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OPERATION AND RECLAMATION PLAN

WELLINGTON COAL CLEANING PLANT

Map Index

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E9-3339	Soils Map	

UMC 782 Underground Coal Mining Permit Applications - Requirements for Legal, Financial, Compliance, and Related Information

Officers

David M. Roderick	Chairman, Board of Directors	600 Grant St.,	Pgh.	
William R. Roesch	President	"	"	"
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Robert W. Smith	Steel	"	"	"

Vice President and General Manager

Giuseppe Colombari	Ore	"	"	"

Vice Presidents

Robert R. Ross	Domestic Ore and Stone	"	"	"
John L. Schroeder, Jr.	Coal	"	"	"
David H. Hopton	Planning and Development	"	"	"

(2) There is no one principal shareholder within United States Steel Corporation.

(3) The applicant has operated coal mines under the name of the United States Steel Corporation during the last five years as of January 1, 1981.

(c) Names and addresses of principals, officers and resident agents:

This paragraph is not applicable - see paragraph (a) above.

(d) Statement of current or previous coal mining permits in the United States held by the applicant subsequent to 1970.

See Appendix A.

UMC 782.14 Compliance Information

(a) (1) The applicant has not had a Federal or State mining permit suspended or revoked within the last five years as of 01-01-81.

(2) The applicant has not forfeited a mining bond or similar security in lieu of a bond.

(b) Does not apply

(c) A listing of the violation notices received by the applicant in connection with underground or surface mining activities during the three year period ending: 10-01-80 is included in Appendix A.

UMC 782.15 Right of Entry and Operation Information

(a) The right of the operator to enter and conduct activities related to coal preparation is by deed to the occuppied property.

(b) Underground activities are not a part of this permit application.

UMC 782.16 Relationship to Areas Designated Unsuitable for Mining

(a) There is no known designation of the area as unsuitable for the coal cleaning plant activity.

(b) The operator claims exemption from any insuitability designation, that may be claimed, through substantial financial committments made before January 4, 1977.

(c) The applicant is not conducting surface operations within 300 feet of an occupied dwelling.

UMC 782.18 Personal Injury and Property Damage Insurance Information

See Appendix B for personal injury and property damage information.

UMC 782.19 Identification of Other Licenses and Permits

Type: Business License
Issued By: Carbon County Board of Commissioners
Carbon County Courthouse
Price, Utah 84501
ID No.: 0404
Date: Issued January 20, 1981 Expires December 31, 1981

United States Steel Corporation owned Direct Flow Rights in the Price River

Morse Decree	1st Class	5.197	CFS
App. No. 27718	12-13-55	10.000	CFS
App. No. 27818	12-23-56	5.000	CFS
App. No. 29509		10.000	CFS
App. No. 29462		2.500	CFS
App. No. 29463		1.000	CFS
App. No. 29464		1.000	CFS

UMC 782.20 Identification of Location of Office for Filing of Application

The application will be available at the:

Carbon County Recorders Office
Carbon County Courthouse Building
Price, Utah 84501

UMC 783 Information on Environmental Resources

UMC 783.12 General Environmental Resources Information

(a) The coal cleaning plant facilities are in place and expansion of presently disturbed areas will be limited to expansion of the refuse disposal areas.

(b) There are no known cultural and historic resources listed on the National Register of Historic Places and no known archeological sites within the proposed coal cleaning plant plan and adjacent areas.

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UMC 783.19 Vegetation Information

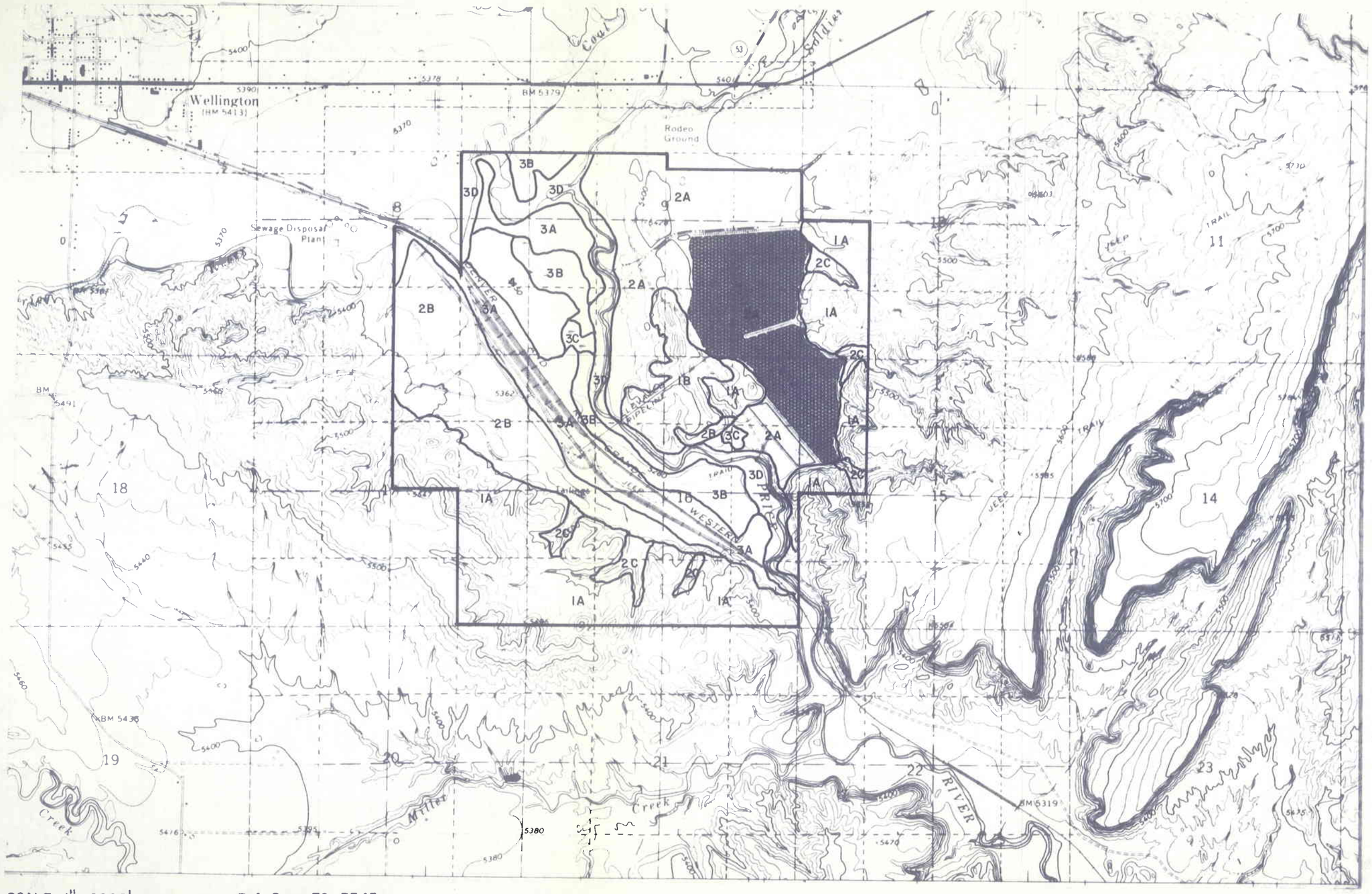
See Appendix E and Map Nos. E9-3345 and C9-1218 for the description of existing vegetation.

