the policy, certain transactions are deemed to be automatically pre-approved and do not need to be brought to the Corporate Governance & Public Policy Committee for individual approval. The transactions which are automatically pre-approved include (i) transactions involving compensation to directors and executive officers of the type that is required to be reported in the Corporation s proxy statement; (ii) indebtedness for ordinary business travel and expense payments; (iii) transactions with another company at which a related person s only relationship is as an employee (other than an executive officer), a director or beneficial owner of less than 10 percent of any class of equity securities of that company, provided that the amount involved does not exceed the greater of $1,000,000 or 2 percent of that company s consolidated gross annual revenues; (iv) transactions where the interest of the related person arises solely from the ownership of a class of equity securities of the Corporation, and all holders of that class of equity securities receive the same benefit on a pro rata basis; (v) transactions where the rates or charges involved are determined by competitive bid; (vi) transactions involving the rendering of services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental regulation; and (vii) transactions involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

There were no transactions that required approval of the Corporate Governance & Public Policy Committee under this policy during 2013.

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 provides for a classified Board of Directors that 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.

In Proposal 5, the Board has recommended that the shareholders approve an amendment to the Corporation s Restated Certificate of Incorporation that will eliminate the classified Board of Directors. If that Proposal is approved by the affirmative vote of a majority of the outstanding shares of the Corporation, the elimination of our classified Board structure will be phased in over a three-year period, beginning with the 2015 Annual Meeting of Stockholders.

Except in the case of contested elections, each director is elected if a majority of the votes are cast for that director s election. The term a majority of the votes cast means that the number of votes cast for a director s election exceeds the number of votes cast against the director s election, with abstentions and broker non-votes not counted as votes cast either for or against the director s election. A contested election is one in which the number of nominees exceeds the number of directors to be elected at the meeting.

If a nominee who is currently serving as a director is not re-elected, Delaware law provides that the director would continue to serve on the Board until the director s successor is duly elected and qualified or until the director s earlier resignation or removal. Under our By-laws, in order for any incumbent director to become a nominee for election by the stockholders as a director, that director must tender an irrevocable offer to resign from the Board of Directors, contingent upon acceptance of such offer of resignation by the Board of Directors, if the director fails to receive a majority of the votes cast in an election that is not a contested election. If an incumbent director fails to receive a majority of the votes cast in an election that is not a contested election, the Corporate Governance & Public Policy Committee, or such other independent committee designated by the Board of Directors, must make a recommendation to the Board of Directors as to whether to accept or reject the offer of resignation of the incumbent director, or to take other action. The Board of Directors must act on the offer of resignation, taking into account the committee s recommendation, within 90 days following certification of the election results. The committee, in making its recommendation, and the Board of Directors, in making its decision, each may consider such factors and other information as it may consider appropriate and relevant in the circumstances.

The four current Class I directors are nominees for election this year. The Board is recommending all four nominees be elected for a three-year term that will expire at the 2017 annual meeting.

A brief statement about the background and qualifications of each nominee and each continuing director is given on the following pages. No director has a family relationship to any other director, nominee for director or executive officer.

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 recommends a vote **FOR** the election of each nominee.

Nominees for Class I Directors

Terms Expire 2017

Richard A. Gephardt **Director since 2005** **Age 73**
President and Chief Executive Officer, Gephardt Group (consulting)

Congressman Gephardt received a Bachelor of Science degree from Northwestern University and a Juris Doctor degree from the University of Michigan Law School. After serving as a Democratic committeeman and alderman in his native St. Louis, he was elected to the United States House of Representatives in 1976, representing Missouri s Third District. He was re-elected 13 times. While in the House, Congressman Gephardt served on the Budget Committee and on the Ways and Means Committee. He was elected Chairman of the House Democratic Caucus in 1984; and he served as majority leader from 1989 to 1994. In 1994 he was elected House Democratic Leader, the top Democratic leadership position in the House. He served as minority leader from 1995 to 2003. After deciding not to seek re-election, Congressman Gephardt retired from the House on January 3, 2005. Congressman Gephardt has served as President and Chief Executive Officer of Gephardt Group, a multi-disciplined consulting firm, since 2005. He is a director of Spirit Aerosystems Holdings, Inc., Centene Corporation, CenturyLink, Inc. and Ford Motor Company. He previously served as a director of Embarq Corporation and Dana Holding Corporation.

Congressman Gephardt has valuable experience in public policy and governmental affairs as a result of his service in the United States House of Representatives. He was recommended as a candidate for election to the Board of Directors pursuant to an agreement with the United Steelworkers that permits it to suggest two individuals for consideration for Board membership.

Murry S. Gerber **Director since 2012** **Age 61**
Retired Chairman and Chief Executive Officer

EQT Corporation (natural gas exploration, production and transportation)

Mr. Gerber received a Bachelors degree in Geology from Augustana College and a Masters Degree in Geology from the University of Illinois. From 1979 to 1998, Mr. Gerber served in a series of technical and management positions with Shell Oil Company, including Chief Executive Officer of Coral Energy, L.P. (now Shell Trading North America) from 1995 to 1998. Mr. Gerber served as Chief Executive Officer and President of EQT Corporation from June 1998 through February 2007; Chairman and Chief Executive Officer from May 2000 through April 2010; and Executive Chairman from April 2010 until May 2011. Mr. Gerber is also a member of the Boards of Directors of BlackRock, Inc. and Halliburton Company.

Mr. Gerber has valuable experience in managing the issues that face a publicly held company as a result of his service as Chairman and Chief Executive Officer of EQT Corporation. Mr. Gerber also provides the Board with knowledge and insight regarding the energy industry, an important supplier to, and customer of, the Corporation.

Glenda G. McNeal **Director since 2007** **Age 53**
Executive Vice President and General Manager Global Client Group, Global Merchant Services
American Express Company (global payments, network, credit card and travel services)

Ms. McNeal received a Bachelor of Arts degree in Accounting from Dillard University and an MBA in Finance from the Wharton School of the University of Pennsylvania. Ms. McNeal began her career with Arthur Andersen, LLP in 1982, and was employed by Salomon Brothers, Inc. from 1987 to 1989. In 1989, Ms. McNeal joined American Express Company and since that time has served in a series of increasingly responsible positions for that company. She assumed her current position in 2011. Ms. McNeal is a director of RLJ Lodging Trust, Vente-Privee USA and the UNCF.

Ms. McNeal has valuable experience in business development, customer relationship management, and financial and accounting matters as a result of her current position as a senior executive at American Express Company, along with her prior positions with Arthur Andersen, LLP and Salomon Brothers, Inc. In addition, she provides the Board with knowledge and insight regarding the financial services industry and financial markets.

Patricia A. Tracey **Director since 2007** **Age 63**
Vice President, Homeland Security and Defense Services

Hewlett Packard Enterprise Services (technology services)

Vice Admiral Tracey received a Bachelor of Arts degree in Mathematics from the College of New Rochelle and a Masters Degree in Operations Research from the Naval Postgraduate School. From 1970 to 2004, Vice Admiral Tracey served in a series of increasingly responsible positions with the United States Navy, including Chief of Naval Education and Training from 1996 to 1998; Deputy Assistant Secretary of Defense (Military Manpower and Personnel Policy) from 1998 to 2001; and Director, Navy Staff from 2001 to 2004. Vice Admiral Tracey served as a consultant to the United States Navy from 2004 to 2005 and to the Department of Defense from 2005 to 2006. In 2006, Vice Admiral Tracey served as a Senior Fellow at the Center for Naval Analysis, prior to taking a position as Client Industry Executive with Electronic Data Systems Corporation. Hewlett Packard Co. acquired Electronic Data Systems Corporation in August of 2008. Vice Admiral Tracey assumed her current position as Vice President, Homeland Security and Defense Services with Hewlett Packard Enterprise Services in September 2012.

As a result of her service with the United States Navy, Vice Admiral Tracey has valuable experience in governmental affairs, environmental laws and regulations, OSHA standards, human resources, and education and training matters. She also provides the Board with knowledge and insight regarding the information technology industry.

Continuing Class III Directors

Terms Expire 2016

Dan O. Dinges **Director since 2010** **Age 60**
Chairman, President and Chief Executive Officer, Cabot Oil & Gas Corporation

(exploration and development of oil and gas properties)

Mr. Dinges graduated from the University of Texas with a BBA degree in Petroleum Land Management. Mr. Dinges began his career with Mobil Oil Corporation in 1978. From 1981 to 2001, Mr. Dinges worked in a variety of management positions with Samedan Oil Corporation, a subsidiary of Noble Affiliates, Inc. (now Noble Energy Inc.). In September 2001, Mr. Dinges joined Cabot Oil & Gas Corporation as its President and Chief Operating Officer, and assumed his current position in May 2002. Mr. Dinges serves on the Board of Directors of Spitzer Industries, Inc., the American Natural Gas Alliance, the American Exploration & Production Council and the Foundation for Energy Education. Mr. Dinges previously served on the Board of Directors of Lone Star Technologies, Inc.

Mr. Dinges has valuable experience in managing the issues that face a publicly held company as a result of his service as Chairman and Chief Executive Officer of Cabot Oil & Gas Corporation. Mr. Dinges also possesses knowledge of and insight into the steel industry through his prior service as a director of Lone Star Technologies, Inc. In addition, he provides the Board with knowledge and insight regarding the energy industry, an important supplier to, and customer of, the Corporation.

John G. Drosdick **Director since 2003** **Age 70**
Retired Chairman, Chief Executive Officer and President, Sunoco, Inc.

(petroleum and petrochemical products)

Mr. Drosdick graduated from Villanova University with a BS degree in chemical engineering and received a master s degree in chemical engineering from the University of Massachusetts. From 1968 to 1983, Mr. Drosdick worked in a wide variety of management positions with Exxon Corporation. He was named President of Tosco Corporation in 1987 and President of Ultramar Corporation in 1992. In 1996, Mr. Drosdick became President and Chief Operating Officer of Sunoco and was elected Chairman and Chief Executive Officer in May 2000. He retired from his positions as Chief Executive Officer and President of Sunoco effective as of August 8, 2008 and as Chairman of Sunoco effective as of December 31, 2008. Mr. Drosdick is Chairman of the Board of Trustees of the PNC Funds and PNC Advantage Funds and a director of Triumph Group, Inc. Mr. Drosdick previously served on the Board of Directors of H.J. Heinz Co., Lincoln National Corporation and Sunoco Logistic, Inc.

As a result of his service as Chairman and Chief Executive Officer of Sunoco, Inc., Mr. Drosdick has valuable experience in managing the issues that face a publicly held company. In addition, he provides the Board with knowledge and insight regarding the energy industry, an important supplier to, and customer of, the Corporation. He also has experience in the chemicals and coke industries.

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John J. Engel **Director since 2011** **Age 52**
Chairman, President and Chief Executive Officer, WESCO International, Inc. (distribution of electrical and industrial products and supply chain services)

Mr. Engel graduated from Villanova University in 1984 with a BS degree in Mechanical Engineering. He received his MBA from the University of Rochester in 1991. Mr. Engel began his career with General Electric Company where he held various engineering, manufacturing and general management positions from 1985 to 1994. From 1994 to 1999, Mr. Engel served as Vice President and General Manager of Allied Signal, Inc.; from 1999 to 2002, as Executive Vice President and Senior Vice President of Perkin Elmer, Inc.; and from 2003 to 2004, as Senior Vice President and General Manager of Gateway, Inc. Mr. Engel joined WESCO International, Inc. in 2004 and served as Senior Vice President and Chief Operating Officer from 2004 to 2009. He became a Director in October 2008 and served as President, Chief Executive Officer and Director from 2009 until 2011. He assumed his current position of Chairman, President and Chief Executive Officer in May 2011.

As a result of his service as Chairman, President and Chief Executive Officer of WESCO International, Inc. and working in a diverse range of industries, Mr. Engel has valuable experience managing the issues that face a publicly held company.

Charles R. Lee **Director since 2001** **Age 74**
Retired Chairman and Co-Chief Executive Officer, Verizon Communications (telecommunications)

Mr. Lee received a Bachelor s degree in metallurgical engineering from Cornell University and an MBA with distinction from the Harvard Graduate School of Business. He served in various financial and management positions before becoming Senior Vice President-Finance for Penn Central Corporation and then Columbia Pictures Industries Inc. In 1983, he joined GTE Corporation (which merged with Bell Atlantic Corporation to form Verizon Communications in 2000) as Senior Vice President of Finance and in 1986 was named Senior Vice President of Finance and Planning. He was elected President, Chief Operating Officer and director in December 1988 and was elected Chairman of the Board and Chief Executive Officer of GTE in May 1992. Mr. Lee served as Chairman and Co-Chief Executive Officer of Verizon from June 2000 to March 2002 and as Non-Executive Chairman until December 31, 2003. Mr. Lee is a director of Marathon Petroleum Corporation and DirecTV Group. He previously served on the Board of Directors of Marathon Oil Corporation , The Procter & Gamble Company and United Technologies Corporation. Mr. Lee is also a member of the Board of Overseers of the Weill Medical College of Cornell University and Trustee Emeritus of Cornell University.

As a result of his service as Chairman and Chief Executive Officer of Verizon Communications, Mr. Lee has valuable experience in managing the issues that face a publicly held company with significant international operations. His long service on our Board allows him to offer historical insights into our company and industry. In addition, he has extensive financial and accounting expertise, as reflected in his designation as a financial expert on our Audit Committee.

Continuing Class II Directors

Terms Expire 2015

Thomas W. LaSorda **Director since 2013** **Age 59**
President, LaSorda Group LLC (management advisory and consulting services)

Mr. LaSorda graduated from University of Windsor in 1977 with a Bachelor of Arts and Commerce. He received his MBA from the University of Windsor in 1980. Mr. LaSorda began his career with General Motors Corporation where he held various manufacturing and management positions from 1977 to 2000, including Vice President, Quality, Reliability & Competitive Operations Implementation for GM North America, from 1998 to 2000. In 2000, Mr. LaSorda joined Chrysler Group where he served as Senior Vice President from 2000 to 2004, Chief Operating Officer from 2004 to 2005, a member of the Board of Management of Daimler AG from 2004 to 2007, President and Chief Executive Officer of Chrysler Group from 2005 to 2007 and Vice Chairman, President and a member of the Board of Managers of Chrysler LLC from 2007 to 2009. Mr. LaSorda joined Fisker Automotive as its Vice Chairman commencing in December 2011, and assumed the additional position of Chief Executive Officer in 2012. He left Fisker Automotive in August of 2012. Mr. LaSorda previously served as a director of Electrovaya, Inc., AGCO Corporation, and Husky Injection Molding Systems Ltd. He is also the founder of IncWell LP, a private venture capital fund.

Mr. LaSorda provides the Board with substantial manufacturing and quality control experience, especially regarding the challenges faced by large, multi-national public companies. He also provides the Board with insight regarding the automotive industry, an important market for the Corporation.

Mario Longhi **Director since 2013** **Age 59**
President and Chief Executive Officer, United States Steel Corporation

Mr. Longhi received a bachelor s degree in metallurgical engineering from the Institute Mauá de Tecnologica in São Paulo, Brazil in 1977. He joined Alcoa, Inc. in 1982 where he served until 2005 in a variety of senior management positions. He was President of Gerdau Ameristeel Corporation from 2005 to 2006 and President and Chief Executive Officer from 2006 to 2011. Mr. Longhi was elected Executive Vice President and Chief Operating Officer of United States Steel Corporation in July 2012; President and Chief Operating Officer in June 2013; and President & Chief Executive Officer and a Director in September 2013. Mr. Longhi is also a director of RTI International Metals, Inc.

As the President and Chief Executive Officer of U. S. Steel, Mr. Longhi is responsible for all of the business and corporate affairs of U. S. Steel. His knowledge of the steel industry in general, and the Corporation s business in particular, provides crucial insight to the Board on the Corporation s strategic planning and operations. His knowledge and handling of the day-to-day issues affecting U. S. Steel s business provide the Board with invaluable information necessary to direct the business and affairs of the Corporation.

Robert A. McDonald **Director since 2014** **Age 60**
Retired Chairman of the Board, President & Chief Executive Officer, The Procter & Gamble Company (consumer goods)

Mr. McDonald received a Bachelor of Science in Engineering from the United States Military Academy and an MBA from the University of Utah. He served for five years as an Airborne Ranger Infantry Officer, primarily in the 82nd Airborne Division of the U.S. Army. Mr. McDonald joined Procter & Gamble in 1980 and served in a series of increasingly responsible positions for that company. He was named Vice Chairman, Global Operations in 2004; Chief Operating Officer in 2007; President and Chief Executive Officer in 2009; and Chairman of the Board in 2010. Mr. McDonald is a member of the Board of Directors of Xerox Corporation.

As a result of his service as Chairman of the Board, President and Chief Executive Officer of Procter & Gamble, Mr. McDonald has valuable experience in managing the issues that face a large publicly held company, including international experience, executive leadership expertise and extensive knowledge of financial and operational matters.

Seth E. Schofield **Director since 2001** **Age 74**
Retired Chairman and Chief Executive Officer, USAir Group (air carrier)

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 Petroleum Corporation and Chairman of the Board of Directors of Calgon Carbon Corporation. He previously served on the Board of Directors of Marathon Oil Corporation.

As a result of his service as Chairman and Chief Executive Officer of USAir Group and Chairman of the Board of Calgon Carbon Corporation, Mr. Schofield has valuable experience in managing the issues that face a publicly held company. In addition, his long service on our Board allows him to offer historical insights into our company and industry.

