



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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
December 9, 2005

United States Steel Corporation
(Exact name of the Reporting Company)

U.S. Steel

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED STATES STEEL CORPORATION

By /s/ Larry G. Schultz

Larry G. Schultz
Vice President & Controller

Dated: December 9, 2005

December 5, 2005

«Title» «FirstName» «LastName»
«JobTitle»
«Company»
«Address1»
«City», «State» «PostalCode»

Dear «Title» «LastName»:

United States Steel Corporation, and its subsidiaries and affiliates (the "Corporation"), recognizes that your contribution to the growth and success of the Corporation will continue to be substantial and desires to assure the Corporation of your continued employment. In this connection, the Board of Directors of the Corporation (the "Board") recognizes that, as is the case with many publicly-held corporations, the possibility of a change in control may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Corporation and its stockholders.

Accordingly, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Corporation's management, including you, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Corporation.

In order to induce you to remain in the employ of the Corporation, the Corporation agrees that you shall receive the severance benefits set forth in this letter agreement ("Agreement") in the event your employment with the Corporation is terminated subsequent to a "Change in Control of the Corporation" (as defined in Section 2(a) hereof), and, in certain circumstances, in connection with a "Potential Change in Control of the Corporation" (as defined in Section 2(b) hereof), or under the other circumstances described below.

1. Term of Agreement. This Agreement will commence on the date hereof and shall continue in effect until December 31, 2007; provided, however, that commencing on December 31, 2006 and each December 31 thereafter, the term of this Agreement shall automatically be extended for one additional year unless, not later than September 1 of that year, the Corporation shall have given notice that it does not wish to extend this Agreement; provided, further that, if (a) a Change in Control of the Corporation shall have occurred during the original or extended term of this Agreement, the term of this Agreement shall continue in effect for a period of twenty-four (24) months beyond the month in which such Change in Control of the Corporation occurred and (b) if a Potential Change in Control of the Corporation shall have occurred during the original or extended term of this Agreement, then the term of this Agreement shall continue in effect beginning on the date the Potential Change in Control occurs and shall not end before the earlier of (i) the end of the month in which a Change in Control occurs or (ii) the date the Board makes a good faith determination that the risk of a Change in Control has terminated (the "Potential Change in Control Period"). In the

event the Potential Change in Control Period ends due to a Change in Control this Agreement shall continue in effect for a period of twenty-four (24) months beyond the month in which such Change in Control occurred.

2. Change in Control and Potential Change in Control of the Corporation.

(a) For purposes of this Agreement, a "Change in Control of the Corporation" and "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Corporation is then subject to such reporting requirement; provided, that, without limitation, such a change in control shall be deemed to

directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation, or (E) any individual, entity or group involved in the acquisition of the Corporation's voting securities in connection with which, pursuant to Rule 13d-1 promulgated pursuant to the Exchange Act, such individual, entity or group is permitted to, and actually does, report its beneficial ownership on Schedule 13G (or any subu

recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Corporation or any direct or indirect subsidiary thereof with any other corporation (a "Business Combination"), other than a merger or consolidation (an "Excluded Transaction") which would result in:

(A) at least a majority of the members of the board of directors of the resulting or surviving entity (or any ultimate parent thereof) in such Business Combination (the "New Board") consisting of individuals ("Continuing Directors") who were members of the Incumbent Board (as defined in subparagraph (ii) above) immediately prior to consummation of such Business Combination or were appointed, elected or recommended for appointment or election by members of the Incumbent Board prior to consummation of such Business Combination (excluding from Continuing Directors for this purpose, however, any individual whose election or appointment, or recommendation for election or appointment, to the New Board was at the request, directly or indirectly, of the entity which entered into the definitive agreement providing for such Business Combination with the Corporation or any direct or indirect subsidiary thereof), unless the Board determines, prior to such consummation, that there does not exist a reasonable assurance that, for at least a two-year period following

consummation of such Business Combination, at least a majority of the members of the New Board will continue to consist of Continuing Directors and individuals whose election, or nomination for election by shareholders of the resulting or surviving entity (or any ultimate parent thereof) in such Business Combination, would be approved by a vote of at least a majority of the Continuing Directors and individuals whose election or nomination for election has previously been so approved; or

(B) a Business Combination that in substance constitutes a disposition of a division, business unit, or subsidiary; or

(iv) the shareholders of the Corporation approve a plan of a complete liquidation or dissolution of the Corporation or there is consummation of a sale or other disposition of all or substantially all of the assets of the Corporation, other than to a corporation with respect to which, following such sale or other disposition, more than 50% of the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Corporation's then outstanding voting securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Corporation's then outstanding voting securities.