UNITED STATES USS STEEL CORPORATION

C9-1218

WELLINGTON COAL CLEANING PLANT VEGETATIVE TYPES AND PLANT COMMUNITIES

C9-1218



SCALE: 1" = 2000'

Ref. Dwg. E9-3345

783-17

REVISIONS

ENGINEERING DEPARTMENT
COAL MINES & QUARRIES

APPROVED G.H.S. 2-25-81

CHECKED: 2-25-81

APPROVED FOR SAFETY

DRAWN: J.U.

TRACED:

PEMBROKE CO.

UMC 783.20 Fish and Wildlife Resources Information

The Utah Division of Wildlife Resources provided the applicant with a report "Fish and Wildlife Resource Information Wellington Preparation Plant, U. S. Steel Corporation". The report identifies the potential fish and wildlife in the biogeographic area which contains the coal cleaning plant permit area. This report is on file in the Western District-Coal offices in East Carbon, Utah and will be referenced in the conduct of future activities at the coal cleaning plant.

The soils descriptions of the disturbed areas indicate a relatively low value for vegetative growth that would support grazing or wildlife.

The occupancy of these lands by the operator has created ponds which are inhabited by a variety of fish and water fowl and a wetland area west of the river which supports a wetlands community. The wildlife population has not been inventoried by the agency or the operator.

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UMC 783.22 Land Use Information

(a) The Wellington Coal Cleaning Plant was completed in 1958 and has been in continuous operation since that date.

(1) See map No. E9-3343 for the present uses of the land which has not changed in the last five years. Prior to the construction and operation of the coal cleaning plant portions of the lands were used for grazing. The specific sites occupied by the coal cleaning plant, railroad tracks and the refuse disposal areas appear to have been undeveloped land.

(2) (i) The capability of the site specific areas occupied by the coal cleaning plant complex was limited to undeveloped land due to the soil types and limited availability of water in the area. Some of the adjacent area was irrigated and used for grazing.

(ii) The productivity of the predisturbed area of the coal cleaning plant was very low due to the soil types in these areas. The disturbed areas were undeveloped land even though they were fenced and subject to grazing. The productivity is considered to have been low on the west side of the river due to the soils type Billings-Bunderson Complex. The suitability for wildlife habitat is rated as "very poor" by the U. S. Soils Conservation Service in their "Soil Survey Interpretations" for both the Billings and the Bunderson soils. The source of the soils are marine shales and sandstone and are strongly alkaline. It appears that the disturbed areas were not managed for any land use prior to disturbance. The Mixed alluvial land (Mx) soil covers a smaller area of disturbance west of the river and is only rated for grazing by the Soil Conservation Service. The disturbed area (presently covered by the refuse piles and the water clarification ponds) appears to have been Shaly colluvial land (Sn). The soil type is rated as suitable for range. Practices such as reseeding of grasses, clearing of brush, or other mechanical practices that would improve the range were not feasible according to the Soil Conservation Service publication "Soil Survey Carbon-Emery Area, Utah". Based on the soils descriptions it is concluded that the productivity of the predisturbance areas was relatively low.

(b) The paragraph refers to mining.

(c) The land use classifications and land uses under local law of the permit area is industrial. Land uses of adjacent areas include residential, mining, grazing, agricultural, and industrial.

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UMC 783.24 Maps: General Requirements

(a) See Map C9-1214

(b) See Map C9-1214

(c) See Map E9-3341

(d) The only buildings within 1000 feet of the permit area which are not owned by the operator and part of the coal cleaning plant facilities are the sewage treatment plant facilities owned by the Price River Water Improvement District and are shown on Map C9-1212.

(e) See Maps C9-1212 and E9-3341.

(f) See section UMC 783.19.

(g) See Maps C9-1212 and E9-3341.

(h) See Maps C9-1212 and E9-3341.

(i) There are no known public parks and cultural or historical resources which are listed or eligible for listing in the National Register of Historic Places within the permit and adjacent areas. There are no known archeological sites within the permit and adjacent areas.

(j) There is no known public cemetery or Indian burial ground within the permit and adjacent areas.

(k) The land within the permit adjacent areas are not included within the boundaries of any unit of the National System of Trails or the Wild and Scenic Rivers System.

UMC 783.25 Cross Sections, Maps, and Plans

(a) See Appendix C

(b) See Map C9-1212

(c) Does not apply since this is not a coal mine.

(d) Does not apply since this is not a coal mine.

(e) There are no underground mine workings in the permit and adjacent areas.

(f) See section UMC 783.15.

(g) See Map C9-1212

(h) There are no surface mined areas within the permit or adjacent areas.

(i) See Maps C9-1212 and E9-3341.

(j) There are no known oil or gas wells within the permit or adjacent areas.

(k) Does not apply since this is not a coal mine.

(l) All maps, plans and cross sections were prepared under the direction of a registered professional engineer.

UMC 783.27 Prime Farmland Investigation

(a) The pre-application investigation of the coal cleaning plant disturbed areas as to a prime farmland designation are stated below.

(b) (1) The land has not been historically used as cropland.

(2) The land is generally less than 10% slope.

(3) The land is not irrigated, or naturally sub-irrigated, has no developed water supply that is dependable, and the average annual precipitation is less than 14 inches.

(4) Does not apply.

(5) The soil mapping units within the coal cleaning plant and refuse disposal area have not been designated prime farmland by the U. S. Soil Conservation Service.

(c) On the basis of the above investigation a negative determination is requested regarding prime farmland.

UMC 784 Underground Coal Mining Permit Application - Reclamation and Operation Plan

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UMC 784.13 Reclamation Plan: Refuse Pile East of Price River

(a) The refuse disposal and pond area east of the Price River has the capacity to accept refuse from the coal cleaning plant in excess of 30 years into the future. When it is determined that the refuse disposal area is at capacity the operator will terminate the pumping of refuse to the area and begin reclamation. It is also anticipated that the operator will install water clarification facilities at the cleaning plant and the ponds will no longer be operational.

(b) (1) Grading to final contours will be completed as the refuse pile is filled. Any final grading, which would be expected to be negliable, will be completed during the first year after the refuse area is filled to capacity.

(2) See Appendix D for the cost of reclamation.

(3) See Map No. E9-3342 and cross section C9-1216 for the projected final configuration of the refuse pile that is east of the Price River.

(4) Top soil will not be available to cover the refuse pile area for reclamation.

(5) It is expected that the undisturbed areas contiguous to the final grade boundaries of the refuse pile will not require revegetation.

The refuse pile and pond areas will be returned to a land classification of undeveloped land. The SCS rates the soils in the contiguous undisturbed areas which include Rock land (Ry), Shaly colluvial land (Sn) and Beebe loamy fine sand (BeB) as having little value for grazing and wildlife habitats. The surface of the refuse and pond areas will be allowed to return naturally to an undeveloped state through natural succession since the potential for revegetation of the surface of the refuse and pond areas will be no better than equal to the potential for revegetation of the contiguous areas.