David S. Sutherland **Director since 2008** **Age 64**
Chairman of the Board, United States Steel Corporation

Retired President and Chief Executive Officer, IPSCO, Inc. (steel producer)

Mr. Sutherland earned a Bachelor of Commerce degree from the University of Saskatchewan and a master s degree in business administration from the University of Pittsburgh s Katz Graduate School of Business. Mr. Sutherland retired as President and Chief Executive Officer of the former IPSCO, Inc., a leading North American steel producer, in July 2007 after spending thirty years with the company and more than five as President and Chief Executive Officer. Mr. Sutherland became the non-executive Chairman of the Board of U. S. Steel on January 1, 2014. Mr. Sutherland is a director of GATX Corporation and Imperial Oil, Ltd. Mr. Sutherland is a former chairman of the American Iron and Steel Institute and served as a member of the board of directors of IPSCO, Inc., ZCL Composites Inc., the Steel Manufacturers Association, the International Iron and Steel Institute, the Canadian Steel Producers Association and the National Association of Manufacturers.

Mr. Sutherland has valuable experience in managing the issues that face a publicly held steel company as a result of his service as President and Chief Executive Officer of IPSCO, Inc. He has extensive knowledge of the Canadian business climate in general, and the Canadian steel industry in particular, all of which is helpful in the context of the Corporation s Canadian presence.

Proposal No. 2 Ratification of Appointment of Independent Registered Public Accounting Firm

Pursuant to the authority provided by its Charter, the Audit Committee has appointed PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm for U. S. Steel for the current fiscal year. Although action by the stockholders in this matter is not required by law or the Corporation s By-Laws, the Audit Committee believes that it is appropriate to seek stockholder ratification of this appointment in light of the important role played by the independent registered public accounting firm in maintaining the integrity of the Corporation s financial controls and reporting. If the appointment of PwC is not ratified by the stockholders, the Audit Committee will reconsider its appointment and review its future selection of an independent registered public accounting firm in light of that result. However, the Audit Committee may decide to maintain its appointment of PwC. Even if the appointment is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such change would be in the Corporation s best interests and in the best interests of our stockholders.

PwC has served as the independent auditor (now referred to as the independent registered public accounting firm) of U. S. Steel for many years. We believe that PwC s knowledge of U. S. Steel s business and its organization gained through this period of service is quite valuable. Partners and employees of PwC assigned to the U. S. Steel engagement are periodically rotated, thus giving U. S. Steel the benefit of new thinking and approaches in the audit area. We expect representatives of PwC to be present at the annual meeting with an opportunity to make a statement if they desire to do so and to be available to respond to appropriate questions.

For the year 2013, PwC performed professional services for U. S. Steel in connection with audits of the financial statements of U. S. Steel, and of U. S. Steel s internal control over financial reporting as of December 31, 2013, and audits of certain subsidiaries and certain pension and other employee benefit plans. PwC has also reviewed quarterly reports and other filings with the Securities and Exchange Commission and other agencies.

The Board recommends a vote **FOR** the ratification of the appointment of PwC as our independent registered public accounting firm.

Proposal No. 3 Advisory Vote on Executive Compensation

As further described below in the Compensation Discussion & Analysis, our executive compensation programs are designed to attract, retain, motivate and reward executives who make a significant contribution to the achievement of our corporate goals. Our guiding principles include fair and competitive pay, pay for performance, and the alignment of executive and shareholder interests. In general, executive pay is targeted at the 50th percentile of our peer group with over 75% of the compensation (approximately 85% for the CEO) tied to the achievement of performance goals or the performance of our stock. Accordingly, the Compensation & Organization Committee believes that our compensation programs effectively align the interests of our executive officers with those of our shareholders.

We are committed to communicating with shareholders about our executive compensation programs and, as outlined below, in 2013 we held several discussions with major shareholders to explain recent changes to our programs and to seek additional feedback. This shareholder feedback was considered by the Compensation & Organization Committee in revising our executive compensation programs for 2014. The 2014 revisions support the broad business transformation efforts that are being implemented under the leadership of our new President and CEO Mario Longhi, who assumed the role September 1, 2013.

In May of 2013, after considering the results of the 2013 Advisory Vote on Executive Compensation, discussions with our largest shareholders, and a lower stock price on the date of grant in comparison to prior years, the Compensation & Organization Committee of the Board of Directors revised our executive compensation program to further align compensation with corporate performance and shareholder interests by making the following changes:

Traditional stock options were replaced with premium priced stock options with an exercise price set at $25.00, which was a 34% premium over the grant date stock price of $18.64. The premium priced stock options add an additional performance based feature to our traditional stock options and allow our shareholders to benefit from the first 34% increase in our stock price before executives realize any value.

A $25.00 stock price (instead of the fair market value of $18.64 on the date of grant) was used to determine the number of shares granted for all equity awards except new-hire grants, which resulted in fewer shares being granted in comparison to prior years.

With respect to performance awards, the standards (which are based on relative TSR) required to earn a payout were increased from the 25th percentile at the threshold level, 50th percentile at the target level, and 75th percentile at the maximum level to the 30th, 60th, and 90th percentiles respectively.

In the fall of 2013, management and the Chairman of the Compensation & Organization Committee contacted our largest shareholders to discuss the above changes. Specific feedback obtained from shareholders in these discussions is outlined on page 50 of the Compensation Discussion & Analysis.

To address the views expressed by our shareholders in those discussions, and in support of the business transformation efforts implemented by our new CEO, the Committee revised our incentive plans for 2014. The Annual Incentive Compensation Program was revised to focus on fundamental improvements in cash flow and income from operations, while rewarding individual performance and emphasizing a safe work environment. The Long-Term Incentive Plan (which consists of performance awards, stock options and restricted stock units) was revised to (1) increase the performance awards from 40% to 60% of the total awards (the remaining awards will continue to be divided equally between stock options and restricted stock units), and (2) add a second performance measure, Return on Capital Employed, to the existing relative TSR measure; both are further explained in the Executive Summary section of the Compensation Discussion & Analysis.

We are asking our stockholders to approve, on an advisory basis, the compensation of the Corporation s Named Executive Officers as disclosed in this proxy statement by voting **FOR** the following resolution:

RESOLVED, that the stockholders of United States Steel Corporation (the Corporation) approve, on an advisory basis, the compensation of the Named Executive Officers as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission in the Corporation s proxy statement for the 2014 Annual Meeting of Stockholders, including the Compensation Discussion & Analysis, compensation tables and narrative discussions.

Although this is an advisory vote which will not be binding on the Compensation & Organization Committee or the Board, we will carefully review the results of the vote. The Board has adopted a policy providing for an annual advisory vote on executive compensation. Unless the Board modifies this policy, the next advisory vote on executive compensation will be held at our 2015 Annual Meeting of Stockholders.

Proposal No. 4 Amendment and Restatement of the 2005 Stock Incentive Plan

The United States Steel Corporation 2005 Stock Incentive Plan (the Stock Plan) was originally adopted by the Board of Directors and stockholders on April 26, 2005 and was subsequently amended and restated by the Board of Directors and approved by stockholders on April 27, 2010.

Upon recommendation of the Compensation & Organization Committee, our Board of Directors adopted, subject to your approval, an amended and restated Stock Plan effective April 29, 2014. The principal amendment to the prior Stock Plan is an increase of 5,800,000 in the total number of shares of our common stock reserved for issuance as awards under the Stock Plan. The affirmative vote of a majority of the shares present in person at the meeting or represented by proxy and entitled to vote is required for approval of an amendment and restatement of the Stock Plan.

In determining the number of shares of common stock to be authorized under the amended and restated Stock Plan, the Compensation & Organization Committee considered the needs of U. S. Steel for the shares and the potential dilution that awarding the requested shares may have on the existing stockholders. An independent compensation advisor assisted U. S. Steel in determining the appropriate number of shares to be requested. The advisor examined a number of factors, including U. S. Steel s burn rate and an overhang analysis. The Compensation & Organization Committee expects the number of shares available under the amended and restated Stock Plan to be sufficient for up to approximately three years of awards based upon the historic rates of awards.

The burn rate is the total equity awards granted by U. S. Steel in a fiscal year divided by the total common stock outstanding at the beginning of the year. In fiscal 2011, 2012 and 2013, U. S. Steel made equity awards representing a total of 1,214,180 shares, 2,742,671 shares and 3,125,850 shares, respectively. Using the ISS Proxy Advisory Services methodology for calculating burn rate, which applies a multiplier of 2 to any full value awards (awards for which the participant does not pay for the shares), U. S. Steel s three-year average (ISS adjusted) burn rate for equity grants made in fiscal 2011, 2012 and 2013 was 2.34%.

An additional metric used to measure the cumulative dilutive impact of the equity program is overhang. The calculation of overhang can be described as (A+B) / (A+B+C) where:

A is the number of outstanding stock options and outstanding full value awards;

B is the number of shares available for future grant under the proposed Stock Plan; and

C is the total outstanding shares of common stock

As of December 31, 2013, U. S. Steel had 5,207,288 outstanding stock options, 1,992,234 outstanding full value awards, and 2,609,897 shares available for future grant under the Stock Plan. As of that date, U. S. Steel had 144,578,000 outstanding shares of Common Stock. This results in an overhang of 6.4%.

Because Proposal 4 does not contemplate the amount or timing of specific equity awards in the future, and because historic rates of awards may not be indicative of future rates of awards, it is not possible to calculate with certainty the number of years of awards that will be available and the amount of subsequent dilution that may ultimately result from such awards. However, the current rationale and practices of the Compensation & Organization Committee with respect to equity awards is set forth in the Long-Term Incentive Plan and Stock Ownership section and elsewhere in the Compensation Discussion & Analysis in this proxy statement.

If approved by stockholders, the Stock Plan, as amended and restated, will be available for awards to employees, non-employee directors and other service providers of U. S. Steel, its subsidiaries and affiliates. If the amendment and restatement of the Stock Plan is not approved, the Stock Plan will remain in effect without including any amendments, there will be no increase in the number of shares available under the Stock Plan, and future grants of performance-based compensation awards cannot be made after the 2015 Annual Meeting of Stockholders.

The Board recommends the amendment and restatement of the Stock Plan for your approval.

The Board of Directors believes that you should approve the amendment and restatement of the Stock Plan because it encourages eligible participants to increase their efforts to help make U. S. Steel more successful and aligns their interests with those of U. S. Steel s stockholders.

The following is a summary of the main features of the Stock Plan, as amended and restated; however, before voting, you may want to read the entire Stock Plan, which is attached hereto as Appendix A.

Summary of the 2005 Stock Incentive Plan, as amended and restated

In general, the amendments to the Stock Plan would accomplish the following:

- add 5,800,000 shares for possible issuance,
- restrict the ability to pay dividends or dividend equivalents on performance awards before the performance goals are achieved and the performance awards are earned,
- further restrict the re-use of shares under the Plan that were either covered by appreciation rights or repurchased by U. S. Steel with option proceeds,
- require a minimum three-year vesting period for stock options with time-based vesting schedules, or a minimum one-year vesting period for stock options with performance-based vesting schedules, and
- clarify that awards may not be repriced through an exchange for cash.

The purposes of the Stock Plan are

- to attract, retain and motivate employees and non-employee directors of outstanding ability, and
- to align their interests with those of the stockholders of U. S. Steel.

Employees, non-employee directors and other service providers of U. S. Steel or any subsidiary or affiliate are eligible to receive awards under the Stock Plan.

The aggregate number of shares of U. S. Steel common stock which may be issued under the Stock Plan is the sum of (i) the number of shares available for issuance under the plan as of December 31, 2013, which was 2,609,897, and (ii) 5,800,000 additional shares, for a total of 8,409,897 shares, subject to proportionate adjustment in the event of stock splits and similar events. To measure the number of shares issued under the Stock Plan pursuant to awards granted, each stock option or purchase right in which the participant pays the fair market value for such share measured as of the grant date and each appreciation right which is based on at least the fair market value of a share as of the grant date, will reduce the number of shares available under the Stock Plan by one share for each share represented by such stock option, purchase right or appreciation right, except to the extent the award is settled in cash and without giving effect to the net number of shares that may be issued. All other awards, unless settled in cash, shall reduce the number of shares available under the Stock Plan by 1.64 shares for each such share to which the award relates. Shares delivered in payment of the exercise price of an award or to satisfy withholding obligations, or which are repurchased through the use of option proceeds are counted against the number of shares granted, and are not again available for awards under the Plan. All shares covered by an appreciation right that is exercised and settled in shares are also counted against the number of shares granted. No awards may be granted under the Stock Plan subsequent to April 28, 2024.

Administration

Except in the case of awards to non-employee directors, the Stock Plan will be administered by a committee of the Board consisting of at least three members of the Board. Each member of the committee must be an outside director as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act) and an independent director under the rules of the New York Stock Exchange. The Compensation & Organization Committee has performed, and will continue to perform, this function. In the case of awards to non-employee directors, the Stock Plan will be administered by the Board. As used in this proposal, the term Committee is used to refer to the Board in the case of awards to non-employee directors, or the three-member committee described above in the case of awards to employees and other service providers.

The Committee has full authority, in its discretion, to interpret the Stock Plan and to determine the persons who will receive awards and the number of shares to be covered by each award. It is expected that all employees and all non-employee directors will be eligible for participation under the Stock Plan. Currently U. S. Steel has approximately 38,500 employees and 12 non-employee directors.

The types of awards which the Committee has authority to grant are (1) stock options, (2) restricted stock, (3) restricted stock units, (4) performance awards and (5) other stock-based awards, including appreciation rights. Each of these types of awards is described below.

Stock Options

The Stock Plan provides for the grant of stock options. The option price for each stock option may not be less than 100% of the fair market value of U. S. Steel s common stock on the date the stock option is granted. Fair market value, for purposes of the Stock Plan, is generally the mean between the publicly reported high and low sale prices per share of U. S. Steel s common stock for the date as of which fair market value is to be determined. On , 2014 the fair market value of a share of U. S. Steel s common stock, as so computed, was $.

A stock option becomes exercisable at such time or times and/or upon the occurrence of such event or events as the Committee may determine. The vesting period applicable to stock options may not be less than three years for options with time-based vesting schedules, with ratable vesting over such period, or one year in the case of a performance-based vesting schedule. No stock option may be exercised after the expiration of ten years from the date of grant.

The option price for each stock option will be payable to U. S. Steel in full in cash at the time of exercise; however, in lieu of cash the holder of an option may, if authorized by the Committee, pay the option price in whole or in part by (i) delivering to U. S. Steel shares of U. S. Steel s common stock, or other property, or any combination thereof, having a fair market value on the date of exercise of the stock option equal to the option price for the shares being purchased, except that any portion of the option price representing a fraction of a share must be paid in cash or (ii) the withholding of shares to be acquired upon exercise, valued at the fair market value on the date of exercise, equal to the option price for the shares being purchased.

No stock option granted under the Stock Plan is transferable other than by will or by the laws of descent and distribution, and a stock option may be exercised during an optionee s lifetime only by the optionee.

The maximum aggregate number of shares of U. S. Steel s common stock which shall be available for the grant of stock options to any one individual under the Stock Plan during any calendar year is limited to 1,000,000 shares.

Subject to the foregoing and the other provisions of the Stock Plan, stock options granted under the Stock Plan to participants may be exercised at such times and in such amounts and be subject to such restrictions and other terms and conditions, if any, as shall be determined, in its discretion, by the Committee.

Restricted Stock Awards

Restricted shares of U. S. Steel s common stock awarded by the Committee will be subject to such restrictions (which may include restrictions on the right to transfer or encumber the shares while subject to restriction) as the Committee may impose and will be subject to forfeiture in whole or in part if certain events (which may, in the discretion of the Committee, include termination of employment and/or performance-based events) specified by the Committee occur prior to the lapse of the restrictions. The restricted stock award agreement between U. S. Steel and the awardee will set forth the number of shares of restricted stock awarded to the awardee, the restrictions imposed thereon, the duration of such restrictions, the events the occurrence of which would cause a forfeiture of the restricted stock awards in whole or in part and such other terms and conditions as the Committee in its discretion deems appropriate. The restriction period applicable to restricted stock awards may not be less than three years, with ratable vesting over such period, in the case of a time-based restriction, or one year in the case of a performance-based restriction.

Following a restricted stock award and prior to the lapse or termination of the applicable restrictions, share certificates for the restricted stock award will be held in escrow. Upon the lapse or termination of the restrictions (and not before), the share certificates will be delivered to the awardee. From the date a restricted stock award is effective, however, the awardee will be a stockholder with respect to the restricted stock award and will have all the rights of a stockholder with respect to such shares, including the right to vote the shares and to receive all dividends and other distributions paid with respect to the shares, subject only to the restrictions imposed by the Committee.

The maximum aggregate number of shares of U. S. Steel s common stock which may be earned by any one individual under restricted stock awards based on performance measures specified in the Stock Plan and intended to be performance-based compensation under Section 162(m) of the Code during any calendar year shall be limited to 1,000,000 shares. In the case of performance periods covering multiple calendar years, the number of shares which is earned in any one calendar year of such performance period is the number issued for the performance period divided by the number of full and partial calendar years included within the period. In applying this limit, the number of shares earned by the participant shall be measured as of the close of the applicable calendar year which ends the performance period, regardless of the fact that certification by the Committee and the lapsing of restrictions applicable to the restricted stock may occur in a subsequent calendar year or years. Following completion of any applicable performance period, and prior to any payment, the Committee shall determine in accordance with the terms of the restricted stock award and certify in writing whether the applicable performance goals were achieved, or the level of such achievement, and the amount, if any, earned based upon such performance.