(b) For purp

Corporation other than for Cause or (B) you terminate your employment



(v) the failure of the Corporation to obtain an agreement from any successor to the Corporation to assume and agree to perform this Agreement, as contemplated in Section 6 hereof; and

(vi) any purported termination by the Corporation of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of subparagraph (d) below, and for purposes of this Agreement, no such purported termination shall be effective.

Your right to terminate your employment pursuant to this Subsection shall not be affected by your incapacity due to physical or mental illness. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder. Your determination of the existence of Good Reason shall be final and conclusive unless such determination is not made in good faith and is made without reasonable belief in the existence of Good Reason.

(d) Notice of Termination. Any termination by the Corporation for Cause or for Disability or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under

the provision so indicated. The failure by you to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason shall not waive any of your rights hereunder or preclude you from asserting such fact or circumstance in enforcing your rights hereunder.

^t (e) ~~Date of Termination~~. "Date of Termination" shall mean the date specified in the Notice of Termination, when such a notice is required, or in any other case upon ceasing to perform services to the Corporation.

employee benefit plan of the Corporation without interruption. In the event your employment is terminated pursuant to Section 3(a) hereof, your benefits shall be determined in accordance with the Corporation's retirement, insurance and other applicable programs and plans then in effect.

(b) If your employment shall be terminated by the Corporation for Cause or by you other than for Good Reason, the Corporation shall pay you your full Base Salary, payable in accordance with the Corporation's standard payroll practices, through the Date of Termination at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required hereunder plus all other amounts to which you are entitled under any compensation or benefit plan of the Corporation at the time such payments are due in accordance with the applicable plan, and the Corporation shall have no further obligations to you under this Agreement.

(c) If your employment terminates by reason of your death, your benefits shall be determined in accordance with the Corporation's retirement, survivor's benefits, insurance and other applicable programs and plans then in effect.

(d) If your employment by the Corporation is either terminated by the Corporation (other than for Cause or Disability) or terminated by you for Good Reason, in either case (I) upon or following a Change in Control, or (II) during a Potential Change in Control Period which is followed within twenty-four (24) months thereafter by a 409A Change in Control, you shall be entitled to the following benefits.

(i) *Accrued Compensation and Benefits.* The Corporation shall provide you:

(A) the compensation and benefits accrued through the Date of Termination to the extent not theretofore provided;

(B) a lump sum cash amount equal to the value of your unused vacation days accrued through the Date of Termination; and

(C) your normal post-termination compensation and benefits under the Corporation's retirement, insurance and other compensation and benefit plans as in effect immediately prior to the Date of Termination, or if more favorable to you, immediately prior to the Applicable Event.

The amounts set forth in (A) and (B) above shall be payable on your next regular payroll date following the Date of Termination. The amounts set forth in (C) above shall be payable in accordance with the terms of the applicable plan, program or arrangement.

(ii) *Lump Sum Severance Payment.* The Corporation shall provide to you a severance payment in the form of a cash lump sum distribution equal to your Current Annual Compensation (as defined below) multiplied times three (3); provided, however, that if you attain age 65 within three years of the Date of Termination, your benefit will be limited to a pro rata portion of such benefit based on a fraction equal to the number of full and partial months existing between the Date of Termination and your sixty-fifth (65th) birthday divided by 36 months.

For purposes of this paragraph, the term "Current Annual Compensation" shall mean the sum of:

(A) your Base Salary in effect immediately prior to the occurrence of the circumstances giving rise to such termination or, if higher, immediately prior to the Applicable Event; and

(B) an amount equal to the higher of the (i) average actual bonus awarded to you, if any, under any annual bonus plan of the Corporation or its predecessor for the three (3) years immediately preceding the Date of Termination or, if higher, for the three (3) years immediately preceding the Applicable Event or (ii) target bonus available to you under any annual bonus plan of the Corporation or its predecessor for the year in which your termination of employment occurs or, if higher, for the year in which the Applicable Event occurs.

The severance payment shall be payable upon the first day following the six (6) month anniversary of the Date of Termination or, in the case where your employment was terminated prior to a Change in Control, the first day following the six (6) month anniversary of the date of the 409A Change in Control; provided, however, if such six month delay is not required to avoid the imposition of additional taxes and interest under section 409A of the Code, then payment shall be made immediately following separation from service.