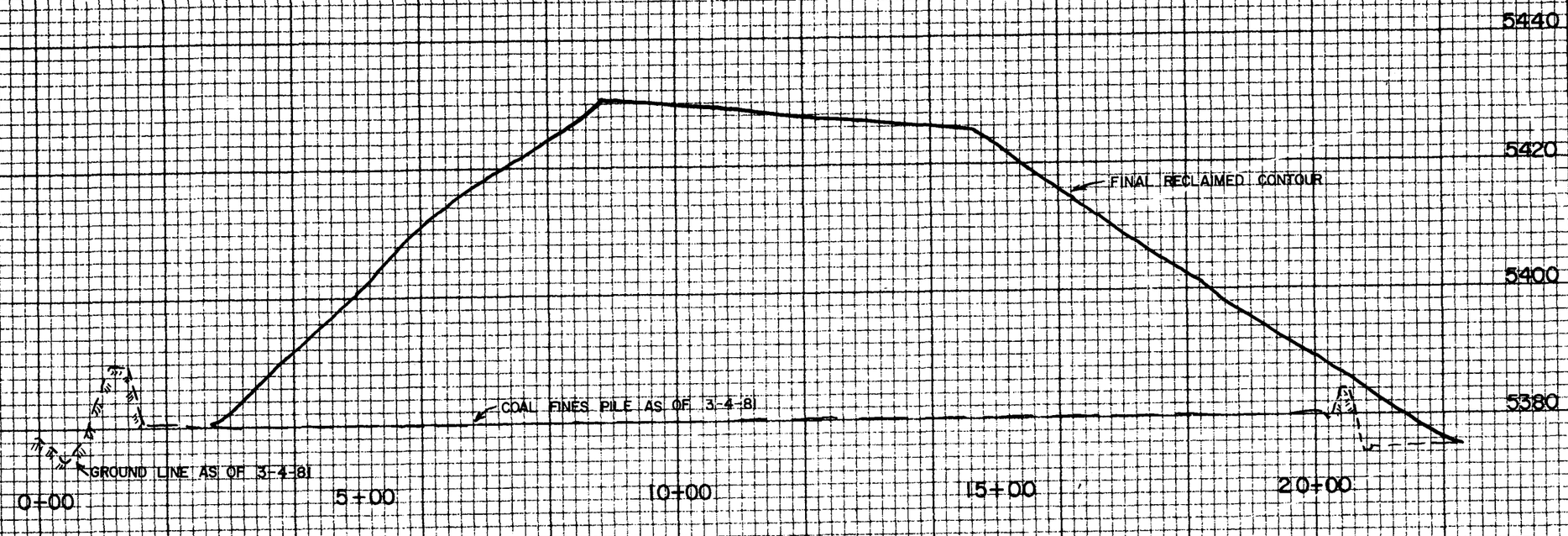
The operator will establish a test revegetation area on a portion of the waste pile that is determined to be at the final grade and not subject to further disturbance to determine vegetation species that will grow and be capable of regeneration on the waste pile. A variance is requested regarding revegetation until five years before abandonment of the area due to the final land use as undeveloped land and the results of future test seedings.

(6) This is not a coal mine and does not apply.

(7) The coal cleaning process refuse is non-acid and non-toxic forming material and does not constitute a fire hazard.

(8) Does not apply.

(9) The activities associated with reclamation after the decision to abandon the site for refuse disposal will be limited to final grading of the coal cleaning plant refuse. The operator expects to leave the sedimentation ponds in place to provide settling of any runoff from precipitation events that may occur in the area. Diversion ditches will be constructed as necessary to intercept and carry the runoff from precipitation events away from the refuse pile area to insure that the pond has adequate capacity to contain the precipitation events. The surface area will be chemically stabilized if necessary to preclude fugitive dust due to area winds. During the final grading the area will be sprinkled as necessary to control fugitive dust. Revegetation of the refuse area will be attempted when surface preparation is complete.



SECTION D-D'

SCALE: 1" = 200' horizontal
1" = 20' vertical

THIS DRAWING WAS PREPARED UNDER MY SUPERVISION

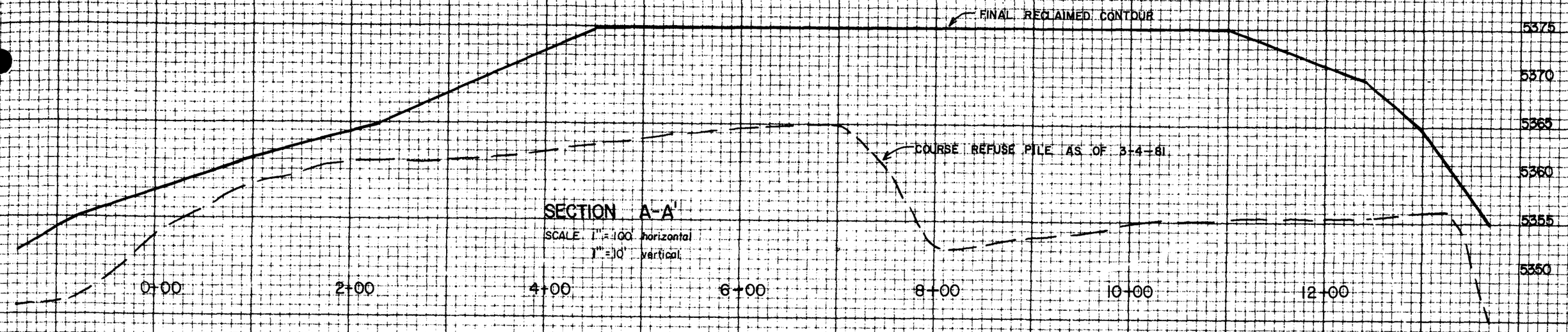
[signature] 4169
Registered Professional Engineer- Utah

MAR 1 1 1981
Date

UNITED STATES STEEL CORPORATION
WESTERN DISTRICT COAL
WELLINGTON COAL CLEANING PLANT

REFUSE PILE EAST OF RIVER

Drawn: RMC 3-4-81	Ref. Dwgs. E9-3342
Approved: GHS 3-4-81	C9-1216
Scale: As Shown	



SECTION A-A'

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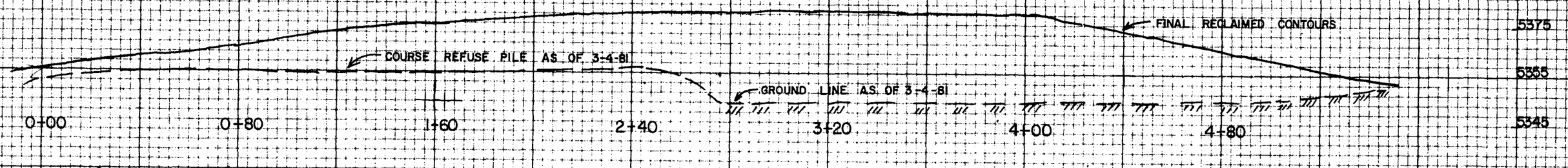
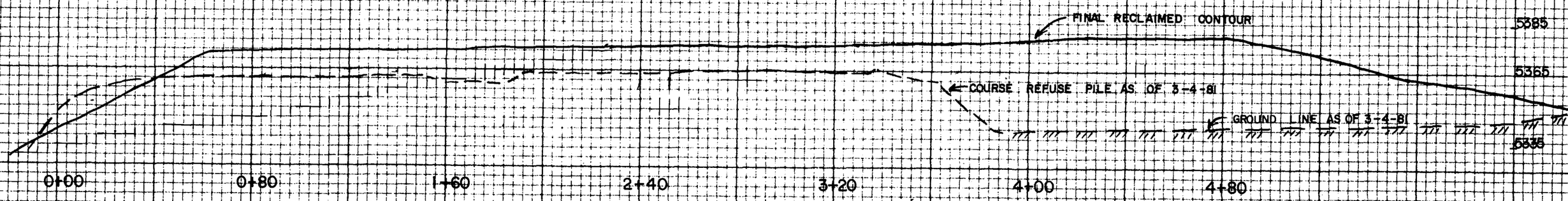
1" = 10' vertical