Restricted Stock Units

Restricted stock units that provide for the issuance of U. S. Steel s common stock upon vesting may be awarded by the Committee subject to such restrictions (which may include restrictions on the right to transfer or encumber the units) as the Committee may impose and will be subject to forfeiture in whole or in part if certain events (which may, in the discretion of the Committee, include termination of employment and/or performance-based events) specified by the Committee occur prior to the lapse of the restrictions. The restricted stock unit agreement between U. S. Steel and the awardee will set forth the number of shares of stock represented by the restricted stock unit awarded to the awardee, the restrictions imposed thereon, the duration of such restrictions, the events the occurrence of which would cause a forfeiture of the restricted stock units in whole or in part and such other terms and conditions as the Committee in its discretion deems appropriate. The restriction period applicable to restricted stock units may not be less than three years, with ratable vesting over such period, in the case of a time-based restriction, or one year in the case of a performance-based restriction.

Upon the lapse or termination of the restrictions (and not before), and in no event later than two and one-half months following the end of the calendar year in which vesting occurs, share certificates will be delivered to the awardee in satisfaction of the restricted stock units. The awardee will not be a stockholder with respect to the restricted stock unit and will not have the rights of a stockholder with respect to such unit until the shares are issued. The Committee may determine to pay dividend equivalents relative to the shares that ultimately vest.

The maximum aggregate number shares of U. S. Steel s common stock which may be earned by any one individual under restricted stock unit awards based on performance measures specified in the Stock Plan and intended to qualify as performance-based compensation under Section 162(m) of the Code is limited to 1,000,000 Shares or, if such award is payable in cash, the Fair Market Value equivalent thereof. In the case of performance periods covering multiple calendar years, the number of shares which is earned in any one calendar year of such performance period is the number issued for the performance period divided by the number of full and partial calendar years included within the period. In applying this limit, the number of shares earned by the participant shall be measured as of the close of the applicable calendar year which ends the performance period, regardless of the fact that certification by the Committee and actual payment may occur in a subsequent calendar year or years. In the case of such performance-based restricted stock units, following completion of the applicable performance period, and prior to any payment, the Committee shall determine in accordance with the terms of the restricted stock unit and shall certify in writing whether the applicable performance goals were achieved, or the level of such achievement, and the amount, if any, earned based upon such performance.

Performance Awards

A performance award granted by the Committee under the Stock Plan shall represent a right to receive shares of U. S. Steel s common stock, based on the achievement, or the level of achievement, during a specified performance period of one or more performance goals established by the Committee at the time of the award.

At or prior to the time a performance award is granted, the Committee shall set forth in writing (1) the performance goals applicable to the award and the performance period during which the achievement of the performance goals shall be measured, (2) the amount which may be earned by the participant based on the achievement, or the level of achievement, of the performance goals or the formula by which such amount shall be determined and (3) such other terms and conditions applicable to the award as the Committee may, in its discretion, determine. The terms so established by the Committee shall be objective such that a third party having knowledge of the relevant facts could determine whether or not any performance goal has been achieved, or the extent of such achievement, and the amount, if any, which has been earned by the participant based on such performance. The Committee may retain the discretion to reduce (but not to increase) the amount of a performance award which will be earned based on the achievement of performance goals. When the performance goals are established, the Committee shall also specify the manner in which the level of achievement of such performance goals shall be calculated and the weighting assigned to such performance goals. The Committee may determine that unusual items or certain specified events or occurrences, including changes in accounting standards or tax laws and the effects of non-operational items or extraordinary items as defined by generally accepted accounting principles, shall be excluded from the calculation to the extent permitted in Section 162(m) of the Code. Dividends and dividend equivalents may accrue, but may not be paid with respect to performance awards before the performance goals are achieved and the performance awards are earned.

Performance goals shall mean one or more preestablished, objective measures of performance during a specified performance period, selected by the Committee in its discretion. Performance goals may be based on one or more of the following objective performance measures and expressed in either, or a combination of, absolute or relative values or rates of change and on a gross or net basis: safety performance, stock price, capital expenditures, earnings per share, earnings per share growth, return on capital employed, costs, net income, net income growth, operating margin, revenues, revenue growth, revenue from operations, expenses, income from operations as a percent of capital employed, income from operations, income from operations per ton shipped, tons shipped, cash flow, market share, return on equity, return on assets, earnings (including EBITDA and EBIT), operating cash flow, operating cash flow as a percent of capital employed, economic value added, gross margin, total shareholder return, shareholder equity, debt, debt to shareholder equity, debt to earnings (including EBITDA and EBIT), interest expense and/or other fixed charges, earnings (including EBITDA and EBIT) to interest expense and/or other fixed charges, environmental emissions improvement, workforce diversity, number of accounts, workers compensation claims, budgeted amounts, cost per hire, turnover rate, and/or training costs and expenses. Performance goals based on such performance measures may be based either on the performance of U. S. Steel, a subsidiary or subsidiaries, affiliate, any branch, department, business unit or other portion thereof under such measure for the performance period and/or upon a comparison of such performance with the performance of a peer group of corporations, prior performance periods or other measure selected or defined by the Committee at the time of making a performance award. The Committee may in its discretion also determine to use other objective performance measures as performance goals; however, the compensation awarded in connection with performance measures other than those identified above will not satisfy the exemption under Section 162(m) of the Code.

Following completion of the applicable performance period, and prior to any payment of a performance award to the participant, the Committee shall determine in accordance with the terms of the performance award and shall certify in writing whether the applicable performance goal or goals were achieved, or the level of such achievement, and the amount, if any, earned by the participant based upon such performance. Performance awards are not intended to provide for the deferral of compensation. Accordingly, payment of performance awards will be made upon vesting and in no event later than two and one-half months following the end of the calendar year in which the performance period ends, or such other time period as may be required under Section 409A of the Code to avoid characterization of such awards as deferred compensation. Performance periods under the Stock Plan will be each calendar year, unless otherwise determined by the Committee in its discretion.

In any one calendar year, the maximum amount which may be earned by any single participant under performance awards granted under the Stock Plan shall be limited to 1,000,000 shares. In the case of performance periods covering multiple calendar years, the amount which is earned in any one calendar year is the number issued for the performance period divided by the number of full and partial calendar years included within the period. In applying this limit, the number of shares of common stock earned by the participant shall be measured as of the close of the applicable calendar year which ends the performance period, regardless of the fact that certification by the Committee and actual payment to the participant may occur in a subsequent calendar year or years.

Performance awards granted by the Committee under the Stock Plan are intended to qualify for the performance based compensation exception from the $1 million cap on deductibility of executive compensation imposed by Section 162(m) of the Code. Because U. S. Steel has retained the discretion to change specific performance targets, shareholder re-approval of the Stock Plan will be required in the future under regulations issued pursuant to Section 162(m) of the Code, currently every five years. Thus, absent additional stockholder approval, no performance award may be granted under the Stock Plan subsequent to U. S. Steel s annual meeting of stockholders in 2019.

Other Stock-Based Awards

The Committee shall be authorized, subject to limitations under applicable law, to grant to eligible employees, in lieu of salary or cash bonus, such other awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of common stock, as deemed by the Committee to be consistent with the purposes of the Stock Plan, including, without limitation, purchase rights, appreciation rights, shares of common stock awarded without restrictions or conditions, subject to the limitations of the Stock Plan, convertible securities, exchangeable securities or other rights convertible or exchangeable into shares of common stock, as the Committee in its discretion may determine. In the discretion of the Committee, such other stock-based awards, including shares of common stock, or other types of awards authorized under the Stock Plan, may be used in connection with, or to satisfy obligations of U. S. Steel or a subsidiary under, other compensation or incentive plans, programs or arrangements of U. S. Steel or any subsidiary for eligible employees, including without limitation the 2005 and 2010 Annual Incentive Compensation Plans, the Deferred Compensation Plan for Non-Employee Directors, the Non-Employee Director Stock Plan or other successor programs and executive contracts.

The Committee shall determine the terms and conditions of other stock-based awards. Any shares of common stock or securities delivered pursuant to a purchase right or appreciation right granted under the Stock Plan shall be purchased for such consideration, paid for by such methods and in such forms, including, without limitation, cash, shares of common stock delivered or withheld from shares to be acquired upon exercise, or other property or any combination thereof, as the Committee shall determine. However, the value of such consideration shall not be less than the fair market value of such shares of common stock or other securities on the date of grant of the purchase right. Appreciation rights may not be granted at a price less than the fair market value of the underlying shares on the date of grant.

The aggregate number of shares for which appreciation rights may be granted under the Stock Plan to any single Participant in any calendar year shall not exceed 1,000,000 shares. The maximum number of shares available for issuance that do not conform to the vesting requirements applicable to restricted stock, restricted stock units and performance awards shall be limited to 575,000 shares, as of April 29, 2014.

Change of Control

Unless otherwise determined by the Committee, if a change of control, as defined in the Stock Plan, occurs and within 24 months thereafter a participant s employment is terminated either (i) involuntarily by U. S. Steel for any reason other than cause or, (ii) in the case of a member of executive management, voluntarily by the participant for good reason , as defined in the Stock Plan, then (1) all outstanding stock options, and other awards under which the participant may have rights the exercise of which is restricted or limited, shall become fully exercisable, (2) all restrictions or limitations, including risks of forfeiture and deferrals, on awards subject to restrictions or limitations under the Stock Plan shall lapse and (3) all performance goals applicable to performance awards shall be measured over the shortened performance period ending on the date of the change of control. Scheduled vesting dates for performance-based awards are not affected by a change of control, and all awards remain payable on the dates provided in the underlying award agreements and the Stock Plan.

Possible Anti-Takeover Effect

The provisions of the Stock Plan providing for the acceleration of the exercise date of stock options and the lapse of restrictions applicable to other awards upon termination of employment following a change of control may be considered by some as having an anti-takeover effect.

Miscellaneous

Except to the extent otherwise determined by the Committee, no award and no rights or interests therein shall be assignable or transferable by a participant other than by will or the laws of descent and distribution, and any stock option or other right to purchase or acquire shares of common stock granted to a participant under the Stock Plan shall be exercisable during the participant s lifetime only by such participant.

The Board of Directors may amend, alter, suspend, discontinue or terminate the Stock Plan at any time without stockholder approval except to the extent that stockholder approval is required by law or stock exchange rules or if the amendment, alteration or other change materially increases the benefits accruing to participants, increases the number of shares available under the Stock Plan or modifies the requirements for participation under the Stock Plan or if the Board determines that stockholder approval is advisable. Without the consent of the participant, no amendment, suspension or termination of the Stock Plan or any award may materially and adversely affect the rights of such participant under any previously granted award. The exercise price of any outstanding stock option, appreciation right or other purchase right may not be reduced, whether through an exchange for cash or through amendment, cancellation or replacement, unless the reduction has been approved by the stockholders.

The Committee may determine that an Award shall be forfeited and/or any value received from the award shall be repaid to U. S. Steel pursuant to any recoupment policies, rules or regulations in effect at the time of such award.

Nothing contained in the Stock Plan shall prevent U. S. Steel from adopting other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

New Plan Benefits

The actual amount of awards to be received by or allocated to participants or groups under the Stock Plan is not determinable in advance because the selection of participants who receive awards under the Stock Plan, and the size and type of awards, are generally determined by the Committee in its discretion. Although the non-employee directors receive at least 50% of their retainer in the form of common stock units, that number of shares is also not determinable because it is subject to the directors deferral election and the stock price.

Equity grants to each of our Named Executive Officers for Fiscal 2013 are set forth in the 2013 Grants of Plan-Based Awards Table and equity grants to our non-employee directors for Fiscal 2013 are set forth in the Director Compensation Table.

The following table shows the awards granted in Fiscal 2013 to all executive officers (including the Named Executive Officers) as a group, to the non-executive director group and to all non-executive officer employees as a group under predecessor plans and arrangements:

	Stock Option		**Restricted Stock and Restricted Stock Units (Number of Shares) (1)**	**Performance Awards (Number of Shares at Target) (#)**
	Number of Shares (#)	**Average Exercise Price ($)**		
All executive officers as a group (9 persons) (2)	508,940	$ 25.00	248,200	98,760
Non-executive director Group (12 persons)	0	N/A	55,567	0
All non-executive officer employees as a group	1,301,530	$ 20.27	795,220	173,200

(1) In the case of non-executive directors, the awards are in the form of Common Stock Units.

(2) Includes executive officers as of December 31, 2013, who received option grants in 2013.

If the Stock Plan receives stockholder approval, U. S. Steel intends to promptly file a registration statement with the SEC on Form S-8 to register the additional shares that may be issued under the Stock Plan.

Equity Compensation Plan Information

The following table shows information relating to the number of shares authorized for issuance under our equity compensation plan as of December 31, 2013.

Plan Category	**(1) Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**(2) Weighted-average exercise price of outstanding options, warrants and rights**	**(3) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (1))**
Equity compensation plans approved by security holders (a)	7,862,465	$ 37.66	2,609,897(b)
Equity compensation plans not approved by security holders (c)	27,819	(one for one)	
Total	7,890,284		2,609,897

(a) The numbers in columns (1) and (2) of this row contemplate all shares that could potentially be issued as a result of outstanding grants under the 2005 Stock Incentive Plan as of December 31, 2013. (For more information, see Note 12 to the Consolidated Financial Statements.) Column (1) includes (i) 162,967 shares of common stock that could be issued for the Common Stock Units outstanding under the Deferred Compensation Program for Non-Employee Directors and (ii) 999,952 shares that could be issued for the 499,976 performance awards outstanding under the Long-Term Incentive Compensation Program (a program under the 2005 Stock Incentive Plan). The calculation in column (2) does not include the Common Stock Units since the weighted average exercise price for Common Stock Units is one for one; that is, one share of common stock will be given in exchange for each unit of such phantom stock accumulated through the date of the director s retirement. Also, the calculation in column (2) does not include the performance awards since the weighted average exercise price for performance awards can range from zero for one to two for one; that is, performance awards may result in up to 999,952 shares of common stock being issued (two for one), or some lesser number of shares (including zero shares of common stock issued), depending upon the Corporation s common stock performance versus that of a peer group of companies.

(b) Represents shares available under the 2005 Stock Incentive Plan.

(c) At December 31, 2013, U. S. Steel had no securities remaining for future issuance under equity compensation plans that had not been approved by security holders. Column

(1) represents Common Stock Units that were issued pursuant to the Deferred Compensation Plan for Non-Employee Directors prior to its being amended to make it a program under the 2005 Stock Incentive Plan. The weighted average exercise price for Common Stock Units in column (2) is one for one; that is, one share of common stock will be given in exchange for each unit of phantom stock upon the director s retirement from the Board of Directors. All future grants under this amended plan/program will count as shares issued pursuant to the 2005 Stock Incentive Plan, a shareholder approved plan.

Federal Income Tax Consequences

The following is a brief summary of the principal Federal income tax consequences of the grant and exercise of awards under present law.

Nonstatutory Stock Options. An optionee will not recognize any taxable income for Federal income tax purposes upon receipt of a nonstatutory stock option. Upon the exercise of a nonstatutory stock option the amount by which the fair market value of the shares received, determined as of the date of exercise, exceeds the option price will be treated as compensation received by the optionee in the year of exercise. If the option price of a nonstatutory stock option is paid in whole or in part with shares of U. S. Steel s common stock, no income, gain or loss will be recognized by the optionee on the receipt of shares equal in value on the date of exercise to the shares delivered in payment of the option price. The fair market value of the remainder of the shares received upon exercise of the nonstatutory stock option, determined as of the date of exercise, less the amount of cash, if any, paid upon exercise will be treated as compensation income received by the optionee on the date of exercise of the stock option.

Except as described in Other Tax Matters below, U. S. Steel or one of its subsidiaries generally will be entitled to a deduction for compensation paid in the same amount treated as compensation received by the optionee.

Restricted Stock. An awardee of restricted stock will not recognize any taxable income for Federal income tax purposes in the year of the award, provided the shares are subject to restrictions (that is, they are nontransferable and subject to a substantial risk of forfeiture). However, an awardee may elect under Section 83(b) of the Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the shares on the date of the award, determined without regard to the restrictions. If the awardee does not make a Section 83(b) election, the fair market value of the shares on the date the restrictions lapse will be treated as compensation income to the awardee and will be taxable in the year the restrictions lapse. Except as described in Other Tax Matters below, U. S. Steel or one of its subsidiaries generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the awardee.

Restricted Stock Units. An awardee who receives restricted stock units will not recognize any taxable income for Federal income tax purposes upon receipt of the award. Any cash or shares of common stock received pursuant to the award will be treated as compensation income received by the awardee generally in the year in which the awardee receives such cash or shares of common stock. Except as described in Other Tax Matters below, U. S. Steel generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the awardee.

Performance Awards. An employee who receives a performance award will not recognize any taxable income for Federal income tax purposes upon receipt of the award. Any shares of common stock received pursuant to the award will be treated as compensation income received by the employee generally in the year in which the employee receives such shares of common stock. Except as described in Other Tax Matters below, U. S. Steel generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the awardee.

Appreciation Rights. An awardee will not recognize any taxable income for Federal income tax purposes upon receipt of appreciation rights. The value of any common stock or cash received in payment of appreciation rights will be treated as compensation received by the awardee in the year in which the awardee receives the common stock or cash. Except as described in Other Tax Matters below, U. S. Steel generally will be entitled to a corresponding deduction in the same amount for compensation paid to the awardee.