(iii) *Continuation of Welfare Benefits.* Subject to the benefits offset described below, the Corporation will arrange to make available to you life and health insurance benefits during the Welfare Continuation Period (as defined below) that are substantially similar to those which you were receiving under a

contributions that the Corporation would have made on your behalf with respect to the retiree medical a-m

(as defined in paragraph (A) below), and (B) the lump sum value of your Actual Pension Benefit (as defined in paragraph (B) below). The Supplemental Retirement Benefit shall be paid in the form of a lump sum cash distribution on first day following the six (6) month anniversary of the Date of Termination or, in the case where your employment was terminated prior to a Change in Control, the first day following the six (6) month anniversary of the date of the 409A Change in Control; provided, however, if such six month delay is not required to avoid the imposition of additional taxes and interest under section 409A of the Code, then payment shall be made immediately following separation from service. The methods and assumptions that existed under the applicable Steel Pension Plans immediately prior to the Applicable Event for purposes of determining a lump sum distribution shall be used for purposes of determining the lump sum values in (A) and (B). In determining the Enhanced Pension Benefit and the Actual Pension Benefit, amendments to the Steel Pension Plans made subsequent to the Applicable Event and on or prior to the Date of Termination, if any, shall be disregarded if they adversely affect in any manner the computation of retirement benefits thereunder.

(A) *Enhanced Pension Benefit.* The amount of your Enhanced Pension Benefit shall be equal to the Actual Pension Benefit for which you are eligible under the Steel Pension Plans as of the Date of Termination, as adjusted to incorporate the enhancements outlined in paragraphs (1) through (5) below. The enhancements shall be applied only to your benefits under the Steel Pension Plans.

(1) *Normal Retirement Benefit - Service.* For purposes of determining your monthly normal retirement benefit payable at normal retirement age, service used in the formula(s) shall be deemed to be equal to the sum of your actual service for benefit accrual purposes plus three years. For this purpose, your actual service shall be determined as of the Date of Termination.

(2) *Normal Retirement Benefit - Final Average Pay.* For purposes of determining your monthly normal retirement benefit payable at normal retirement age, final average pay shall be calculated using the sum of:

- I. your Base Salary in effect immediately prior to the occurrence of the circumstances giving rise to such termination or, if higher, immediately prior to the Applicable Event; and
- II. if bonus is considered covered compensation under the applicable pension plan, an amount equal to the higher of the (i) average actual bonus awarded to you, if any, under any annual bonus plan of the Corporation or its predecessor with respect to the three (3) years immediately preceding the Date of Termination or, if higher, the three (3) years immediately preceding the Applicable Event (but not less

than the amount of bonus taken into account in your Actual Pension Benefit) or (ii) target bonus available to you under any annual bonus plan of the Corporation or its predecessor for the year in which your termination of employment occurs or, if higher, the year in which the Applicable Event occurs.

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Plan for Salaried Employees and the related non-qualified supplemental savings plan ("Savings Plans"), the Corporation shall provide to you in the form of a cash lump sum distribution a benefit equal to the excess, if any, of:

- (A) the amount you would have been entitled to under the Savings Plans determined as if you were fully vested thereunder on the Date of Termination, over
- (B) the amount you are entitled to under the Savings Plans on the Date of Termination.

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The payments provided for in this subparagraph (vi) shall be made to you upon the first day following the six (6) month anniversary of the Date of Termination or, in the case where your employment was terminated prior to a Change in Control, the first day following the six (6) month anniversary of the date of the 409A Change in Control; provided, however, if such six month delay is not required to avoid the imposition of additional taxes and interest under section 409A of the Code, then payment shall be madent ss

connection with any tax audit or proceeding to the extent attributable to the application of section 4999 or 409A of the Code to any payment or benefit provided hereunder). Notwithstanding the foregoing sentence, no such payments may be made to you until the first day following the six (6) month anniversary of the Date of Termination or, in the case where your employment was terminated prior to a Change in Control, the first day following the six (6) month anniversary of the date of the 409A Change in Control; provided, however, if such six month delay is not required to avoid imposition of additional taxes and interest under section 409A of the Code, then payment shall be made to you as set forth in the preceding sentence. To the extent the provision of such reimbursements would cause any such amounts to be subject to additional taxes and interest under section 409A of the Code, then the provision of such reimbursements (i) shall be deferred to the earliest date upon which such amounts can be provided without being subject to such additional taxes and interest or (ii) if not capable of being deferred consistent with section 409A, modified in amount, structure, timing and/or form of payment so that the maximum portion of the benefit can be paid and the benefit is not subject to additional taxes and interest under section 409A of the Code.