SECTION B-B'

SCALE 1" = 40' horizontal & vertical



SECTION C-C'

SCALE 1" = 40' horizontal & vertical

THIS DRAWING WAS PREPARED UNDER MY SUPERVISION

Glenn H Sidle 4169
Registered Professional Engineer- Utah

MAR 1 1 1981
Date

UNITED STATES STEEL CORPORATION
WESTERN DISTRICT COAL
WELLINGTON COAL CLEANING PLANT

COURSE REFUSE PILE

Ref. Dwgs. E9-3342	Drawn: RMC 3-4-81
Approved: GHS 3-4-81	C9-1217
Scale: As Shown	

UMC 784.13 Reclamation Plan - West of the Price River

(a) The disturbed areas occupied by the coal cleaning plant buildings, railroad tracks, roads and structures are projected for more than 30 years of future operation. It is probable that the plant area including the plant railroad track will continue as an industrial land classification in the event the operator abandons the area. However, the reclamation plan will be based on a return of the disturbed area to undeveloped land if abandoned by the operator.

(b) (1) The execution of the reclamation plan will begin with the decision to terminate the operation of the coal cleaning facilities and a return of the disturbed land to an undeveloped land classification as follows:

Year 1

Dismantle and remove all steel structures and buildings.

Year 2

Demolish the concrete, piers and foundations to at least one foot below ground level. Rip the road surfaces.

Year 3

Grade the surface area to the final contour and seed for revegetation at the first planting season after preparation of the surface.

(2) See Appendix D for the estimated cost of reclamation.

(3) The disturbed areas to be reclaimed are at or near the predisturbance grade level. The requirement for surface grading will be limited. The coarse waste pile will be constructed in accord with Cross Section C9-1217.

(4) Topsoil

The operator will establish a topsoil storage area and remove up to 12 inches of the toplayer of soil from the area of encroachment of the coarse refuse pile. The topsoil will be placed in the topsoil storage area or immediately redistributed to areas prepared for reclamation. The operator will consult with the SCS to determine an effective cover of non-noxious, quick growing annual and perennial plants, seeded during the first normal period after removal for planting.

The stored topsoil at the time of reclamation, after the final grading to contour of the coarse waste pile will be redistributed to achieve uniform thickness to achieve a condition that will be in accord with the final land use as undeveloped land and the contiguous undisturbed areas.

It is pointed out that the topsoil was not segregated from the material excavated prior to construction of the plant buildings. However, regrading to the original contour is expected to result in a soil cover that approximates the predisturbance condition.

(5) Plan for Revegetation

(i) Schedule of Revegetation

Revegetation of the disturbed areas will begin with the first planting and seeding season after preparation of the surface for seeding. The fall is reported to be the most favorable season for seeding with spring as the second choice.

(ii) Species and Amounts of Seed Per Acre

The largest disturbed area is contained in the Type 3A with Greasewood-Summer Cypress vegetation. The revegetation with the native species will be difficult. This area will be seeded with introduced species to establish a vegetative cover to permit the native plants to reinvade the area. The reclaimed area will be seeded with Yellow Sweet Clover at one pound per acre and Tall Wheatgrass at two pounds per acre.

The disturbed area occupied by the coarse refuse pile will have a topsoil cover. The Type 2B. Mat Saltbrush - Shad Scale - Galleta Grass vegetation described in Appendix E. This disturbed area will be seeded in accord with the following:

Type	Pounds/Acre
Grasses	
Galleta Grass	1
Indian Ricegrass	1
Forbs	
Desert Trumpet	2
Desert Plantain	1

Type	Pounds/Acre
Shrubs	
Mat Saltbrush	4
Shad Scale	4
TOTAL	13

The operator will also seed with introduced species to establish a quick cover at a rate of one pound each per acre of the following:

Crested Wheatgrass
Tall Wheatgrass
Sweet Clover

(iii) Method to be Used in Planting and Seeding

The areas that are prepared for seeding will be seeded with a range drill

(iv) Mulching Techniques

The areas after seeding will be mulched with straw or other suitable mulching material.

(v) Irrigation is not a part of the revegetation plan.

(vi) Measures to be Used to Determine the Success of Revegetation

The operator, five years before the beginning of reclamation will establish the criteria to measure the success of the revegetation using USDA or USDI Technical Guidance Procedures as appropriate.

(vii) Soil Testing Plan

The soil will be tested for the soil amendments required to establish vegetation in accord with the vegetation plan.

(6) Does not apply.

(7) Acid-forming and toxic forming materials are not present

(8) The well at the pump house will be filled with area soil.

(9) The activities during reclamation will include, removal of the plant buildings, structures and railroad, demolition of the concrete piers, and foundations, grading to the final surface contour, surface preparation for seeding and reseeding. The operator will take the following actions during reclamation to comply with the requirements of the Clean Air Act and the Clean Water Act:

1. The present surface configuration of the plant property precludes precipitation event runoff entering the streams that pass through or leave the area. The operator does not project a problem with runoff water.

2. The materials that will result from demolition will be non toxic and non-acid forming, will be suitable for burial and will not affect ground water.

3. The operator will water unpaved roads as necessary to control fugitive dust.

4. The speed of vehicles will be restricted to reduce fugitive dust caused by travel.

5. The travel of vehicles will be restricted to established roads.

6. The newly graded and seeded areas will be mulched.

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(c) Applies to an underground mining operation.

(d) Applies to an underground mining operation.

UMC 784.15 Reclamation Plan: Post Mining Land Uses

(a) (1) The land will be returned to its pre-mining use of undeveloped land. The capacity of the disturbed land west of the Price River to support a variety of uses is enhanced by the plant railroad tracks and the proximity of the disturbed areas to these tracks. This land is most suitable for industrial use. The poor soil and absence of water preclude use as grazing or crop land.

The capacity of the disturbed land east of the Price River is limited to undeveloped land due to poor soil and undeveloped water supply. The soil types are not suitable for grazing or crop land and do not provide more than limited forage for wildlife.

(2) The post disturbance land use is the same as the pre-disturbance land use.

(3) Applies to an underground mining operation.

(b) The operator is the owner of the surface areas to be reclaimed.