Other Tax Matters. The exercise by an employee of a stock option or appreciation right, the lapse of restrictions on restricted stock and restricted stock units, or the deemed achievement or fulfillment of performance awards following the occurrence of a change of control, in certain circumstances, may result in (i) a 20% Federal excise tax (in addition to Federal income tax) to the awardee on certain payments of common stock resulting from such exercise or deemed achievement or fulfillment of performance awards or, in the case of restricted stock and restricted stock units, on all or a portion of the fair market value of the shares on the date the restrictions lapse and (ii) the unavailability of a compensation deduction which would otherwise be allowable to U. S. Steel as explained above. Except for (i) stock options, (ii) appreciation rights, and (iii) restricted stock awards, restricted stock unit awards, and performance awards that meet the requirements of the Stock Plan and are based on the performance measures described therein, U. S. Steel may not be eligible for a compensation deduction which would otherwise be allowable for compensation paid to any employee if, as of the close of the tax year, the employee is the chief executive officer of U. S. Steel or is among the three other highest compensated officers for that tax year for whom compensation is required to be reported to stockholders under the Securities Exchange Act, as amended, to the extent the total compensation paid to such employee exceeds $1,000,000.

Additional Information. U. S. Steel expects that stock options, appreciation rights, performance awards and restricted stock and restricted stock unit awards that are based on performance measures set forth in the Stock Plan and otherwise meet the requirements of the Stock Plan will qualify as performance-based compensation that is exempt from the $1,000,000 annual deduction limit (for Federal income tax purposes) of compensation paid by public corporations to each of the Corporation s chief executive officer and three other most highly compensated executive officers in each fiscal year, which limit is imposed by Code Section 162(m). Because of ambiguities and uncertainties as to the application and interpretation of Code Section 162(m) and the regulations issued thereunder, no assurance can be given, notwithstanding U. S. Steel s efforts, that compensation intended by U. S. Steel to satisfy the requirements for deductibility under Code Section 162(m) will in fact do so.

The Board recommends a vote **FOR** the approval of the Amendment and Restatement of the 2005 Stock Incentive Plan.

Proposal No. 5 Amendment of Restated Certificate of Incorporation to Declassify the Board of Directors and Provide for Annual Election of Directors

Article SEVENTH of the Corporation s Restated Certificate of Incorporation currently provides that our directors are divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the whole number of directors. The members of each class serve for staggered terms that expire at the third annual meeting of the stockholders after their election and until their respective successors are duly elected and qualified.

Upon the recommendation of the Corporate Governance and Public Policy Committee, our Board of Directors has unanimously approved and declared the advisability of an amendment to the Restated Certificate of Incorporation to amend and restate Article SEVENTH to eliminate the classified Board structure and provide for the annual election of directors, and the Board is submitting the proposed amendment (the

Amendment) to the stockholders of the Corporation for their approval at the 2014 Annual Meeting. The complete text of Article SEVENTH, as proposed to be amended and restated, is set forth in Appendix B, and the discussion that follows is qualified in its entirety by reference to such text. As described below, if the Amendment is approved by the affirmative vote of a majority of the outstanding shares of the Corporation, the elimination of our classified Board structure will be phased in over a three-year period, beginning with the 2015 Annual Meeting of Stockholders.

If approved by the stockholders, the Amendment will become effective upon the filing of a Certificate of Amendment with the Secretary of State of the State of Delaware, that the Corporation intends to file promptly following stockholder approval. In addition, the Board has amended the By-Laws of the Corporation to eliminate any reference to the classified structure of the Board. As there is no requirement to include such a reference in the By-Laws, the amendment to the By-Laws will not be affected by the stockholders vote on the Amendment. The amendment to the By-Laws did not require stockholder approval.

Pursuant to the Amendment, commencing with the 2017 Annual Meeting, the Board will no longer be classified, all directors will be elected for one-year terms, and directors may be removed by the stockholders with or without cause. The three-year terms of the Class I directors to be elected at the 2014 Annual Meeting, and the remaining terms of the Class II directors and the Class III directors currently serving on the Board, will not be affected by the Amendment. Thus, the phased-in implementation of Board declassification will not prevent any director elected prior to the 2015 Annual Meeting from completing the three-year term for which such director was elected. In addition, the term of any director appointed to fill a vacancy created by an increase in the number of directors will expire at the next annual meeting of stockholders following such appointment, and the term of any director appointed to fill a vacancy created by any other cause will expire at the expiration of the term of the director whose place became vacant. In all cases, each director will serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation, or removal.

At each of the 2012 and 2013 Annual Meetings, our stockholders, by a majority of the votes cast (but not a majority of the outstanding shares), approved an advisory stockholder proposal to declassify the Board. In each of those cases, our Board opposed the stockholder proposal because it concluded, after careful consideration and upon the recommendation of the Corporate Governance and Public Policy Committee, that the Corporation s long-standing classified Board structure continued to be in the best interests of the Corporation and all of our stockholders. The Board stated its belief that the classified Board structure protected stockholder value by increasing our Board s ability to evaluate the fairness of any takeover offer, to protect stockholders from abusive or coercive offers and, where appropriate, to negotiate on behalf of our stockholders. Our Board also believed that the classified structure provided continuity and stability, and enhanced the Corporation s relationship with the United Steelworkers Union.

While these benefits of a classified Board structure remain important, our Board recognizes that a large number of S&P 500 companies have declassified their boards in recent years and that many stockholders believe that annual elections of directors increase the accountability of directors and provide other benefits. This stockholder sentiment in favor of board declassification was evidenced by the approval, by a large majority of the votes cast, of the advisory stockholder declassification proposals at the 2012 and the 2013 Annual Meetings. Nearly all of the institutional shareholders we contacted in 2013, which collectively hold a significant percentage of our outstanding shares, have encouraged us to declassify our Board.

If the Amendment is not approved by the affirmative vote of a majority of our outstanding shares at the 2014 Annual Meeting, Article SEVENTH of the Restated

Certificate of Incorporation will not be amended and restated, and the current Article SEVENTH will remain in effect.

Accordingly, our Board declares the advisability of the amendment to Article SEVENTH of the Restated Certificate of Incorporation to declassify the Board, and unanimously recommends that stockholders vote FOR approval of this proposal.

Information Regarding the Independence of the Independent Registered Public Accounting Firm

The following table shows the fees paid to PricewaterhouseCoopers LLP (PwC) for professional services for 2013 and 2012:

	(Dollars in millions)	
	2013	**2012**
Audit [1]	$ 5.1	$ 4.9
Audit-Related [2]	$ 0.2	$ 0.2
Tax	$ 0.0	$ 0.0
All Other [3]	$ 0.0	$ 0.1
Total	$ 5.3	$ 5.2

(1) Audit fees were for the audit of U. S. Steel s annual financial statements, the audit of U. S. Steel s internal control over financial reporting required under the Sarbanes-Oxley Act, statutory and regulatory audits, and the issuance of comfort letters and consents.

(2) Audit-related fees were for employee benefit plan audits and procedures required by agreement or government agencies.

(3) All other fees were for training, agreed to procedures related to conflict minerals disclosure and an annual software license renewal.

Pre-Approval Policy

The Audit Committee has the sole authority to pre-approve all audit engagement fees and terms as well as all non-audit engagements with PwC. The Committee has delegated to its chairman the authority to approve non-audit engagements of less than $500,000 between Committee meetings. In 2012 and 2013, all of the above services were pre-approved by the Committee in accordance with this pre-approval policy.

Audit Committee Report

Our committee has reviewed and discussed U. S. Steel s audited financial statements for the year ended December 31, 2013 with U. S. Steel s management. We have discussed with the independent registered public accounting firm, PricewaterhouseCoopers LLP (PwC), the matters required to be discussed by Statements on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. We also discussed with U. S. Steel s management their assessment of the effectiveness of U. S. Steel s internal control over financial reporting as of December 31, 2013, and PwC s opinion on the effectiveness of U. S. Steel s internal control over financial reporting as of December 31, 2013. We have received the written disclosures and the letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence, and we have discussed with PwC its independence. Based on the review and discussions referred to above, we recommended to the Board that the audited financial statements for U. S. Steel be included in U. S. Steel s Annual Report on Form 10-K for the year ended December 31, 2013, for filing with the Securities and Exchange Commission.

John J. Engel, Chairman
Dan O. Dinges
Thomas W. LaSorda
Charles R. Lee
Robert A. McDonald
Glenda G. McNeal
Seth E. Schofield

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	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	9,884,872(1)	6.83(1)
U. S. Steel Common Stock	JPMorgan Chase & Co. 270 Park Avenue New York, NY 10017	9,521,940(2)	6.58(2)
U. S. Steel Common Stock	BlackRock, Inc. 40 East 52nd Street New York, New York 10022	7,871,630(3)	5.44(3)

(1) Based on Schedule 13G filed on February 12, 2014 which indicates that The Vanguard Group had sole voting power over 192,727 shares, shared voting power over no shares, sole dispositive power over 9,702,745 shares and shared dispositive power over 182,127 shares.

(2) Based on Schedule 13G filed on February 4, 2014 which indicates that JPMorgan Chase & Co. had sole voting power over 8,462,955 shares, shared voting power over 26,367 shares, sole dispositive

power over 9,495,574 shares and shared dispositive power over 26,367 shares.

(3) Based on Schedule 13G filed on January 31, 2014 which indicates that BlackRock, Inc. had sole voting power over 6,733,102 shares, shared voting power over no shares, sole dispositive power over 7,871,630 shares and shared dispositive power over no shares.

Security Ownership of Directors and Executive Officers

The Board has adopted stock ownership and retention requirements for executive management. These requirements are described under the caption *Stock Ownership and Retention Policy* on page 65 of this proxy statement. Each executive officer is in compliance with the applicable stock ownership and retention requirements.

Non-employee directors are required to hold equity interests in the Corporation in the form of stock-based deferred compensation. This requirement is a part of our Corporate Governance Principles. Each non-employee director is required to defer at least 50 percent of his or her annual retainer as stock-based compensation under the Deferred Compensation Program for Non-Employee Directors. Amounts deferred are credited to the director s deferred stock account in the form of Common Stock Units. No amounts are paid to the director from the deferred stock account until the director leaves the Board, at which time he or she receives actual shares of common stock corresponding to the number of Common Stock Units in his or her account. The Board and management believe that such deferral, by continually building each director s equity interest in the Corporation, provides a meaningful continued interest in the Corporation that is tied to the shareholders interest because the stock issued upon a director s departure from the Board reflects all changes in the market value of U. S. Steel common stock from the date of deferral. Each director is in compliance with the requirement described in this paragraph.

The following table sets forth the number of shares of U. S. Steel common stock beneficially owned as of January 31, 2014 by each director and director nominee, by each executive officer named in the Summary Compensation Table and by all directors and executive officers as a group. No director or executive officer beneficially owned, as of the applicable date, any equity securities of U. S. Steel other than those shown.

Name	Shares Beneficially Owned
George F. Babcoke (1)(3)	80,474
David B. Burritt (3)	399
James D. Garraux (1)(3)(4)	130,681
Gretchen R. Haggerty (1)(3)(4)	210,373
David H. Lohr (1)(3)(4)	146,139
Mario Longhi (1)(3)	25,900
Douglas R. Matthews (1)(3)	55,066
John P. Surma (1)(3)(4)	566,507
Michael S. Williams (1)(3)	77,020
Dan O. Dinges (2)(3)	18,120
John G. Drosdick (2)(3)	29,390
John J. Engel (2)(3)	16,134
Richard A. Gephardt (2)(3)	24,046
Murry S. Gerber (2)(3)	121,687
Thomas W. LaSorda (2)(3)	15,058
Charles R. Lee (2)(3)	37,130
Robert A. McDonald (3)	2,000
Glenda G. McNeal (2)(3)	20,607
Seth E. Schofield (2)(3)	31,500
David S. Sutherland (2)(3)	38,832
Patricia A. Tracey (2)(3)	20,240
All Directors and Executive Officers as a group (26 persons) (1)(2)(3)	1,842,853

(1) Includes shares which may be acquired upon exercise of outstanding options which are or will become exercisable within 60 days of January 31, 2014 in the following amounts: Mr. Babcoke: 55,227; Mr. Garraux: 86,016; Mrs. Haggerty: 104,856; Mr. Lohr: 87,010; Mr. Longhi: 18,166; Mr. Matthews: 37,300; Mr. Surma: 309,933; Mr. Williams: 54,260; and all directors and executive officers as a group: 863,726.

(2) Includes those Common Stock Units granted under the Deferred Compensation Program for Non-Employee Directors that are convertible into shares of common stock upon departure from the Board in the following amounts: Mr. Dinges: 16,120; Mr. Drosdick: 27,390; Mr. Engel: 14,134; Mr. Gephardt: 22,046; Mr. Gerber: 9,687; Mr. LaSorda: 7,058; Mr. Lee: 35,930; Ms. McNeal: 18,582; Mr. Schofield: 30,268; Mr. Sutherland: 36,780; Vice Admiral Tracey: 18,582; and all directors and executive officers as a group: 236,577.

(3) The total number of shares beneficially owned by each director and executive officer constitutes less than one percent of the outstanding shares of common stock of U. S. Steel. The total number of shares beneficially owned by all directors and executive officers as a group constitutes 1.273% of the outstanding shares of common stock of U. S. Steel.

(4) Mrs. Haggerty retired on August 31, 2013; Mr. Garraux retired on September 30. 2013; Mr. Lohr retired on November 30, 2013; and Mr. Surma retired on December 31, 2013. For each of these former officers, the amount shown represents the number of shares owned as of the date of their retirement.

Compensation & Organization Committee Report

The Compensation & Organization Committee of the Board of Directors of the Corporation has reviewed and discussed the Compensation Discussion & Analysis with management. Based on such review and discussion, the Compensation & Organization Committee recommended to the Board that the Compensation Discussion & Analysis be included in this proxy statement and incorporated by reference into the Corporation s Annual Report on Form 10-K for the year ended December 31, 2013.

John G. Drosdick, Chairman
Dan O. Dinges
Murry S. Gerber
Charles R. Lee
Robert A. McDonald
Patricia A. Tracey

Executive Compensation

Compensation Discussion & Analysis

Dear U. S. Steel Stockholder:

The executive compensation programs of our company are designed to be competitive with market practices; to attract, motivate and retain top-tier talent; and to align pay for performance. The Compensation & Organization Committee is composed solely of independent Directors who are responsible for providing the appropriate level of oversight that ensures executive pay is aligned with your interests as a stockholder of United States Steel Corporation.

When making executive pay decisions, we consider your feedback, and also take into account the results of the say on pay stockholder vote cast by you. In 2013, we further increased our communications outreach to you and made changes consistent with your input which are outlined here. Under the leadership of our new President and Chief Executive Officer, our company has undertaken a broad business transformation designed to return the company to sustainable profitability and to enhance shareholder value creation. We will continue to engage with our stockholders in 2014.

United States Steel Corporation is proud to be part of your portfolio, and we appreciate your support as the company works toward creating a competitive, profitable and value creating future.

Sincerely,

John G. Drosdick, Chairman	Charles R. Lee
Dan O. Dinges	Robert A. McDonald
Murry S. Gerber	Patricia A. Tracey

Introduction

This section provides detailed information regarding the policies and practices of our executive compensation program and supports the compensation amounts paid or awarded to our executive officers as disclosed in the Summary Compensation Table. In 2013, our Named Executive Officers (NEOs) were:

Mario Longhi	President & Chief Executive Officer
David B. Burritt	Executive Vice President & Chief Financial Officer
George F. Babcoke	Senior Vice President European Operations & Global Safety, and President USSK
Michael S. Williams	Senior Vice President Strategic Planning & Business Development
Douglas R. Matthews	Senior Vice President North American Flat-Rolled Operations
NEOs who retired in 2013:	
John P. Surma	Former Chairman of the Board & Chief Executive Officer
Gretchen R. Haggerty	Former Executive Vice President & Chief Financial Officer
James D. Garraux	Former General Counsel & Senior Vice President Corporate Affairs

David H. Lohr	Former Senior Vice President Business Services and Administration

Mr. Longhi s election as CEO was the result of a careful succession planning process. Mr. Longhi was hired by the Corporation as Executive Vice President and Chief Operating Officer on June 28, 2012 and became President and Chief Operating Officer on June 1, 2013. On September 1, 2013, he succeeded Mr. Surma as CEO and, in order to ensure a smooth transition, Mr. Surma served as Executive Chairman until his retirement on December 31, 2013.

Under the leadership of Mr. Longhi, the Corporation began a broad business transformation effort in 2013. Referred to as The Carnegie Way, the disciplined approach incorporates Lean/Six Sigma methodologies to discover and implement business improvements designed to return the Corporation to sustainable profitability and improve shareholder value creation. To facilitate this transformation, the Corporation has created a Performance Scorecard (outlined in more detail on page 50) which establishes goals aligned with four critical drivers of shareholder value creation: (1) profitability, (2) customer/markets, (3) operational excellence, and (4) high performing organization, and has re-designed its 2014 annual incentive compensation plan and long term incentive plan for executives to align with these performance goals. We believe the Performance Scorecard creates clear line of sight with the Corporation s business transformation priorities and creates accountability at the corporate, business segment and individual levels, while reinforcing the need to operate as a highly principled company and upholding our values and code of ethical business conduct.