(f) Following your separation from service, the Corporation shall also reimburse you on a timely basis for reasonable costs incurred by you for outplacement services; provided such expenses must be incurred and reimbursed before the end of the second calendar year following the calendar year in which the Date of Termination occurs.

payments” within the meaning of section 280G(b)(2) of the Code, and all “excess parachute payments” within the meaning of section 280G(b)(1) shall be treated as subject to the Excise Tax, except to the extent that in the opinion of tax counsel reasonably acceptable to you and selected by the accounting firm which, immediately prior to the Change in Control, served as the Corporation’s independent auditor (the “Auditor”) such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of section 280G(b)(4) of the Code in excess of the base amount within the meaning of section 280G(b)(3) of the Code, or are otherwise not subject to the Excise Tax, (ii) the amount of the Total Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Total Payments or (B) the amount of excess parachute payments within the meaning of section 280G(b)(1) (after applying clause (i), above), and (iii) the value of the Total Payments, including the value of any non-cash benefits or any deferred payment or benefit, shall be determined by the Auditor in accordance with the principles of section 280G of the Code. For purposes of determining the amount of the Gross-Up Payment, you shall be deemed to pay (i) federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made, together with (ii) state and local income taxes at the highest marginal rate of taxation in the state and locality of your residence on the Date of Termination (or, if there is no Date of Termination, then on the date of the 409A Change in Control), net of the maximum reduction in federal

income taxes which could be obtained from deduction of such state and local taxes. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder in calculating the Gross-Up Payment, you shall repay to the Corporation, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax, and federal and state and local income tax, and FICA-Health Insurance tax imposed on the portion of the Gross-Up Payment being repaid by you if such repayment results in a reduction in Excise Tax, FICA-Health Insurance tax, and/or a federal and state and local income tax deduction) plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Corporation shall make an additional gross-up payment in respect of such excess (plus any penalty, interest or Excise Taxes payable with respect to such excess) at the time that the amount of such excess is finally determined, such that you retain the same amount of compensation and benefits you would have received had there been no Excise Tax imposed.

(b) The payments provided for in paragraph (a) above shall be made on the first day following the six month anniversary of the Date of Termination or, in the case where your employment was terminated prior to a Change in Control, the first day following the six (6) month anniversary of the date of the 409A Change in

Control; provided, however, if such six month delay is not required to avoid imposition of additional taxes and interest under section 409A of the Code, payment will be made to you immediately following your separation from service (or, if there is no Date of Termination, as promptly as practicable following the date of the 409A Change in Control, but in no event more than 30 days following the date of such change). If the amounts of such payments cannot be finally determined on or before such payment day, the Corporation shall pay to you on such day an estimate as determined in good faith by the Corporation of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in section 1274(b)(2)(B) of the Code) as promptly as practicable following calculation thereof, but in no event more than 30 days following the initial estimate. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, you shall repay such excess to the Corporation on the fifth day after calculation of the correct amount and notice by the Corporation (together with interest at the rate provided in section 1274(b)(2)(B) of the Code).

6. Successors; Binding Agreement.

(a) The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place. Failure of the Corporation to obtain such assumption

and agreement prior to the effectiveness of any such succession shall be a breach of this A

(b) The Corporation's obligation to pay benefits under this Agreement shall be merely an unfunded and unsecured promise of the Corporation to pay money in the future. Prior to, or following, the occurrence of a Potential Change in Control, the Corporation, in its sole discretion, may elect to make contributions to an irrevocable trust to assist the Corporation in satisfying all or any portion of its obligations under this Agreement; provided that any such funds contributed to an irrevocable trust pursuant to this Section 8(b) shall remain subject to the claims of the Corporation's general creditors. Regardless of whether the Corporation elects to or otherwise contributes to an irrevocable trust, you, your beneficiaries, and your heirs, successors and assigns shall have no secured interest or right, title or claim in any property or assets of the Corporation.

9. Validity

arbitration shall be held in Pittsburgh, Pennsylvania. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that you shall be entitled to seek specific performance of your right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

12. Entire Agreement. This Agreement supersedes any other agreement or understanding between the parties hereto with respect to the issues that are the subject matter of this Agreement.

13. Amendment. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives, except that the Corporation may amend this Agreement from time to time without your consent to the extent deemed necessary or appropriate, in its sole discretion, to effect compliance with section 409A of the Code, including regulations and interpretations thereunder, which ent ~ our end em l bder ving jurute