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UMC 784.17 Protection of Public Parks and Historic Places

There are no known public parks, or historic places listed or designated as historic pursuant to Federal, State, or local law that will be affected by the present or future operating of the coal cleaning plant.

UMC 784.18 Relocation of Use of Public Roads

The permit area is within less than 100 feet of a public road. The operator claims valid existing rights to occupy the permit area since these areas have been occupied since 1958.

UMC 784.19 Underground Development Waste

This section does not apply since it addresses underground coal mining.

UMC 784.20 Subsidence Control Plan

Since there is no underground coal mining operation at this location, subsidence is not a concern.

UMC 784.21 Fish and Wildlife Plan

(a) The operators reclamation plan is based on a return of the permit area to undeveloped land. A review of the SCS soils descriptions indicate a low potential for development of these areas as grazing or wildlife habitats.

The operators employees do not unnecessarily interfere with the wildlife that inhabits the ponds and wetland area. However, the conduct of the cleaning plant operations requires daily inspection visits to the pond areas.

The Utah Division of Wildlife Resources provided a Fish and Wildlife plan for the permit area. The plan is on file and will be referenced as necessary in the plant area operation and reclamation.

(b) It is not anticipated that the operation of the coal cleaning plant will impact the pond or wetland communities. However, it is pointed out that termination of the plant operation will probably terminate these habitats.

UMC 784.23 Operation Plan: Maps and Plans

(a) There are no underground mining activities at this location. The existing disturbances will continue. The projected future disturbances associated with the operation of the coal cleaning plant if any will be minor except for the expansion of the Coarse Refuse Pile near the cleaning plant and the continuing placement of refuse from the coal cleaning plant in the pond areas east of the Price River.

(b) (1) See map E9-3341 for the location of plant buildings and facilities to be used. There are no utility corridors through the area. The Denver and Rio Grande Western Railroad is adjacent to the coal cleaning plant.

(2) There will be no affected land as a result of underground mining.

(3) See map E9-3339 for areas of land for which a performance bond will be posted (disturbed areas).

(4) The raw coal is received in railroad cars which are dumped into a trackhopper. The raw coal passes through the coal cleaning facility to reloading into railroad cars. Ground storage of raw coal and clean coal is not a part of the operating plan.

(5) See map E9-3341 for the location of coal preparation waste disposal areas. The operator does not plan the disposal of mine development waste in this area.

(6) See map C9-1212 for water diversion, collection, conveyance, treatment and storage in the area. There is no known discharge of water from the area except through pond evaporation and heat dryer discharge as water vapor.

(7) The source of the waste that is pumped to the refuse ponds and hauled to the coarse refuse disposal is the coal cleaning plant.

(8) There are no facilities that are designed or operated to enhance fish and wildlife. However, the ponds have become a habitat for fish and nesting and feeding areas for geese and ducks. A small wetland area has developed in a portion of the fields between the plant and the river and is inhabitated by wetland birds. It can be anticipated that abandonment of the plant will terminate the water in these areas and the continuation of these habitats.

(9) There is no explosive or storage handling facility at the coal cleaning plant.

(10) See map E9-3341 for ponds, impoundments and coal processing waste disposal areas.

(11) See map E9-3342 for the final configuration to be achieved for the affected areas.

(12) See map C9-1212 for the location of water monitoring points.

(13) See map E9-3341 for the structures which are expected to remain after reclamation.

UMC 784.24 Transportation Facilities

(a) The plant roads, conveyors, railroad, and refuse pumpline are shown on map E9-3341. The road from the gate to the coal cleaning plant is a blacktopped surface some 12 feet wide and is relatively flat. The plant railroad tracks are on engineered grades to facilitate the movement of railroad cars within the plant area. The highway and railroad bridge that span the Price River at the entrance to the plant property are engineered structures. The culverts under the plant railroad tracks were installed in accord with the engineered plans at the time of construction.

(b) There are no steep cut slopes within the plant area.

(c) Relocation of any natural waterway is not in the future planning at the coal cleaning plant.

(d) The relatively flat plant area eliminates any requirement for protection of inlay end culverts.

(e) The plant roads other than the main road into the plant are unimproved with a top cover of coal cleaning waste as necessary for stability.

UMC 784.25 Return of Coal Processing Waste to Abandoned Underground Workings

The return of coal processing waste to underground workings is not a part of the plan.

UMC 784.26 Air Pollution Control Plan

(a) The coal cleaning plant is not located in a non-attainment area. The operator does not plan to install an air monitoring program at the coal cleaning plant.

(b) The present measures in use to reduce fugitive dust emissions at the cleaning plant include.

(1) The road from the main gate to the plant parking lot and the parking lot is a blacktopped road.

(2) The speed of vehicles in the plant area is restricted.

(3) The travel of unauthorized vehicles on other than established roads is restricted.

(4) The plant receives coal in railroad cars and ships in railroad cars. The operator does not ground store raw or clean coal at the coal cleaning plant.

(5) The clean coal loading chute is telescoping to reduce the fall distance when loading into the railroad cars.

(6) The operator pumps the major portion of the plant refuse to the disposal area using water as a transport medium.

(7) In the event it becomes necessary to control fugitive dust as a result of operations, the operator will sprinkle the source areas or chemically stabilize as determined to be the best available control technology.

APPENDIX A

LIST OF VIOLATIONS

Cumberland District, Waynesburg, Pennsylvania

1. Date: September 21, 1978
   Regulatory Authority: Pennsylvania Department of Environmental Resources
   Description: Notice of Violation issued to reapply for Thermal Dryer operating permit.
   Action: Permit application submitted to satisfy NOV requirements

2. Date: October 11, 1978
   Regulatory Authority: Pennsylvania Department of Environmental Resources
   Description: Notice of Violation for alleged black water discharge.
   Action: To avoid time and expense of litigation, settlement was reached with the DER to pay the sum of $250 to each of the following funds: Pennsylvania Clean Water Fund; Pennsylvania Fish Fund

3. Date: May 28, 1980
   Regulatory Authority: Office of Surface Mining
   Description: NOV for alleged noncompliance with the following Interim Surface Mining Control and Reclamation Performance Standards:

   a) 30 CFR 710.11(a) (2) diverted the flow of a perennial or intermittent stream.

   b) 30 CFR 717.17(a) inadequate sediment ponds or other structures.

   c) 30 CFR 717.17(c) inadequately maintained diversion ditch.

   d) 30 CFR 715.16(a) failure to remove or segregate topsoil prior to surface disturbance.

   Action: Remedial action was taken for item a) and the violation was abated.

   A sediment pond and diversion ditches were installed in prep plant area to partially abate violation b); however, cessation orders were issued on part of item b) and on item c). See details in part seven (7) below.

   Item d) was abated as it was being written.

4. Date: July 2, 1980
Regulatory Authority: Office of Surface Mining
Description: Notice of Violation for failure to post signs at plant entrance gates showing all I. D. numbers, as stated in 30 CFR 717. 12(b).
Action: Signs were posted to abate violation.