Executive Summary

Summary of 2013 Corporate Performance

The steel industry is highly cyclical, intensely competitive, and impacted by the political and financial uncertainties in the global economy. After improving each year since 2009, the Corporation s total income from operations for reportable segments and other businesses decreased from $855 million in 2012 to $400 million in 2013 as a result of lower demand and decreased profitability in all of our business segments and major markets. The following table shows the results over the last three years of the financial and operational performance measures used in the Corporation s incentive plans:

Measure	2011 Performance	2012 Performance	2013 Performance
ROCE (1)	2.9%	6.2%	2%
TSR (2)	-54.4%	-9.1%	24.5%
Shipment Tons (millions) (1)	22.3	21.7	20.4

(1) See page 60 for information on the calculation of ROCE and the definition of Shipment Tons.

(2) Total Shareholder Return (TSR) is based on the calendar year using the following formula: closing price on December 31 plus all dividends per share for the year, divided by the closing price on December 31 of the prior year, minus 1.

Alignment of Pay and Performance

Executive compensation is targeted at the 50th percentile of the Corporation s peer group. Under the Corporation s annual incentive compensation program in 2013, the total payout rate was 31% of target, reflecting below target performance for return on capital employed (ROCE) and Shipment Tons, and improved environmental emissions, and safety goal performance.

Under the Corporation s long-term incentive plan, awards are allocated among stock options, restricted stock units, and performance awards. The value of the stock options and restricted stock units will rise or fall as a function of our stock price. The performance awards have a three year vesting requirement and are dependent upon the Corporation s total shareholder return (TSR) compared to the TSR of the companies in our peer group. For the 2010 performance awards, the performance period ended in 2013 with the Corporation s performance below the threshold required to earn a payout.

For 2013, the long-term incentive plan was amended as described below to further align pay with performance. Of the total awards under the plan, 70% were performance-based (40% performance awards and 30% premium priced stock options) and the remaining 30% were in the form of restricted stock units, which were intended to assist in the retention of our executives.

2013 Advisory Vote on Executive Compensation and Key Changes in 2013

In 2013, approximately 65% of the shareholders who voted approved of the compensation of our NEOs as disclosed in our 2013 Proxy Statement. In connection with the 2013 vote, management contacted approximately 75 of our largest shareholders representing nearly 50% of our outstanding shares to gain insight into our shareholders views and the factors that influence their say on pay vote. In general, our shareholders expressed the following views:

- Some shareholders indicated that although the value of stock options is directly related to the performance of our stock, they consider options to be less performance-based than other long-term incentive vehicles, such as our performance awards.

- They would prefer our long-term incentive vehicles to be more performance-based rather than time-based, noting that a 50/50 mix is not uncommon.

- Some shareholders were also concerned with the escalating number of shares being awarded under our long-term incentive plan as our stock price has declined in recent years.

After consideration of the advisory vote on executive compensation and the views expressed by our shareholders, the Committee modified our long-term incentive plan in 2013 to increase the extent to which our long-term incentives are based on the achievement of performance goals as follows:

- Traditional stock options were replaced with premium priced stock options with an exercise price set at $25.00, which was a 34% premium over the grant date stock price of $18.64. The premium priced stock options add an additional performance based feature to our traditional stock options and allow our shareholders to benefit from the first 34% increase in our stock price before executives realize any value.

- Sensitive to the prospect of granting more shares when compared to previous years because of a lower stock price at the time of grant, the Committee used a $25.00 stock price (instead of the fair market value of $18.64 on the date of grant) to determine the number of shares granted for all equity awards except new-hire grants, which resulted in fewer shares being granted in comparison to prior years.

- For the performance awards, the Committee increased the rigor of the performance standards required to earn a payout as shown in the table below:

	2012	**2013**	
Level	**Relative TSR Ranking**	**Relative TSR Ranking**	**Award Payout as a % of Target**
	< 25th percentile	< 30th percentile	0%
Threshold	25th percentile	30th percentile	50%
Target	50th percentile	60th percentile	100%
Maximum	75th percentile	90th percentile	200%

Other changes made in 2013 include:

The adoption of a formal Hedging and Pledging Policy that applies to executives and Directors as further described on page 53. Prior to the adoption of the policy, the pledging of our shares as collateral was generally prohibited by our Executive Stock Transactions Policy.

The removal of the tax gross-up provision from all change in control agreements approved prior to July 1, 2011. Agreements approved after July 1, 2011 did not include a gross-up provision.

The elimination of executive dining and parking perquisites, effective January 1, 2014.

A reduction of over 50% in the number of club memberships maintained by the Corporation.

Discussions with Major Shareholders

In November of 2013, management and the Committee s consultant contacted our largest shareholders again and held telephonic meetings with eight of them representing nearly 30% of the Corporation s outstanding shares. The Chairman of the Committee participated in all but two of the calls. While the shareholders provided a diverse set of viewpoints regarding future incentive plan design, two central themes stood out and were shared by nearly all eight shareholders. In general, the shareholders indicated that they believe the following:

- The majority of the long-term incentive value or shares granted should be allocated or granted in the form of performance-based equity awards.

- The equity awards should be based on a capital return performance metric with continued use of TSR as a second metric, or used as a modifier to the earned award.

The Committee believes that shareholder communication is important and, as described in the next section, considers the views expressed by our shareholders in making compensation decisions.

2014 Changes to our Executive Compensation Program

Taking into consideration the shareholder feedback discussed above, the Committee has established new performance measures in the incentive plans for 2014, which are designed to support the Corporation s business transformation efforts. As previously described, to facilitate this transformation, the Corporation has created a Performance Scorecard that establishes goals for four critical drivers of shareholder value creation. We believe this creates accountability at the corporate, business segment and individual levels. The four value creation drivers are shown in the table below.

Performance Scorecard Value Creation Drivers			
Profitability	**Customer/Markets**	**Operational Excellence**	**High Performing Organization**
Cash flow	Customer Value	Safety	Build Organizational Capabilities
Income from Business Operations (Corporate & Segment)	Market Share Optimization	Quality, Timeliness, Cost/Value	
ROCE	Margin Enhancement	Engineering & Technology	
	Innovation	Lean/Six Sigma	
	Differentiation		

The Committee modified the short-term incentive program as set forth in the table below to focus on fundamental improvements in cash flow and income from operations, to create stronger corporate, business segment and individual accountability, and to reward executives when Performance Scorecard goals are achieved. For 2014, we also continue to emphasize a safe work environment with safety as a modifier capable of increasing an award by up to 5%. These measures are consistent with the value creation drivers in the Performance Scorecard.

Annual Incentive Compensation Program

2013 Performance Measures		**2014 Performance Measures** [1]	
ROCE [2]	80%	Cash Flow [2]	40%
	+		+
Shipment Tons [2]	20%	Income from Operations [2]	60%
Environmental Emissions Improvement	+/- 5%		x
		Individual Performance	50%-130%
Safety	+/- 10%	Safety	+5%

(1) For 2014, an Award Pool will be established and funded contingent upon a pre-established goal of Shipment Tons. The performance measures above are applicable if the Award Pool is funded.

(2) Weighting at the target performance level. For 2014, the payout is reduced to 50% of target for performance at the threshold level, and increased to 175% of target for performance at the maximum level.

In recognition of the achievement of our environmental emissions performance improvements, including reductions in noncompliant air and water emissions, we have removed the environmental goal from the annual incentive plan. However, we continue to maintain a comprehensive environmental policy and programs, and are committed to further reducing our emissions as well as our carbon footprint.

The Committee also modified the long-term incentive plan as shown in the tables below to increase the performance awards from 40% to 60% of the total awards and to add ROCE as a second performance metric for 2014.

Long-Term Incentive Plan

Equity Vehicle	2013 Weighting	2014 Weighting
Performance Awards	40%	60%
Stock Options	30%	20%
Restricted Stock Units	30%	20%

Performance Awards

Metric	Weighting	Threshold	Target	Maximum
2013				
Relative TSR	100%	30th percentile	60th percentile	90th percentile
2014				
Relative TSR	50%	30th percentile	60th percentile	90th percentile
ROCE	50%	50% of Target	100% of Target	150% of Target

The Committee believes these changes address the views expressed by our shareholders and support the efforts of executive management to transform the Corporation and return it to sustainable profitability.

Executive Compensation Program

Our Compensation Principles

Our compensation programs are designed to attract, retain, motivate and reward executives who make significant contributions to the achievement of our corporate goals. The following principles support these objectives and guide the design of our compensation programs:

Compensation Principles	Compensation Design
Be Fair and Competitive	Executive compensation is targeted at the 50th percentile of our peer group.

Link Executive Pay to Performance	Our compensation programs are primarily focused on objective corporate performance measures and, to a lesser extent, individual performance. Short-term incentives are based on corporate performance, principally financial and operational measures, but also safety and environmental measures. Long-term incentives are tied to the performance of the Corporation s stock over several years and, for 2014, return on capital employed.

Compensation Principles	**Compensation Design**
Align Executive and Shareholder Interests	A significant portion of an executive s compensation is delivered in equity incentives.
	Executives are subject to the Corporation s rigorous stock ownership and retention policy.
Retain Executives	Our annual long-term incentive grants include restricted stock units and performance awards (based on relative total shareholder return) that retain some value in a period of stock market decline.
Be Cash- and Tax-Efficient	The greatest portion of an executive s compensation is in the form of long-term equity incentives, which preserve cash.
	Our compensation programs are designed to preserve tax deductions.

<u>Our Compensation Practices</u>

The Compensation & Organization Committee, which consists of independent directors, has implemented the following best practices with respect to executive compensation:

What we do:

The Committee considers the results of the most recent say on pay advisory vote and has implemented proactive communications with shareholders for the purpose of gaining input and feedback when making executive compensation decisions.

The Committee reserves time at each meeting to meet in executive session (without management).

The Committee has engaged its own independent compensation consultant, and annually assesses the consultant s performance and independence.

The Committee, with input of the full Board, engages in formal goal setting and performance evaluation processes with the CEO.

The Committee has established formal selection criteria for the peer group and annually reviews the composition of the peer group.

The Committee annually reviews tally sheets analyzing compensation, wealth accumulation and potential amounts to be paid upon various termination scenarios.

The Committee annually reviews the risks associated with our compensation programs and mitigates the risks by:

- paying the majority of our executives compensation in equity,
- implementing rigorous stock ownership and retention requirements for our executives,
- utilizing multiple performance measures that focus on companywide metrics, and
- placing a cap on the potential incentive payments.

Our Long-Term Incentive Compensation Plan requires a double trigger in order for any unvested awards to vest following a change in control, so that termination of the executive s employment is a condition to accelerated vesting.

We have a Recoupment Policy that applies to executive management and provides for the recoupment of incentive awards in the event the Corporation s financial statements are restated and an executive is involved in fraud or misconduct, including gross negligence, in connection with the reason for the restatement.

In 2013, as recommended by the Committee, the Board adopted a Hedging and Pledging Policy. The policy prohibits executives and Directors from pledging our stock as collateral for a loan and holding shares in a margin account, which may be sold by a broker without the customer s consent, except with prior approval of the General Counsel and CEO. It also prohibits all employees and Directors from engaging in any transaction that is designed to hedge or offset any decrease in our stock price.

What we don t do:

We do not, as a standard practice, provide contractual severance benefits other than in connection with a change in control. However, we have agreed to provide severance benefits for a limited period of time as part of an offer package to new executives and do maintain a supplemental unemployment benefit plan that is generally available to all non-union employees.

We do not pay tax gross-ups to any employee for any payments relating to a change in control.

We do not reprice options. The Committee believes that the intended value of an award at grant date reflects both the upside and downside potential of any such award.

Elements of Executive Compensation

The following charts present the principal elements of our executive compensation program: base salary, a short-term incentive (annual bonus) and long-term incentives (premium priced stock options, restricted stock units, and performance share awards). The distribution of compensation among the various compensation elements is based on the Committee s belief that, in order to link pay to performance, most of an executive s compensation should be paid in the form of performance-based variable compensation with an increasingly greater emphasis on variable components for the more senior executives who have greater responsibility for the performance of the business.

All of the principal elements of our compensation program, except for base salary and restricted stock units (which constitute 30% of the long-term incentive awards), are considered variable compensation as amounts actually paid are based upon achievement of performance goals or the performance of our stock. In 2013, variable compensation accounted for approximately 63% of our CEO s target compensation and approximately 56% of the target compensation of our other NEOs, excluding the NEOs who retired during the year. Fixed compensation, which consists of base salary and restricted stock units, accounted for approximately 37% of our CEO s target compensation and approximately 44% of the target compensation of our other NEOs. These percentages reflect the additional premium priced stock options and restricted stock units that were awarded to Mr. Longhi when he was elected CEO and Mr. Burritt when he was hired as

Chief Financial Officer. For the NEOs who retired during the year, variable compensation averaged approximately 61% and fixed compensation averaged approximately 39%. Only the base salary and short-term incentive were paid in cash.

Alignment of Pay and Performance

2013 Corporate Performance

The Corporation s performance in 2013 continues to reflect the challenging economic conditions that began with the global economic recession in 2008, which resulted in significantly lower demand and decreased profitability across all of our business segments and major markets. While end use markets supplied by our Flat-rolled and U. S. Steel Europe segments have shown modest demand recovery during 2011, 2012, and 2013, overall steel demand has not yet returned to pre-recession levels and market price levels remain pressured by factors stemming from excess capacity globally. Our Tubular business, which is heavily dependent upon the level of oil and natural gas drilling in the United States, was adversely affected by the continued high level of imports and increased domestic capacity resulting in reduced proceeds for our Tubular products.

The following table shows the segment results for the last three years and, although profitability has declined since 2012, all segments were profitable in 2013.

Segment Income (Loss) from Operations

Other factors in the steel industry that have impacted our financial results include the cyclical nature of the demand for steel products, the sensitivity of that demand to worldwide general economic conditions, and the influences of government policy (e.g., trade law enforcement, fiscal expansion or contraction, credit conditions and regulatory burdens) on business investment confidence in North America and Europe.

For purposes of our incentive compensation programs, performance is measured by Return on Capital Employed (ROCE), Total Shareholder Return (TSR), and Shipment Tons (i.e., the total tons of steel products we ship). The table below shows these performance measures over the last three years.

Measure	**2011 Performance**	**2012 Performance**	**2013 Performance**
ROCE (1)	2.9%	6.2%	2%
TSR (2)	-54.4%	-9.1%	24.5%
Shipment Tons (millions) (1)	22.3	21.7	20.4

(1) See page 60 for information on the calculation of ROCE and the definition of Shipment Tons.

(2) Total Shareholder Return (TSR) is based on the calendar year using the following formula: closing price on December 31 plus all dividends per share for the year, divided by the closing price on December 31 of the prior year, minus 1.

Incentive Compensation Payments

Our 2013 incentive compensation programs were tied directly to the performance of the Corporation. Specifically:

The amount of the annual short-term incentive award was based on achievement of our goals relating to ROCE and Shipment Tons, subject to modification based on safety performance and environmental emissions improvement.

Under our long-term incentive program:

the value of the stock options and the restricted stock units is directly related to our stock price, and

the vesting of performance awards is dependent on our TSR compared to the TSR of the companies in our peer group.

In assessing the alignment of our pay to performance, it is important to note that the amounts shown under Stock Awards and Option Awards in the Summary Compensation Table reflect the valuation methodology mandated by SEC regulations, which is based on grant date fair value as determined under generally accepted accounting principles and does not reflect subsequent performance of our shares. However, it is precisely the performance of our shares subsequent to the grant date that determines the ultimate value to be realized by our executives and aligns the interest of our executives and shareholders.

The following table illustrates how our performance has affected the payout of our short-term incentives and the effect of the performance of our common stock on the ultimate value of the long-term incentives that would be received by our executives based on our closing stock price of $29.50 on December 31, 2013 and for 2012 and 2013, a weighted average of all awards granted during the year.

	Annual Incentive (1)	Stock Options		Restricted Stock (3)	Performance Awards (4)
Year	Calculated Maximum Award as a % of Target	Exercise Price	Intrinsic Value (2)	Value as a % of Grant Value	Award Payout as a % of Target
2013	31%	$ 25.00	$ 4.50	118%	200%
2012	75%	$ 22.280	$ 7.22	132.4%	0%
2011	54%	$ 45.805	$ 0	64.4%	0%

(1) The Annual Incentive column indicates the percentage of the Target Award earned under our Annual Incentive Compensation Plan, based upon corporate performance and without consideration of individual executive performance.

(2) The Intrinsic Value is the amount (if any) by which the market value of our shares underlying an option exceeds the exercise price. If the exercise price exceeds the market price, the stock options have no intrinsic value.

(3) The Restricted Stock column shows the market value on December 31, 2013 of the shares underlying the restricted stock units as a percentage of the market value on the grant date. To the extent that the market value has declined, the dollar amount of the value of the restricted stock units reflected in the Summary Compensation Table also will decline.

(4) The Performance Awards column indicates the percentage of the performance awards that would be paid out based on our TSR as compared to the TSR of the peer group companies. The information in the table reflects the assumption that the performance periods for the 2011, 2012 and 2013 performance awards ended on December 31, 2013. The 200% payout reflects a 23.7% increase in the Corporation s closing stock price of $23.85 on December 31, 2012, for the initial 8 months of the 36 month performance period.

Realizable Compensation

Another method of evaluating the alignment of our pay to performance is to compare both our company performance with respect to certain key performance metrics and the realizable value of our direct compensation to those of our peer group.

To establish a comparative performance indicator, the Committee s consultant developed a performance composite reflecting the average ranking of U. S. Steel s net revenue growth, EBIT margin (earnings before interest and taxes as a percentage of revenue), return on capital employed (ROCE), and total shareholder return (TSR) against the companies in the peer group from 2010 through 2012, the last year for which information is available. These measures were selected because they are considered by the Committee to be reasonable indicators of performance and, in the case of ROCE and TSR, are significant performance measures used in the Corporation s incentive programs.