5. Date: July 9, 1980
Regulatory Authority: Pennsylvania Department of Environmental Resources
Description: Notice of Violation of the Clean Stream Laws of Pennsylvania as a result of May 8 and June 26,1980 inspections. Unpermitted discharge from Equalization Pond was entering Whiteley Creek by way of overflow weir at the pond. Other violations of the Clean Stream Laws were the same as OSM violations listed in item 3 b) above.
Action: Relative to the Equalization Pond discharge, the pond was dredged and no longer discharges over the weir.

6. Date: August 7, 1980
Regulatory Authority: Pennsylvania Department of Environmental Resources
Description: Notice of violations of the Clean Stream Laws of Pennsylvania for alleged discharging from emergency pond without a permit.
Action: In a meeting with PennDER it was indicated that a two-inch (2") line was being installed from the emergency pond to the raw water pond, and that unpermitted discharge had ceased.

7. Date: September 2, 1980
Regulatory Authority: Office of Surface Mining
Description: Cessation orders were issued ceasing operations at the raw coal stockpile, the refuse area transfer bin, and the refuse area eastern haul road because of failure to abate violations of May 28, 1980 (items 3 b) and 3 c) above).
Action: Remedial work was done to provide for total drainage control at the raw coal stockpile and refuse area bin and the cessation order covering these areas was lifted.
Status: Work is near completion on the eastern haul road and the cessation order covering that should be lifted shortly.

Frick District, Uniontown, Pennsylvania

Dilworth Mine

1. Date: June 11, 1978
   Regulatory Authority: Pennsylvania Fish Commission
   Description: Alleged spill of disinfectant fluid from Dilworth Mine into a creek resulting in loss of fish and acquatic life.
   Action: To avoid the time and expense of litigation, settlement was reached with the Fish Commission to pay the sum of $200.00 to the Pennsylvania Fish Fund.

2. Date: December 13, 1979
   Regulatory Authority: OSM
   Description: OSM inspection resulted in issuance of NOV No. 79-I-31-45. NOV for alleged noncompliance with the following Interim Surface Mining Control and Reclamation Performance Standards:

   (1) 30 CFR 717.17(a) - Failure to pass all surface drainage from the disturbed area through sediment ponds.

   (2) 30 CFR 717.17(a) - Failure to meet effluent limitations for TSS.

   Action: Remedial action taken with NOV terminated March 19, 1980.
   Status: Assessment conference held May 9, 1980, resulting in a revised assessment reduced to $2300.00. Assessment paid to avoid time and expense of litigation.

3. Date: March 19, 1980
   Regulatory Authority: OSM
   Description: OSM inspection resulted in issuance of NOV 80-1-31-6. NOV for alleged noncompliance with the following Interim Surface Mining Control and Reclamation Performance Standard:

   (1) 30 CFR 717.17(a) - Failure to install adequate sediment ponds or other structures to control runoff.

   Action: Remedial action taken with NOV terminated on May 22, 1980.
   Status: Assessment conference was held September 11, 1980, with the outcome pending as of September 30, 1980.

Robena Mine

1. Date: July 23, 1980
   Regulatory Authority: Pennsylvania Department of Environmental Resources
   Description: Letter received from DER notifying USSC that Robena Slope has an alleged unauthorized discharge. Same letter gave notice of an alleged unpermitted discharge at the Robena Mine rock disposal area at Colvin. Same letter gave notice of a non-complying discharge from the Robena Slurry Pond No. 4.
   Action: Frick District has submitted a response to these allegations but DER has not replied as of September 30, 1980.

Robena Preparation Plant and Refuse Area

1. Date: April 9, 1980
   Regulatory Authority: OSM
   Description: OSM inspection resulted in issuance of NOV 80-1-31-7. NOV for alleged noncompliance with the following Interim Surface Mining Control and Reclamation Performance Standard:

   (1) 30 CFR 717.17(a) - Failure to pass all runoff through a sediment pond.

   (2) 30 CFR 717.17(a) - Failure to meet numerical effluent limitations for TSS:

   Action: Remedial action taken with NOV terminated on June 10, 1980.
   Status: Assessment conference was held September 11, 1980, with the outcome of the conference pending as of September 30, 1980.

Frick District

1. Date: August 18, 1980
   Regulatory Authority: Pennsylvania Department of Environmental Resources
   Description: A letter was received from DER notifying USSC that we were in violation for operating an illegal solid waste disposal site. The site was an old mine site area where local residents were dumping trash.

Action:	Administrative action required the submission to EPA of a contingency plan which could be implemented during periods of noncompliance to minimize the severity, duration, and overall environmental impact of periods in which effluent limits are exceeded.
Status:	Action completed.

Southern District, Fairfield, Alabama

Concord Mine

1. Date: June 7, 1979
   Regulatory Authority: Alabama Surface Mining and Reclamation Commission (NOV 79-HVR-057)
   Description: NOV for noncompliance with the following Interim Surface Mining Control and Reclamation Performance Standards:

   (1) 30 CFR 717.17(a) - Failure to pass surface drainage from the mine site through a sediment pond.

   (2) 30 CFR 717.12(b) - Failure to display mine and permit identification signs at each point of access from public roads.

   Action: Remedial action by USSC to implement compliance program approved by regulatory authority. No other administrative or judicial action taken by regulatory authority.

Oak Grove Mine

1. Date: June 7, 1979
   Regulatory Authority: Alabama Surface Mining and Reclamation Commission (NOV 79-HVR-058)
   Description: NOV for noncompliance with the following Interim Surface Mining Control and Reclamation Performance Standards:

   (1) 30 CFR 717.17(a) - Failure to pass surface drainage from Emergency Coal storage area through a sediment pond.

   (2) 30 CFR 717.12(b) - Failure to display mine and permit identification signs at each point of access from public roads.

   Action: Remedial action taken with NOV terminated on 5-5-80. No other administrative or judicial action taken by regulatory authority.

NPDES Noncompliance Incidents

These exceedances have been included with this reporting list only because the EPA Region IV has established the policy of responding to Discharge Monitoring Report exceedances with a notice of noncompliance letter. Facts concerning the violations, corrective actions taken, and time compliance with effluent limitations are provided to Region IV prior to their NOV letter. Judicial action has not been taken by Region IV on the noncompliance notifications.

The following noncompliance incidents involving exceedances of NPDES permit effluent limitations were reported to EPA Region IV by USSC:

Date	Mine	Parameter
05-18-78	Concord	Fecal Coliform
06-19-78	Oak Grove	pH
06-19-78	Concord	pH
09-06-78	Concord	Fecal Coliform
10-10-78	Oak Grove	Fecal Coliform
05-08-79	Oak Grove	Fecal Coliform
09-19-79	Oak Grove	Fecal Coliform
11-27-79	Concord	Fecal Coliform
03-26-80	Oak Grove	TSS
07-09-80	Concord	TSS

Lynch District - Lynch, Kentucky

District Coal Handling Facilities

1. Date: May 24, 1979
   Regulatory Authority: Kentucky Division of Water
   Description: Black water coming from abandoned mine which City of Lynch uses for water supply. Source not known at time of visit. Water usually runs clear. Receiving stream blackened with coal fines for 1 or 2 miles below mine site.
   Action: Search disclosed surface water from nearby belt line entering water from mine. Fire hose found sending water down into mine with coal fines entering creek. Corrected shortly thereafter.
   Status: September 25, 1980 - no additional correspondence from Kentucky Division of Water on file.