To establish a comparative compensation indicator, the Committee assessed the realizable value of the CEO s total direct compensation (salary, short-term incentives and long-term incentives) over the three-year period ending on December 31, 2012. The use of realizable value shifts the focus of compensation from the accounting value on the date of grant (as reflected in the Summary Compensation Table) to the current value of awards based on actual performance and current stock price, which takes into account changes in the value of equity awards. We refer to the realizable value of compensation as realizable compensation.

The table below demonstrates, for the three year period ending December 31, 2012, the pay for performance alignment of our CEO s compensation relative to our peer group based on the performance composite described above, as well as ROCE and TSR performance. For purposes of the table, and consistent with the Committee s analysis, realizable compensation includes:

- base salary,
- actual annual short-term incentive compensation earned, and
- aggregate value of long-term incentives, consisting of:
  - the in-the-money value of stock options granted during the period,
  - the value of restricted stock units granted during the period, and
  - for performance awards, the actual payouts for awards granted in 2010 and the payout for performance awards granted in 2011 and 2012, if the performance period ended on December 31, 2012.

Pay for Performance Alignment

2010 2012 CEO Realizable Compensation[1]

	Performance			CEO Realizable Compensation
	ROCE	TSR	Composite (2)	
Percentile Rank Compared to Peer Group Companies	2%	2%	24%	5%

(1) The above table is based on publicly disclosed data from 2010 through 2012. Information on the peer group of companies for 2013 was not available at the time of the printing of this proxy statement.
(2) Composite performance represents the average percentile for net revenue growth, EBIT margin, ROCE and TSR.

Setting Executive Compensation

Consultant and Management Input

The Committee is responsible for determining and approving the compensation of the CEO and other executives of the Corporation. The Committee has retained Pay Governance LLC, an independent consultant, to assist it in evaluating executive compensation and also obtains input from the CEO with regard to compensation for other executives.

Target Compensation

The Committee targets compensation at the 50th percentile of the peer group of companies for each of the three major elements of compensation (salary, short-term incentive and long-term incentive compensation). The actual amount of the payment to our executives under our incentive plans may be more or less than the targeted 50th percentile if the Corporation s performance exceeds or falls short of our expectations and the performance of our peers. An executive s actual compensation also may be positioned above or below the targeted 50th percentile based upon individual performance, the executive s experience in the position, and the relative strategic importance the Corporation assigns to the position.

Individual Performance

The Committee is responsible for approving the CEO s compensation, giving consideration to, among other things, the CEO s individual performance in the areas of integrity, leadership and effectiveness. The CEO s individual performance objectives are reviewed by the Committee and approved by the Board. A similar evaluation is performed by the CEO with respect to all other executives using like measures and objectives. The 2013 individual performance objectives are listed in the following table:

Performance Category			
Strategy	**Results and Operations**	**People**	**Communications**
Strategic Objectives	Safety	Succession Planning	Shareholder Relations
	Profitable Results	Develop and Retain High Performance Organization	External Relations
	Management of Operations	Diversity and Inclusion	Board Relations
	Compliance and Reporting Process Controls		Employees

Compensation Assessments

As part of its annual process of determining executive compensation, the Committee s consultant prepares competitive assessments by position for each element of compensation at the time the Committee makes its compensation decisions. Additionally, the consultant prepares a competitive assessment of the aggregate compensation for the prior year by position. This review is conducted against the prior year in order to compare the Corporation s information with the peer group of companies public disclosures and other data that the consultant deems relevant. The objective of this assessment is to determine the alignment of the executive s compensation relative to the Corporation s performance.

Peer Group

The Committee also considers relevant market pay practices in its decision making process. Specifically, a peer group of companies is used to:

- Serve as a market reference when making compensation decisions,
- Assess the competitiveness of each element of compensation and compensation in total,
- Serve as a market reference for program design features,
- Serve as the standard for evaluating total shareholder return for long-term incentive purposes, and
- Serve as a reference when analyzing pay-for-performance alignment.

As a secondary source of information, the Committee will from time to time use other data supplied by the consultant.

The following criteria was developed by the Committee s consultant to aid in the selection of companies to include in the peer group:

Large companies primarily from the Materials sector or Industrials sector within the GICS classification codes,

Companies similar in complexity specifically, companies that have:

Revenues that range from half to double that of the Corporation,

Capital intensive businesses as indicated by lower asset turnover ratios,

Market capitalization reasonably aligned with the Corporation, and

Employee headcount similar to that of the Corporation,

Acceptable levels of financial and shareholder performance and a higher company stock price volatility (commonly referred to as Beta) to align with that of the Corporation, and

Elimination of companies with unusual compensation practices (e.g., company founders who receive little or no compensation and companies that are subsidiaries of other companies).

The Committee desires to maintain a peer group of 25 to 30 companies with the Corporation at approximately the middle of the peer group. In recent years, the Corporation s stock price has resulted in market capitalization that was low when compared to its peer group. Accordingly, the Committee has been required to balance company size with market capitalization. Over the past several years, the Committee has replaced several of the larger companies with peer companies that generally are smaller than the Corporation in terms of revenue and asset size but larger than the Corporation in terms of market capitalization.

($s are in millions) **Company**	**Revenue Actual FY2012**	**Total Assets FY2012**	**Market Cap 6/30/2013**	**Employees**	**Stock Price Volatility 6/30/2013**
Johnson Controls Inc.	$ 41,955	$ 30,884	$ 24,516	170,000	1.7
Hess Corporation	$ 37,691	$ 43,441	$ 22,515	14,775	1.7
Deere & Company	$ 35,736	$ 56,266	$ 31,529	66,900	0.7
International Paper Company	$ 27,833	$ 32,153	$ 19,711	70,000	1.2
Alcoa Inc.	$ 23,700	$ 40,179	$ 8,363	61,000	1.4
The Goodyear Tire & Rubber Company	$ 20,992	$ 16,973	$ 3,756	69,000	1.8
Union Pacific Corporation	$ 20,926	$ 47,153	$ 72,015	46,610	1.1
Nucor Corporation	$ 19,429	$ 14,152	$ 13,766	22,200	1.3
Whirlpool Corp.	$ 18,143	$ 15,396	$ 9,053	68,000	1.4
Freeport-McMoRan Copper & Gold Inc.	$ 18,010	$ 35,440	$ 28,659	34,000	1.9
Illinois Tool Works Inc.	$ 17,924	$ 19,309	$ 31,156	60,000	1.2

Cummins Inc.	$ 17,352	$ 12,548	$ 20,579	46,000	1.6
PACCAR Inc.	$ 17,051	$ 18,628	$ 18,981	21,800	1.6
TRW Automotive Holdings Corp.	$ 16,444	$ 10,857	$ 7,983	66,100	1.8
Eaton Corporation plc	$ 16,311	$ 35,848	$ 31,135	102,000	1.4
PPG Industries Inc.	$ 15,251	$ 15,878	$ 20,885	39,200	1.1
Ingersoll-Rand Plc	$ 14,035	$ 18,493	$ 16,594	49,000	1.2
Parker-Hannifin Corporation	$ 13,146	$ 11,170	$ 14,239	58,151	1.3
Navistar International Corporation	$ 12,948	$ 9,102	$ 2,232	18,500	3.4
Textron Inc.	$ 12,237	$ 13,033	$ 7,238	33,000	1.7
Reliance Steel & Aluminum Co.	$ 8,442	$ 5,858	$ 5,028	11,600	1.2
Eastman Chemical Co.	$ 8,102	$ 11,619	$ 10,853	13,500	1.1
Masco Corporation	$ 7,745	$ 6,875	$ 6,955	30,000	2.3
Terex Corp.	$ 7,348	$ 6,746	$ 2,925	21,300	3.1
Weyerhaeuser Co.	$ 7,059	$ 12,592	$ 15,603	13,200	1.5
AK Steel Holding Corporation	$ 5,934	$ 3,903	$ 414	6,400	2.1
Cliffs Natural Resources Inc.	$ 5,873	$ 13,575	$ 2,488	7,589	1.1
MeadWestvaco Corporation	$ 5,459	$ 8,908	$ 6,036	16,000	0.9
Allegheny Technologies Inc.	$ 5,032	$ 6,248	$ 2,840	11,200	2.2
Timken Co.	$ 4,987	$ 4,245	$ 5,412	19,769	1.6
25th Percentile	$ 7,834	$ 9,541	$ 5,568	16,625	1.2
Median	**$ 15,781**	**$ 13,863**	**$ 12,310**	**33,500**	**1.5**
75th Percentile	$ 19,108	$ 27,990	$ 20,808	60,750	1.8
United States Steel Corporation	**$ 19,328**	**$ 15,217**	**$ 2,529**	**39,000**	**1.8**
Percentile	***76%***	***55%***	***7%***	***55%***	***77%***

Source: publicly disclosed data. Data is based upon each company s fiscal year, which, in some cases, does not align with the Corporation s fiscal year end of December 31st.

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In 2013, the Committee reviewed the peer group for purposes of benchmarking executive compensation in 2014 and removed Timkin Co., which is the smallest peer company, because it had announced its intention to separate into two public companies and its steel business is projected to be significantly below the Corporation s peer group selection criteria. The peer group will be reviewed again by the Committee before the 2014 performance awards are granted.

Risks Related to Executive Compensation

The Committee annually assesses the Corporation s exposure to risk that may result from its compensation programs for executives and other employees. As a result of its most recent review, the Committee noted the following:

Compensation Mix: Executives receive a mixture of short-term and long-term incentives in addition to base salary. Long-term incentives, which are paid in equity, make up the majority of our executives compensation.

Capped Awards: Payments under our short-term incentive plan are capped at 215% of target and our performance share awards are capped at 200% of target.

Performance Metrics: Long-term incentives are based upon different metrics from those used for the short-term incentives.

Stock Ownership and Retention: Executives are required to retain a significant portion of their long-term incentive compensation in the form of common stock.

For these reasons, the Committee concluded that our 2013 compensation programs discourage executives from taking excessive risks and encourage them to act in the best long-term interests of the Corporation s shareholders.

Elements of Executive Compensation

The types of compensation provided to our executives include: salary, short-term incentive compensation, long-term incentive compensation, retirement benefits, and other compensation.

Salary

The Committee reviews the salaries of our executives on an annual basis, as well as at the time of promotion or other change in responsibilities. Salary adjustments are based on an evaluation of an executive s performance and level of pay compared with salary levels for comparable executives at the companies in our peer group. In its discretion, the Committee may choose not to approve any annual salary increases or may limit or defer increases in response to financial constraints.

2013 Salary Decisions

In 2013, neither Mr. Surma as Chief Executive Officer nor Mr. Longhi as Chief Operating Officer received any increase in base salary. However, Mr. Longhi s annual salary was increased from $820,000 to $900,000 when he was promoted to President, effective June 1, 2013, and increased to $1,100,000 when he succeeded Mr. Surma as CEO, effective September 1, 2013. For the other NEOs combined (including the NEOs who retired during the year), the average increase in base salary was approximately 1.66%, which is below the 3% projected by the Committee s consultant for both the general and manufacturing industries for 2013.

Short-Term Incentive Compensation

Our Annual Incentive Compensation Plan is a short-term incentive program designed to provide performance-based compensation that generally retains the tax deductibility of short-term incentive awards. Typically, the short-term incentive awards are paid in cash, but the Committee retains discretion to provide the award in cash, stock, or a combination of both. The plan s objective

is to align our executives compensation with the achievement of annual performance goals that support our business strategy. In 2013, the Committee selected four performance measures for the program: a financial measure, an operational measure, and two citizenship measures.

Financial and Operational Performance Measures

The Committee sets performance goals for each performance period based on expected business results for the upcoming year, which are intended to be challenging yet achievable and in alignment with shareholder interests. The primary financial and operational performance measures used in 2013, ROCE and Shipment Tons, are critical measures of overall corporate and operational performance that link to our business plans and strategy. Of these two measures, the greater emphasis was placed on ROCE at an 80% weighting with the remaining 20% placed on Shipment Tons. The Committee s consultant tests the appropriateness of these goals by considering the general economic environment for the upcoming year, reviewing historical performance among our peer group of companies and a broader index of durable goods manufacturers and conducting probability analyses based on historical results.

Return on Capital Employed (ROCE) This financial performance measure is intended to keep executives focused on maximizing the Corporation s near-term return, including operating results, from the use of its resources, including working capital and fixed investments. It is calculated by dividing our annual income from operations by average capital employed in the business. Capital employed is the average of quarterly amounts determined by subtracting accounts payable from the sum of receivables, inventories, and net property, plant and equipment. Unless contemplated in the approved performance target, income from operations excludes charges or credits for business dispositions, acquisitions, asset sales, asset impairments, workforce reductions, shutdowns, and amounts not allocated to business segments.

Shipment Tons This operational performance measure is intended to encourage business growth. The Committee uses this measure, rather than a measure based on production, to avoid providing incentive to build inventory beyond the level of demand for our products. Shipment Tons is defined as the total tons of steel products we ship worldwide during the year. Shipments from facilities that are the subject of dispositions and acquisitions during the current Performance Period are excluded from this measure.

The following table demonstrates the weighting of the two main performance measures:

Performance Measures	**ROCE Payout as a Percent of the Individual Target Award**	**Shipment Tons Payout as a Percent of the Individual Target Award**	**Total Award as a Percent of the Individual Target Award**
Threshold	40%	10%	50%
Target	80%	20%	100%
Maximum	160%	40%	200%

Since 2009, the annual ROCE target has reflected the Corporation s cost of capital and has been above the annual business plan ROCE in an effort to ensure alignment with shareholder interests. This has resulted in the ROCE target goal being highly rigorous, and in most years, well above the actual results. In 2013, the Committee established the performance target for ROCE at 10% and the performance threshold for payout at 5%.

Citizenship Measures

The Committee believes that a responsible, well-functioning company should maintain certain citizenship standards. Accordingly, we use additional performance measures referred to as citizenship measures to promote certain behavior. In 2013, the Committee set goals for two such measures the safety of our workforce and reduction in the Corporation s environmental emissions.

Safety performance is based on the number of incidents related to serious work-related injuries that prevent an employee from returning to work for 31 days, and work-related fatalities, if any. The targeted performance level takes into consideration both industry performance and recent actual performance of the Corporation.

Environmental emissions improvement is based on a reduction in the number of occurrences of noncompliant air and water emissions from the prior performance period.

In 2013, these citizenship measures were used as modifiers, capable of increasing or decreasing an executive s calculated award by up to 5% with respect to environmental emissions and by up to 10% with respect to safety performance. As a result, the maximum amount payable to an executive in 2013 was 215% of the individual s Target Award at maximum performance.

Individual Target Awards

An executive s Target Award under the short-term incentive plan is equal to the percent of base salary assigned to each executive. The percentage is generally set above the market-median, determined using the benchmarking analysis described above. Although compensation is targeted at the 50th percentile, the Committee usually sets an executive s Target Award above the market-median to establish a maximum amount that may be awarded under the plan and to enable the Corporation to deduct such awards. In consideration of individual performance by the executive, the Committee may, in its discretion, award amounts up to the maximum amount payable under the plan. Individual performance is evaluated using subjective criteria and, in the case of executives other than the CEO, with input from the CEO.

2013 Short-Term Incentive Compensation Targets and Decisions

In 2013, the Target Awards ranged from 15% below to 25% above the market median, with the average award for the NEOs approximately 12% above the market median. The Committee made no adjustments to the incentive target levels, except for the CEO and COO positions, which were each increased by 10% to 140% and 110% respectively. For the CEO position, the incentive target was increased to the market median and reflects target adjustments within the peer group. For the COO position, the 2013 incentive target remains 15% below the market median. Additionally, the incentive target for Mr. Burritt, who was hired as the Executive Vice President and Chief Financial Officer effective September 1, 2013, was set at 110% of his base salary reflecting his significant chief financial officer and business transformation experience.

The actual performance of the Corporation with respect to the 2013 performance metrics resulted in a Total Payout Rate of 31% of the Target Award as shown in the table below. The payout rates demonstrate the pay for performance design of our Annual Incentive Compensation Plan. With respect to the two primary performance measures, ROCE decreased from 6.2% in 2012 to 2% in 2013, which resulted in no payout under the plan, and Shipment Tons decreased from 21.7 million tons in 2012 to 20.4 million tons in 2013, which is below target and resulted in a reduced payout. With respect to the two citizenship measures, both environmental emissions and safety improved with a 20% reduction from 2012 in noncompliant air and water emissions and serious work-related injuries, respectively. In 2013, the Corporation had the lowest rate of serious work-related injuries in its history.

Performance Measure	2013 Performance	Payout Rate[(2)]
ROCE		
Actual	**2%**	**0%**
	<5.0%	0%
Threshold	5%	40%
Target [(1)]	10%	80%
Maximum	³15%	160%
Shipment Tons (millions)		
	<17.8	0%
Threshold	17.8	10%
Actual	**20.4**	**16%**
Target [(1)]	22.3	20%
Maximum	³23.8	40%
Safety (Actual)		**10%**
Environmental (Actual)		**5%**
Total Payout Rate for Actual Performance		**31%**

(1) Performance at the Target level would result in a 100% payout rate (80% weighting for ROCE and 20% weighting for Shipment Tons).

(2) The Actual Payout Rates are interpolated based on actual performance within the 2013 Target Performance ranges and are rounded in total.

The Committee considered the market median and individual performance for each executive and awarded amounts to the NEOs that were, on average, approximately 10% below the Calculated Maximum Award. The table below shows the Calculated Maximum Award and the Actual Awarded Amount for 2013.

Executive	Target Award as % of Base Salary [(1)]	Target Award [(2)]	Total Payout Rate [(3)]	Calculated Maximum Award [(4)]	Actual Awarded Amount [(5)]
M. Longhi	140%	$ 1,540,000	31%	$ 477,400	$ 477,400
D. B. Burritt	110%	256,667	31%	79,567	79,567
G. F. Babcoke	95%	518,899	31%	160,859	144,773
M. S. Williams	95%	518,899	31%	160,859	141,556
D. R. Matthews	90%	450,000	31%	139,500	128,340
J. P. Surma	140%	1,764,000	31%	546,840	546,840
G. R. Haggerty	100%	414,120	31%	128,377	115,539
J. D. Garraux	95%	427,409	31%	132,497	0
D. H. Lohr	95%	479,655	31%	148,693	133,824

(1) Base Salary is the rate of pay determined by annualizing the salary for the last month of the performance period (December 2013) or, if earlier, the month of retirement.

(2) Target Award is the amount that would be paid to the executive assuming the Corporation achieves its target performance objectives and before consideration of the market median and individual performance. The Target Award is pro-rated based on the number of full months worked during the performance period for Mrs. Haggerty who retired on August 31, 2013; Mr. Garraux who retired on September 30, 2013; Mr. Lohr who retired on November 30, 2013; and Mr. Burritt who was hired on September 1, 2013.

(3) Total Payout Rate is determined by the Corporation s actual performance measured against the 2013 performance metrics.

(4) Calculated Maximum Award is the maximum award payable. The Calculated Maximum Award is equal to the Total Payout Rate times the Target Award.

(5) Actual Awarded Amount is the amount awarded by the Committee after consideration of the market median and individual performance. See footnote 7 to the Summary Compensation Table regarding payments under the Annual Incentive Compensation Plan.

Long-Term Incentive Plan and Stock Ownership

Historically, equity awards under the long-term incentive program have been allocated among performance awards, stock options, and restricted stock units. In 2012 and 2013, 40% of the total awards were allocated to performance awards and the remaining awards were divided between stock options and restricted stock units at 30% each. The Committee believes these three long-term incentive vehicles best accomplish its objectives, as indicated in the following table:

Plan Objectives	**Stock Options (30%)**	**Restricted Stock Units (30%)**	**Performance Awards (40%)**
Pay for Performance	X		X
Alignment of Executive and Shareholder Interests	X	X	X
Retention of Executives		X	X
Cash Efficient	X	X	X
Tax Efficient	X		X

Equity incentive awards are typically granted at the Committee s May meeting. The Corporation does not time the granting of such awards with the timing of the release of material non-public information. In prior years, approved award values were converted to a number of award units (shares) by dividing the aggregate award value by the grant date value of an award unit determined in accordance with generally accepted accounting principles.

2013 Long-Term Incentive Compensation Decisions

In 2013, the Committee revised the long-term incentive program to reinforce its performance-based compensation philosophy as follows:

With regard to the performance awards, the Committee increased the rigor of the performance standards required to earn a payout as shown in the table below:

Level	**2012 Relative TSR Ranking**	**2013 Relative TSR Ranking**	**Award Payout as a % of Target**
	< 25th percentile	< 30th percentile	0%
Threshold	25th percentile	30th percentile	50%
Target	50th percentile	60th percentile	100%
Maximum	75th percentile	90th percentile	200%

The Committee replaced the traditional stock options under the program with premium priced stock options that have an exercise price of price $25.00, which is a 34% premium over the grant date stock price of $18.64. The premium priced stock options add an additional performance based feature to our traditional stock options and allow our shareholders to benefit from the first 34% increase in our stock price before executives realize any value.

Sensitive to the prospect of granting more shares when compared to previous years because of a lower stock price at the time of grant, the Committee also used a $25.00 stock price, instead of the fair market value of $18.64 on the date of grant, to determine the number of shares granted for all equity awards, which resulted in fewer shares being awarded.

In 2013, the Committee also determined that the Corporation had underperformed its peer group and granted incentive awards below the market median. The value of the incentive award granted to Mr. Surma as CEO was 19% below the market median for CEOs of the peer group and the incentive award for Mr. Longhi as COO was 8% below the market median. The awards granted to the other NEOs were positioned in the second quartile of the peer group.

With regard to the 2010 performance awards which vested in 2013, the Committee determined that the awards did not earn a payout because the Corporation s TSR ranking was below the threshold performance level for the preceding three-year performance period.

For the 2013 performance awards, the Committee approved the use of the same peer group noted above with no modifications for TSR comparison purposes.

Performance Share Awards

Performance share awards provide an incentive for executives to earn full-value shares based on our TSR as compared to that of our peer group of companies over a three-year performance period. Performance awards encourage executives to enhance the Corporation s performance in a manner that will enable it to achieve a superior total shareholder return in comparison to the peer group of companies. The performance share awards do not pay dividends or carry voting privileges prior to vesting.

The 2013 performance period began on the third business day (May 3, 2013) following the public release of the Corporation s earnings for the first quarter of 2013 and will end on the twelfth business day following the public release of the Corporation s earnings for the first quarter of 2016 or, if earlier, the date of a change in control. The Committee chose to use these beginning and ending measurement periods to ensure that the measurements will occur after the market has absorbed the Corporation s latest earnings information and to alleviate any concerns that shareholders may have regarding the timing of the release of material information in connection with the determination of executive compensation. Additionally, the performance period begins following the release of first quarter earnings because, for tax deduction purposes, the performance period must begin within 90 days of the May grants.

As indicated in the above table, award payouts are determined based on the rank of our TSR compared to the TSR of the companies in our peer group. Interpolation is used to determine actual award payout as a percentage of target for a TSR ranking between the percentages specified in the table.

Stock Options

The Committee believes that stock options are a good vehicle for delivering performance-based compensation to our executives. Stock options are performance-based awards that reward executives for an increase in the Corporation s stock price over the term of the option. The value to executives is limited to the appreciation of our stock price, if any, above the option s exercise price after the option becomes exercisable and before it expires. Stock options have a term of ten years and vest ratably on each of the first, second and third anniversaries of the grant date, subject to continued employment on each vesting date. As indicated above, for 2013, the Committee replaced the traditional stock options with premium stock options, which have an exercise price of $25.00 and are otherwise subject to the same terms as the traditional stock options.

Restricted Stock Units

Restricted stock units are awards that deliver shares of common stock (full-value shares) and accumulated dividends upon vesting. Restricted stock units vest ratably on each of the first, second and third anniversaries of the grant date, subject to the executive s continued employment on each vesting date.

The Committee believes that restricted stock units provide the best retention benefits among our long-term incentives, especially during times of challenging economic and industry conditions. They also enable our executives to build ownership in the Corporation, which addresses a key compensation objective. Restricted stock units provide downside risk to the executives, thereby discouraging the executives from taking risks that would not be in the best long-term interest of shareholders.

Stock Ownership and Retention Policy

We have adopted a comprehensive stock ownership and retention policy designed to support a culture of ownership among our executives that will align their interests with those of the Corporation s shareholders. The program consists of two elements:

- Stock ownership requirements, and
- Stock retention requirements.

Our stock ownership policy requires our executives to accumulate and retain a minimum level of ownership in the Corporation s common stock based upon their positions and salaries. Specifically, our executives must hold stock having a fair market value equal to a designated multiple of salary, as indicated in the table below:

Executive Salary Level	**Multiple of Salary Reference Point**
CEO	6 X
Salary Grades 2-4	3 X
Salary Grades 5-8	1 X

Unvested restricted stock units count towards the ownership requirements. Until an executive satisfies the ownership requirements, the executive must retain 100% of the after-tax value of stock acquired upon vesting of restricted stock units and performance awards and 25% of the after-tax value of shares issued upon stock option exercises. Once the stock ownership requirement is met, each executive is expected to retain at least 25% of all additional shares (net of any exercise costs and taxes) obtained through the exercise of stock options and the vesting of restricted stock units and performance awards. As of December 31, 2013, all NEOs had exceeded their ownership requirements and had complied with the stock retention policy.

The Committee believes the ongoing 25% retention requirement is an appropriate complement to our long-term incentive plan, as it underscores a principle objective of the program namely to align executive interests with those of our shareholders over the long-term.

Retirement Benefits

In order to attract and retain talented executives, we believe that it is important to provide employees with some level of income replacement during their retirement. Retirement benefits provided to our CEO have been compared to those provided to chief executive officers among our peer group of companies. When expressed as a percent of pre-retirement base salary and short-term incentive awards, our CEO s retirement benefits were found to be reasonable and within the range of benefits provided to other peer group chief executive officers.

Qualified Plans

The Corporation maintains the two qualified retirement programs shown below (together, the Qualified Pension Programs):

United States Steel Corporation Plan for Employee Pension Benefits, Revision of 2003 (the Steel Pension Plan) and

United States Steel Corporation Savings Fund Plan for Salaried Employees (the Steel Savings Plan).

Participation in the Steel Pension Plan, which is a defined benefit plan, was frozen on July 1, 2003. Instead of accruing a benefit under the Steel Pension Plan, eligible employees who were hired, or rehired, after participation in the Steel Pension Plan was frozen, receive a non-elective employer contribution to a Retirement Account under the Steel Savings Plan, which is a defined contribution plan. The Retirement Account contributions are in addition to any employer matching contributions made under the Steel Savings Plan. In 2013, all of our NEOs participated in both Qualified Pension Programs, except for Messrs. Longhi, Burritt, and Williams who only participated in the Steel Savings Plan because they were hired, or rehired, after participation in the Steel Pension Plan was frozen.

Non-Qualified Plans

The Corporation also maintains the following non-qualified pension programs (together, the Non-Qualified Pension Programs) that are designed to provide retirement benefits to executives and other high-level employees of the Corporation and its affiliates:

United States Steel Corporation Non Tax-Qualified Pension Plan (the Non Tax-Qualified Pension Plan),

United States Steel Corporation Executive Management Supplemental Pension Program (the Supplemental Pension Program),

United States Steel Corporation Supplemental Thrift Program (the Supplemental Thrift Program),

United States Steel Corporation Non Tax-Qualified Retirement Account Program (the Non Tax-Qualified Retirement Account Program), and

United States Steel Corporation Supplemental Retirement Account Program (the Supplemental Retirement Account Program).

In 2013, all of our NEOs participated in the Supplemental Thrift Program. All of our NEOs other than Messrs. Longhi, Burritt, and Williams participated in the Non Tax-Qualified Pension Plan and the

Supplemental Pension Program. Messrs. Longhi, Burritt, and Williams are the only NEOs who participated in the Non Tax-Qualified Retirement Account Program and the Supplemental Retirement Account Program. In 2012, a separate non-qualified plan known as the Supplemental Account was established for Mr. Longhi, which provided him with benefits similar to those provided to other executives and high-level employees of the Corporation and its affiliates under the Supplemental Retirement Account Program. In 2013, the Supplemental Account was merged into the Supplemental Retirement Account Program.

The purpose of the Non Tax-Qualified Pension Plan, the Supplemental Thrift Program, and the Non Tax-Qualified Retirement Account Program is to provide benefits that are not permitted to be provided under the Qualified Pension Programs due to certain limits established under, or that are required by, the Internal Revenue Code (Code). The benefit accrual formulas under these Non-Qualified Pension Programs are approximately equal to the formulas under the respective Qualified Pension Programs.

The purpose of the Supplemental Pension Program and the Supplemental Retirement Account Program is to provide pension benefits for executives and certain non-executives based upon compensation paid under our short-term incentive compensation plans, which is excluded under the Qualified Pension Programs. We provide a retirement benefit based on incentive pay to enable our executives (who receive more of their pay in the form of incentive compensation) to receive a comparable retirement benefit.

Benefits under the Supplemental Pension Program and the Supplemental Retirement Account Program are subject to service-based and age-based restrictions. Unless the Corporation consents, benefits under the Supplemental Pension Program are not payable if the executive voluntarily terminates employment (1) prior to age 60 or before completing 15 years of service, or (2) within 36 months of the date coverage under the program commenced. Similarly, unless the Corporation consents, benefits under the Supplemental Retirement Account Program are not payable if the executive voluntarily terminates employment (1) prior to age 55 or before completing 10 years of service (or, if earlier, attaining age 65), or (2) within 36 months of the date coverage under the program commenced. We believe that these restrictions help to support our retention objectives.

For more information on the Non Qualified Pension Programs, see the *2013 Pension Benefits* and *2013 Nonqualified Deferred Compensation* sections below.

Letter Agreements

We employ letter agreements only under special circumstances. Except as described below, only Mr. Surma and Mr. Babcoke had letter agreements in 2013. The agreement with Mr. Surma was generally entered into as an inducement for him to join an affiliate of U. S. Steel in 1997 and was assumed by U. S. Steel in connection with its 2001 separation from Marathon Oil Corporation and Mr. Surma s agreement to transfer to U. S. Steel. The agreement with Mr. Babcoke was generally entered into as an inducement for him to accept employment with USS/Kobe Steel Company a joint venture of U. S. Steel and Kobe Steel. For a detailed description of the letter agreements for Mr. Surma and Mr. Babcoke, see the discussion under *2013 Pension Benefits Letter Agreements*).

The Corporation has also entered into certain agreements from time to time in order to attract experienced professionals for high-level positions, adequately staff certain positions, or retain key employees. For example, Mr. Longhi s offer letter included a severance provision that provides him with a lump sum payment equal to the sum of one year of his base salary and target bonus under the short-term incentive program if the Corporation terminates his employment, other than for cause, prior to the third anniversary of his date of hire. Mr. Burritt s offer letter included a similar severance provision that applies if the Corporation terminates his employment, other than for cause, within two years from his date of hire.

Other Compensation

Severance Agreements

We have change in control severance agreements in place for all executives. The Committee believes that these arrangements enable our executives to evaluate corporate opportunities that may be favorable for the shareholders without the accompanying concerns about the potential impact on their job security. In 2013, the Committee removed the tax gross-up provision from all change in control agreements approved prior to July 1, 2011. Agreements approved after July 1, 2011 did not include a gross-up provision.

Payments under these severance agreements would be triggered only upon the occurrence of both a change in control of the Corporation and a termination of employment. Mr. Surma s agreement provided for a payment equivalent to three times his salary and bonus upon a change in control and termination. Mr. Babcoke s agreement also provides for a payment equivalent to three times his salary and bonus. For all other executives, including Mr. Longhi, the severance agreements provide payments up to two and one-half times salary and bonus. See *Potential Payments Upon Termination or Change in Control* for additional information regarding the key terms and provisions and the quantification of these benefits.

Perquisites

We provide a limited number of perquisites as a recruiting and retention tool and to ensure the health and safety of our key employees. In general, the perquisites:

- facilitate the executives ability to do their jobs without undue distractions or delays,
- have clear business-related purposes (e.g., club memberships, which facilitate the entertainment of customers, suppliers and other business associates),
- ensure accurate personal tax reporting of the financial intricacies of our compensation programs (e.g., financial planning and tax preparation), and
- provide a measure of safety unavailable elsewhere (e.g., personal use of corporate aircraft).

The perquisites we provide include residential and personal security services, but only if the employee is the subject of a credible and specific threat on account of his employment with the Corporation. The level of security provided depends upon the nature of the circumstance. In 2013, Messrs. Longhi, Surma, Garraux, Babcoke, and Williams were each provided with security services because of business-related security concerns.

The perquisites provided maximize the safe and efficient use of our executives time and, by facilitating the development of commercial and other business relationships, provide a significant benefit to the Corporation and its shareholders.

We do not provide gross-up payments to cover personal income taxes that may be attributable to any of the perquisites except for (a) relocation and (b) tax equalization and travel related to expatriate assignments. These gross-ups are also provided to non-executive employees.

Other Benefit Programs

The Corporation s executives participate in many of the benefits provided to non-union employees generally, including vacation and holiday benefits, insurance benefits, disability benefits, and medical and prescription drug programs. Under the insurance benefits, certain employees, including the NEOs, have been offered the U. S. Steel Variable Universal Life Insurance program, a form of company-provided life insurance as an alternative to the Corporation s basic life insurance coverage. We believe these benefits support our overall retention objectives.

Accounting and Tax Matters

For a discussion of the accounting impacts on various elements of long-term incentive compensation, see footnote 12 to the Financial Statements included in our annual report on Form 10-K for the year ended December 31, 2013.

Section 162(m) of the Internal Revenue Code generally limits the deductibility of compensation in excess of $1 million paid to a public company s CEO and certain other highly compensated officers in compensation any taxable year. However, qualifying performance-based compensation that meets specified legal requirements is not subject to the deduction limit. All short-term incentive awards paid during 2013 satisfied the requirements for deductibility under Section 162(m). All service-vesting restricted stock units vesting during 2013, including any dividends on such stock, did not satisfy the requirements for deductibility under Section 162(m). Also, annual salary and imputed income, such as perquisites, do not qualify as performance-based compensation under Section 162(m). In 2013, only Mr. Longhi had nonperformance-based compensation that exceeded the $1 million threshold described above, which, in addition to his salary, was primarily the result of the vesting of restricted stock units. The estimated tax-related cash impact of non-deductible compensation on the Corporation is approximately $62,000.

In determining executive compensation, the Committee considers, among other factors, the possible tax consequences to the Corporation. Tax consequences, including but not limited to tax deductibility by the Corporation, are subject to many factors (such as changes in the tax laws and regulations or interpretations thereof) that are beyond the control of the Corporation. In addition, the Committee believes that it is important for it to retain maximum flexibility in designing compensation programs that meet its stated objectives. For these reasons, the Committee, while considering tax deductibility as one of the factors in determining compensation, does not limit compensation to those levels or types of compensation that will be deductible by the Corporation.