No. 32, 33, 35, 37 Mines 7 South Main

1. Date: July 25, 1978
   Regulatory Authority: EPA - Region IV - Violation
   Description: Excessive fecal coliform effluent limitations at sewage plan -- in violation until compliance achieved.
   Action: Letters to EPA and Ky DNREP dated 4-12-78.
   Status: 9-25-80 no additional correspondence from EPA on file.

Corbin Preparation Plant

1. Date: February 23, 1979
   Regulatory Authority: Kentucky Division of Water Quality Violation - receiving stream.
   Description: Receiving stream clouded by discharge/runoff. Receiving stream black from reject haulers.
   Action: Conference with J. Kennison on 2-27 or 2-28 regarding runoff problems.
   Status: 9-25-80 - no additional correspondence from KDW on file.

Corbin Preparation Plant (Cont'd)

2. Date: March 6, 1979
   Regulatory Authority: Kentucky Division of Water Quality - Violation
   Description: Working status of settling basins unsatisfactory - discharge to receiving stream black for one and one-half miles - black water escaping from emergency pond through old 8-inch line.
   Action: Removal of culvert and packing of space with earth-connection completed within 2 to 3 hours.
   Status: 9-25-80 - no additional correspondence from KDW on file.

3. Date: November 5, 1979
   Regulatory Authority: EPA Region IV Violation - Condition 6
   Description: Discharge monitoring reports for April-May-June not received by their office.
   Action: Letter R. L. Andes to Taimi (EPA) dated 11-20-79 transmitting additional copies and letter of material submitted on 7-13-79 reporting the April, May and June quarter. Requested withdrawal of NOV.
   Status:

4. Date: January 11, 1980
   Regulatory Authority: OSM Region II - Violation 80-2-46-2 Parts 1 & 2
   Description:
   (1) Failure to meet effluent limitations on discharges from below South end of bridge adjacent to plant and below plant runoff pond at No. portion/permit and runoff of road adjacent to RR tracks on Eastern portion of permit.
   (2) Failure to pass all drainage from disturbed area through a sediment pond or series of sediment ponds.
   Action:
   (1) Install temporary sediment control to eliminate any discharge in excess of established effluent limitations. TFA = 02-08-80 @ 8:00 a.m.
   (2) Construct temporary sediment control which will bring discharge within effluent limitations. TFA = 02-08-80
   Status:
   (1) Terminated 01-21-80
   (2) Terminated 01-21-80

Corbin Plant (Cont'd)

5. Date: July 31, 1980
Regulatory Authority: EPA Region IV Violation
Description: Excessive effluent limitations for period ending 03-31-80.

Action:
Status:

No. 32 Mine

1. Date: September 5, 1979
Regulatory Authority: OSM Region II Violation 79-2-64-11
Description: Failure to pass surface drainage through sediment pond or series of sediment ponds. 717.17(a).

Action: Construct temporary sediment control until permanent control established. TFA = 05-11-79 @ 9:00 a.m. Remedial measures completed 07-11-79

Status: Terminated - no penalty assessed.

2. Date: November 7, 1979
Regulatory Authority U. S. OSM - Region II Violation 79-2-46-20
Description: Failure to have plans approved by state regulatory authority for disposal of excess rock and earth material from underground workings in surface areas.

Action: Submit plans to State regional authority for approval/permit.
TFA = 79-12-06 - Modified by Inspector on 79-12-06. Extended TFA = 79-12-20 Application/Review 79-12-04. Remedial measures completed 79-12-20.

Status: Hearing 3-12-80 - no penalty.

3. Date: May 8, 1980
Regulatory Authority: U. S. OSM - Region II Violation 80-2-103-22
Description: Failure to pass all drainage from disturbed area through sediment pond or series of sediment ponds.

Action: Provide silt control for disturbed area so that all water meets effluent limitations. Water shall be impounded on fill portions of bench - shall not be directed over side areas. TFA = 07-28-80

Status: 07-10-80, Remedial measures are complete.

No. 32 Mine (Cont'd)

4. Date: May 8, 1980
Regulatory Authority: Kentucky BSMRE - Noncompliance 2367
Description: Coal removal from area permitted as existing access road operator has no permit for coal removal - possible spoil on downslope.
Action: 08-06-80 - Informal hearing (RLA, JWB, LK) 9:00 a.m. at Frankfort office of BSMRE.
Status: Dismissal order (approved by Dept. Secretary Swigart 08-15-80) transmitted w/letter DNREP dated 08-19-80.

33 Winifrede Mine

1. Date: 09-05-79
Regulatory Authority: OSM Region II - Violation 79-2-64-12
Description: Failure to pass all surface drainage through sediment pond or series of sediment ponds 717.17(a) of 30 CFR
Action: Construct temporary control until permanent control established. TFA = 11-05-79 at 9:00 a.m. Modified on 11-07-79, abatement time extended on 11-09-79 at 8:00 a.m.
Status: 11-20-79, Remedial measures completed.

2. Date: 11-07-79
Regulatory Authority: OSM Region II - Violation 79-2-46-21
Description: Failure to have plans approved by state regulatory authority for disposal of excess rock and earth materials from underground workings in surface areas.
Actions: Submit plans for surface disposal area to state for approval. TFA = 12/06/79 at 8:00 a.m. Application/Review 12/05/79: T. R. Lloyd. Abatement time extended to 12/20/79 by Inspector (12/06/79) to complete submittal A/P
Status: 12/20/79, Remedial measures completed.

33 Winifrede Mine (Cont'd)

3. Date: 9-14-79
Regulatory Authority: Kentucky Division Air Pollution Control - Violation.
Description: KRS 224.330 and 225.330; KAR 50:035 Section 1(3) essentially - no permit to operate (or none currently in effect)
Action: Letters from RLA (09-24-79) explained that "Winifrede" and "North Winifrede" are same mine - "North Winifrede" improper reference.
Status: Labeled (by DAPC) by Mr. Welch, a "misunderstanding" "now cleared up" - requested additional information, submitted by us 11-17-79. Permit No. 0-80-23 issued 03-12-80 covering operations here (+32 & 35).

4. Date: 05-28-80
Regulatory Authority: OSM Region II - Violation 80-2-103-20
Description: Failure to comply with effluent standards set for suspended solids on water discharged from disturbed area.
Action: Provide silt control D-23 yard or remove drain pipe and seal permanently. At D & E Hdg. - clean out existing temporary silt control. Provide additional temporary control and maintain properly until permanent silt control is installed. TFA 6/27/80 at 8:00 a.m.
Status: 5/28/80 - Remedial measures completed

35 South Winifrede Mine

1. Date: 02-15-78
Regulatory Authority: Environmental Protection Agency (EPA)
Description: Excessive TSS limitation at sewage plant - in violation until compliance achieved.
Action: Letter to RLA to Taimi (EPA) dated 5/2/78 noting compliance achieved - request withdrawal of NOV

2. Date: 07-25-78
Regulatory Authority: EPA - Violation
Description: Excessive TSS limitation at sewage plant - in violation until compliance achieved.