Summary Compensation Table

The following table sets forth certain compensation information for the Named Executive Officers who rendered services to U. S. Steel and its subsidiaries during 2013.

Executive & Principal Position	Year [2]	Salary [3] ($)	Stock Awards [4][5] ($)	Option Awards [4][6] ($)	Non-Equity Incentive Plan Compensation [7] ($)	Change in Pension Value & Nonqualified Deferred Compensation Earnings [8] ($)	All Other Compensation [9][10] ($)	Total ($)
M. Longhi [1]	2013	$ 933,337	$ 2,097,684	$ 1,894,134	$ 477,400	N/A	$ 239,101	$ 5,641,656
President & Chief Executive Officer	2012	$ 410,000	$ 1,871,063	$ 630,456	$ 307,500	N/A	$ 118,073	$ 3,337,092
D. B. Burritt	2013	$ 233,333	$ 1,749,993	$ 1,249,986	$ 79,567	N/A	$ 41,305	$ 3,354,184
Executive Vice President & Chief Financial Officer								
G. F. Babcoke	2013	$ 542,640	$ 457,615	$ 182,585	$ 144,773	$ 554,166	$ 301,612	$ 2,183,391
Senior Vice President-European	2012	$ 532,000	$ 868,071	$ 372,048	$ 341,000	$ 996,991	$ 80,249	$ 3,190,360
Operations & Global Safety & President-USSK	2011	$ 515,000	$ 786,940	$ 393,416	$ 250,000	$ 857,689	$ 211,276	$ 3,014,321
M. S. Williams	2013	$ 542,640	$ 581,157	$ 231,949	$ 141,556	N/A	$ 138,547	$ 1,635,849
Senior Vice President-Strategic Planning & Business Development								
D. R. Matthews	2013	$ 477,708	$ 470,012	$ 187,598	$ 128,340	$ 308,658	$ 52,136	$ 1,624,452
Senior Vice President-North American Flat-Rolled Operations								
J. P. Surma [1]	2013	$ 1,260,000	$ 2,918,396	$ 1,164,843	$ 546,840	$ 6,311,177	$ 276,153	$ 12,477,409
Former Chairman of the Board and	2012	$ 1,260,000	$ 4,129,820	$ 1,770,037	$ 1,181,000	$ 2,535,910	$ 216,397	$ 11,093,164
Chief Executive Officer	2011	$ 1,260,000	$ 3,542,898	$ 1,771,467	$ 901,000	$ 2,529,584	$ 214,240	$ 10,219,189
G. R. Haggerty	2013	$ 414,120	$ 581,157	$ 231,949	$ 115,539	$ 5,754,323	$ 130,122	$ 7,227,210
Former Executive	2012	$ 617,120	$ 868,071	$ 372,048	$ 410,000	$ 1,265,188	$ 94,429	$ 3,626,856
Vice President & Chief Financial Officer	2011	$ 601,000	$ 819,797	$ 410,001	$ 310,000	$ 1,182,544	$ 81,715	$ 3,405,057
J. D. Garraux	2013	$ 442,215	$ 667,722	$ 266,529	$ 0	$ 2,719,171	$ 113,574	$ 4,209,211
Former General Counsel &	2012	$ 571,200	$ 868,071	$ 372,048	$ 402,000	$ 991,120	$ 89,989	$ 3,294,428
Senior Vice President-Corporate Affairs	2011	$ 547,504	$ 819,797	$ 410,001	$ 280,000	$ 989,183	$ 74,257	$ 3,120,742
D. H. Lohr	2013	$ 504,900	$ 581,157	$ 231,949	$ 133,824	$ 2,892,152	$ 77,025	$ 4,421,007
Former Senior Vice President-	2012	$ 547,200	$ 868,071	$ 372,048	$ 352,000	$ 1,004,807	$ 82,552	$ 3,226,678
Business Services and Administration	2011	$ 526,676	$ 819,797	$ 410,001	$ 264,000	$ 996,257	$ 85,229	$ 3,101,960

(1) Mr. Surma served as Chairman of the Board and Chief Executive Officer from January 1, 2013 through August 31, 2013, and thereafter served as Executive Chairman until his retirement on December 31, 2013. Mr. Longhi was elected President and Chief Executive Officer on September 1, 2013. Prior to September 1, Mr. Longhi served as President and Chief Operating Officer.

(2)

Amounts are not reported for 2012 and 2011 if the executive was not an NEO in those years, except for Mr. Babcoke who was an NEO in 2011, but not in 2012.

(3) Salaries for certain executives are pro-rated to reflect the amount earned in 2013 based on a date of hire or a date of retirement as follows: Mr. Burritt was hired on September 1, 2013; Mrs. Haggerty retired on August 31, 2013; Mr. Garraux retired on September 30, 2013; and Mr. Lohr retired on November 30, 2013.

(4) Stock and option award grant date values are computed in accordance with Accounting Standard Codification Topic 718 (ASC 718), as described in footnote 12 to the Corporation s Financial Statements for the year ended December 31, 2013 and filed on Form 10-K. The Stock Awards column includes restricted stock units and performance awards that are reported at the target number of shares and the grant date fair value of such awards includes a factor for the probable performance outcome of the performance awards, and excludes the effect of estimated forfeitures. The maximum payout for the performance awards is 200% of target. The following table reflects the grant date fair value of these performance awards, as well as the maximum grant date fair value of these performance awards based on the closing price of the Corporation s stock on the grant date if, due to the Corporation s performance during the applicable performance period, the performance awards vested at their maximum level:

	Grant Date Fair Value of Performance Awards			**Maximum Value of Performance Awards**		
	2011	**2012**	**2013**	**2011**	**2012**	**2013**
Name	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**
M. Longhi	$ N/A	$ 1,040,600	$ 623,270	$ N/A	$ 2,081,200	$ 1,246,540
D. B. Burritt	N/A	N/A	N/A	N/A	N/A	N/A
G. F. Babcoke	$ 393,333	$ 496,000	$ 250,711	$ 786,666	$ 992,000	$ 501,423
M. S. Williams	$ 393,333	$ 496,000	$ 318,333	$ 786,666	$ 992,000	$ 636,667
D. R. Matthews	$ 261,667	$ 318,000	$ 257,516	$ 523,334	$ 636,000	$ 515,032
J. P. Surma	$ 1,771,500	$ 2,360,000	$ 1,598,684	$ 3,543,000	$ 4,720,000	$ 3,197,368
G. R. Haggerty	$ 410,000	$ 496,000	$ 318,333	$ 820,000	$ 992,000	$ 636,667
J. D. Garraux	$ 410,000	$ 496,000	$ 365,754	$ 820,000	$ 992,000	$ 731,508
D. H. Lohr	$ 410,000	$ 496,000	$ 318,333	$ 820,000	$ 992,000	$ 636,667

(5) The grant date fair market value used to calculate compensation expense in accordance with ASC 718 for the NEOs, other than Mr. Burritt, is $18.64 per share for our 2013 restricted stock unit grants, $22.31 for our 2012 restricted stock unit grants, and $45.81 per share for our 2011 restricted stock unit grants, $21.26 per share for our 2013 performance award grants, $25.36 per share for our 2012 performance award grants, and $65.47 per share for our 2011 performance award grants. The grant date fair market value used to calculate compensation expense in accordance with ASC 718 for Mr. Burritt s 2013 grant is $18.25 per share. In addition to his annual grant, Mr. Longhi received a grant of 52,600 restricted stock units when he became CEO in September 2013. The grant date fair market value used to calculate compensation expense in accordance with ASC 718 for Mr. Longhi s September grant is $18.25 per share. For further detail, see our report on Form 10-K for the year ended December 31, 2013, Financial Statement footnote 12.

(6) The grant date fair market value used to calculate compensation expense in accordance with ASC 718, for the NEOs other than Mr. Burritt, is $8.50 per share for our 2013 stock option grants, $11.95 per share for our 2012 stock option grants, and $24.39 per share for our 2011 stock option grants. The grant date fair market value used to calculate compensation expense in accordance with ASC 718 for Mr. Burritt s 2013 stock option grant is $8.18 per share. In addition to his annual grant, Mr. Longhi received a grant of 176,040 stock options when he became CEO in September 2013. The grant date fair market value used to calculate compensation expense in accordance with ASC 718 for Mr. Longhi s September grant is $8.18 per share. All stock options granted to NEOs in 2013 have a premium exercise price of $25.00, as further described below under the 2013 Grants of Plan Based Awards table. For further detail, see our report on Form 10-K for the year ended December 31, 2013, Financial Statement footnote 12.

(7) The Non-Equity Incentive Plan Compensation benefits are referred to within our executive compensation discussions as short-term incentive awards and represent the aggregate amount of incentive awards earned pursuant to the 2010 Annual Incentive Compensation Plan (AICP) for the NEOs. Because Mr. Surma did not meet the age and service requirements for retirement under the terms of the AICP, his incentive payment was paid as a separate bonus outside of the AICP. Because of his September 1, 2013 hire date which is more than 90 days after the performance period commenced, and his status as a covered employee, as that term is defined under Section 162(m) of the Internal Revenue Code, Mr. Burritt was not eligible to participate in the AICP, and his award was paid as a separate amount, pursuant to his offer letter. Payments made outside of the AICP are subject to the same performance conditions and negative discretion as applicable under the AICP. For a discussion of the actual results under the AICP for 2013, see *Compensation Discussion & Analysis Elements of Executive Compensation Short-Term Incentive Compensation Targets and Decisions.*

(8) These amounts represent the aggregate increase in actuarial value on an accumulated benefit obligation (ABO) basis that accrued to each Named Executive Officer in 2013 under the Corporation s retirement plans and programs, calculated using the same assumptions used for the Corporation s annual financial statements and including enhancements to the benefits provided through letter agreements, as disclosed on the 2013 Pension Benefits table and described in *2013 Pension Benefits Letter Agreements* , below, except that retirement age is assumed to be the normal retirement age for the respective plans. Key assumptions, and the present value of the accumulated benefits for each executive reflecting all benefits earned as of December 31, 2013 by the executive under each plan and letter agreement, are shown under the 2013 Pension Benefits table. For the NEOs who retired in 2013, the aggregate increase in benefits is based on the actual interest rate used for calculating lump sum payments at retirement. This interest rate is lower than the rate used for projection purposes before retirement. The values reported in the earnings column of the 2013 Nonqualified Deferred Compensation table are not included here because the earnings are not above-market and are not preferential. These amounts exclude any benefits to be paid from plans of formerly affiliated companies.

(9) Components of All Other Compensation are as follows:

		ALL OTHER COMPENSATION					
Executive	Year	Life Insurance Premiums (a)	Steel Savings Plan Contributions (b)	Non Qualified Defined Contribution Plan Accruals (c)	Foreign Service Tax Gross-Ups & Reimbursements (d)	Perquisites (e)	TOTAL
M. Longhi	2013	$ N/A	$ 36,338	$ 125,135		$ 77,628	$ 239,101
D. B. Burritt	2013	$ N/A	$ 25,375	N/A		$ 15,930	$ 41,305
G. F. Babcoke	2013	$ 14,424	$ 15,260	$ 17,258	$ 70,635	$ 184,035	$ 301,612
M. S. Williams	2013	$ N/A	$ 35,441	$ 72,227		$ 30,879	$ 138,547
D. R. Matthews	2013	$ N/A	$ 15,300	$ 13,362		$ 23,473	$ 52,136
J. P. Surma	2013	$ 26,465	$ 14,913	$ 60,688		$ 174,088	$ 276,153
G. R. Haggerty	2013	$ 14,263	$ 15,300	$ 9,547		$ 91,012	$ 130,122
J. D. Garraux	2013	$ 21,446	$ 15,300	$ 11,233		$ 65,595	$ 113,574
D. H. Lohr	2013	$ 15,923	$ 13,996	$ 16,298		$ 30,808	$ 77,025

(a) Life Insurance Premiums were paid to provide life insurance protection in lieu of basic life insurance available under the Corporation s insurance program, for each of Messrs. Surma, Babcoke, Garraux and Lohr and Mrs. Haggerty. Premiums are calculated based on age and the amount of coverage provided. The program is designed to pay premiums to the insurance company until the executive reaches age 62 unless the employee terminates employment prior to reaching the age and service requirements for other than a deferred vested pension. If such termination occurs, the obligation to pay premiums will end at the time employment is terminated. Messrs. Longhi, Burritt, Williams and Matthews participate in the Corporation s group term life program which is available to all non-union salaried employees.

(b) Steel Savings Plan Contributions include (i) employer matching contributions that were made in the form of the Corporation s common stock and (ii) other non-elective employer contributions known as Retirement Account contributions that were made to the executive s account in the Steel Savings Plan (a federal income tax-qualified defined contribution plan also known as a 401(k) plan) during the most recently completed fiscal year. The Steel Savings Plan is available to all non-represented, domestic employees of U. S. Steel and certain of its subsidiaries and affiliates. The plan is designed to allow employees to supplement their retirement income. Employee contributions are voluntary and may commence the month following the employee s hire

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date. The Corporation matches the employee contributions up to certain limits. Eligible employees who are not covered by the Steel Pension Plan automatically receive Retirement Account contributions. As described below under 2013 Nonqualified Deferred Compensation, Messrs. Longhi, Burritt and Williams are eligible to receive Supplemental Retirement Account contributions.

(c) The Non Qualified Defined Contribution Plan Accruals include accruals under the following programs:

The Supplemental Thrift Program, in which benefits accrue in the form of phantom shares of U. S. Steel common stock equal to the portion of the Corporation s matching contributions to the Steel Savings Plan that cannot be provided due to the statutory limits on covered compensation and annual contributions.

The Non Tax-Qualified Retirement Account Program, which provides book accruals equal to the amount of Retirement Account contributions that cannot be provided under the Steel Savings Plan due to the statutory limits on covered compensation and annual contributions.

The Supplemental Retirement Account Program, which provides book accruals equal to the applicable Retirement Account contribution rate (8.5% for Messrs. Longhi, Burritt and Williams) under the Steel Savings Plan multiplied by incentive compensation paid under our short-term incentive compensation programs or similar plans.

Messrs. Longhi and Williams accrued benefits under each of the above plans. Mr. Burritt did not accrue benefits under the above plans because of his September 1, 2013 hire date. All the other NEOs only accrued benefits under the Supplemental Thrift Program.

(d) Foreign service tax gross-ups and reimbursements include reimbursements, tax gross-ups and settlements associated with foreign service. In connection with his foreign service, Mr. Babcoke received net tax reimbursements of $59,597, and tax gross-ups of $17,303.

(e) Types of perquisites available to our executives include personal usage of corporate aircraft and automobiles, dining privileges, club memberships, financial planning and tax preparation services, company-paid physicals, parking expenses, limited personal use of corporate properties, tickets to entertainment and sporting events, company matching contributions to charities, relocation expenses and residential and personal security services. The amounts disclosed above are calculated using the aggregate incremental costs related to the perquisites received by the NEOs for the last fiscal year. The aggregate incremental cost of the personal use of corporate aircraft is calculated using the rate per flight hour for the type of corporate aircraft used. The rates are published twice per year by a nationally recognized and independent service. The calculated incremental costs for personal flights include the costs related to all flight hours flown in connection with the personal use. The Corporation consistently applies allocation methods for flights that are not entirely either business or personal. Not included in All Other Compensation are the values of dividends paid on restricted stock awards because these amounts are considered in determining the grant date fair market value shown under Stock Awards. Mr. Longhi s 2013 personal aircraft usage totaled $39,961, and Mr. Surma s 2013 personal aircraft usage totaled $110,617. Mrs. Haggerty s 2013 club membership payments totaled $45,060. During 2013, Mr. Babcoke received relocation reimbursements of $31,591 and personal security detail related to his foreign service assignment in the amount of $84,120.

(10) The amounts reported for Messrs. Surma and Garraux in 2011 and 2012 have been adjusted to reflect certain security services not previously reported. For Mr. Surma, the additional security services totaled $7,589 in 2011 and $9,961 in 2012. For Mr. Garraux, the additional security services totaled $22,055 in 2011 and $1,660 in 2012.

2013 Grants of Plan-Based Awards

The following table summarizes the grant of any non-equity incentive compensation and equity based compensation to each Named Executive Officer in 2013.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards [3]			Estimated Future Payouts Under Equity Incentive Plan Awards [5]							
Executive	Plan Name [1]	Grant Date [2]	Threshold ($) [4]	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units [6] (#)	All Other Option Awards: Number of Securities Underlying Options [7] (#)	Exercise Price of Option Awards [8] ($/Share)	Closing Price on Grant Date ($/Share)	Grant Date Fair Value of Stock and Option Awards [9] ($)
M. Longhi	AICP	1/28/2013	$ 770,000	$ 1,540,000	$ 3,311,000								
	LTICP	5/28/2013				14,655	29,310	58,620	27,600	53,450	$ 25.00	$ 18.47	$ 1,591,863
	LTICP	9/1/2013							52,600	176,040	$ 25.00	$ 18.20	$ 2,399,957
D. B. Burritt	AICP	9/1/2013	$ 128,333	$ 256,667	$ 551,833								
	LTICP	9/3/2013							95,890	152,810	$ 25.00	$ 18.20	$ 2,999,978
G. F. Babcoke	AICP	1/28/2013	$ 259,450	$ 518,900	$ 1,115,634								
	LTICP	5/28/2013				5,895	11,790	23,580	11,100	21,490	$ 25.00	$	