35 South Winifrede Mine (Cont'd)

3. Date: 09-05-79
Regulatory Authority: OSM - Region II - Violation 80-2-64-13
Description: Failure to pass all surface drainage through sediment pond or series of sediment ponds.
Action: Construct temporary sediment control until permanent sediment control is established. TFA = 11/5/79 at 9:00 a.m.
Status: 11/7/79, Remedial measures completed.

4. Date: 9-14-79
Regulatory Authority: Kentucky Division of Air Pollution Control
Description: KRS 224.033 & 225.330 of KAR 50:035 Section 1(3) essentially - no permit to operate (or none is currently in effect)
Action: Letter from RLA (9/24/79) - followed by site visitations/conference w/DAPC reps. - submittal application on 11/17/79, additional info. (at req. of DAPC) submitted 12/15/79. Permit to operate received, dated 3/12/80. Permit No. 0-80-23, File No. 101-1640-0095.

5. Date: 11/05/79
Regulatory Authority: EPA Region IV - Violation Cond. 6.
Description: Discharge Monitoring Reports for April-May - June period not received by their office.
Action: Letters RLA to Taimi (EPA) dated 11/20/79 transmitting additional copies and letters submitted 7/13/79 reporting April-June quarter - request for withdrawal of NOV

6. Date: 07/16/80
Regulatory Authority: EPA Region IV - Ref. Para. 10 pg. 3/14
Description: Sampling results of additional monitoring (temporary bypasses) to be reported quarterly with regular DMR's.
Action: Letter REY to Taimi (EPA) dated 9/20/80 and additional monitoring results for bypass samples.

7. Date: 07/31/80
Regulatory Authority: EPA Region IV
Description: Excessive effluent limitations (Page 2 of Permits for period ending 3/31/80.) (letter from EPA received 7/28/80

37 Mine

1.	Date:	6/14/79
	Regulatory Authority:	Kentucky BSMRE - Noncompliance
	Description:	1. Facing up non-permitted for underground mine 2. No silt control - provide temporary control
	Status:	9/25/80 - no additional correspondence from BSMRE on file.
2.	Date:	5/25/80
	Regulatory Authority:	OSM Region II - Violation 80-2-103-21
	Description:	Failure to provide adequate silt control for disturbed area as designed in approved permit - Section 521(a)(3) of 30 CFR.
	Action:	Install temporary silt control and maintain until permanent control is established. TFA = 7/28/80 at 8:00 a.m.
	Status:	7/10/80 - remedial measures completed

7-South Main Mine

1.	Date:	7/25/78
	Regulatory Authority:	EPA - Region IV - Violation (Prev. qtr.)
	Description:	Excessive FC effluent limitations at sewage plant -- in violation until compliance achieved.
	Action:	Letters to EPA and Ky. DNREP from J. E. Young, Gen. Supt-Lynch District, dated April 12, 1978.
	Status:	9/25/80 - no additional correspondence for EPA on file.

Gary District -- Gary, West Virginia

No. 4 Mine

1. Date: 12-5-79
   Regulatory Authority: Office of Surface Mining (NOV 79-1-70-16)
   Description: The person has failed to pass all surface drainage and underground drainage removed from the mine through a sedimentation pond or series of sedimentation ponds prior to leaving the disturbed areas.
   Action: Pond design submitted to DNR for approval and a contractor was hired for cleaning and constructing ponds.
   Status: Violation terminated 1-29-80. No assessment.

2. Date: 11-17-78
   Regulatory Authority: West Virginia Department of Natural Resources
   Description: Failure to maintain waste water treatment facilities which resulted in black water polluting Harman Branch
   Action: Cleaned out pond to give additional detention time
   Status: Plea nolo contendere
   Fine $500 + $10 costs

No. 9 Mine

1. Date: 9-6-79
   Regulatory Authority: Office of Surface Mining (NOV 79-1-70-13)
   Description: 1. The person has placed material on the downslope below road cuts, mine workings or other benches. 2. The person has failed to routinely maintain the haulroad by means of wetting, scraping, or surfacing. 3. The person has failed to routinely maintain the haulroad by ditches, culverts, debris basins and other structures serving the drain the area.
   Action: Violation No. 2 vacated 9/21/79 - Not haulroad.
   Violation No. 3 vacated 9/21/79 - Not haulroad.
   Violation No. 1 terminated 9/21/79 - downslope material covered, stabilized and revegetated.
   Status: United States Steel assessed $2,000 for violation No. 1, no penalty for Violation No. 2, assessed $1800 for violation No. 3. United States Steel requested a conference to review proposed assessments (10/5/79). No date set for review.

No. 9 Mine (Cont'd)

2. Date: July 25-27, 1979
Regulatory Authority: Office of Surface Mining (NOV 79-1-26-28)
Description: 1. Material has been placed on downslope below the road cut, mine working or other benches. 2. The person has failed to pass all surface drainage from the disturbed area through a sedimentation pond or series of sedimentation ponds prior to leaving the disturbed area. 3. The person has failed to obtain the approval of the regulatory authority of a program for monitoring ground water, subsurface flow, and storm characteristics, and the quality of ground water and has failed to perform such monitoring.
Action: Trash and black material on the outslopes were covered with earth, regraded and revegetated. Ponds were constructed and riprapped. Plans for surface and ground water monitoring plans were approved by DNR August 28, 1979.
Status: 1. Notice abated 7-25-79
2. Notice abated 7-25-79
3. Notice terminated
Violation No. 2 was assessed $1400. USS filed application for review 8-24-79. No date set for review.

No. 14 Mine

1. Date: November 28, 1979
Regulatory Authority: Office of Surface Mining (NOV 79-1-32-7)
Description: The person failed to pass all surface drainage from the disturbed area through a sediment pond of series of sediment ponds.
Action: Ponds at base of refuse area cleaned and revegetated
Status: $360 Find paid 8-4-80 - Requested hearing.

No. 20 Mine

1. Date: 4-24-80
Regulatory Authority: West Virginia Department of Natural Resources
Description: Stream Pollution - Grapevine Branch off Beech Creek
Status: Plea nolo contendere
Fined $100 + $10 cost

No. 20 Mine (Cont'd)

2. Date: 8-21-79
Regulatory Authority: Environmental Protection Agency (Administrative Order No. III-79-123-DW)
Description: "Failure to submit Discharge Monitoring Report for period 12-78 through 3-79" - No. 20 Mine & Prep. Plant.
Action: Proof submitted to EPA that we did, in fact, submit Discharge Monitoring Report as required by the NPDES permit.

3. Date: July 12, 1979
Regulatory Authority: Office of Surface Mining (NOV 79-1-49-2)
Description:
1. The person has failed to submit for approval by the regulatory authority a surface water monitoring program which meets the requirements of 30 CFR 717.17 (b)(1).
2. The person has constructed a permanent diversion that does not safely pass the peak runoff from a 100-year precipitation event.
3. The person has discharged or diverted surface and ground water into underground mine workings.
4. The person has failed to establish a diverse, effective and permanent vegetative cover capable of self-regeneration and adequate to control soil erosion.
5. The person has failed to pass all surface drainage from the disturbed area through a sedimentation pond or series of sedimentation ponds.
6. The person has failed to routinely maintain access haulroads by wetting, scraping or surfacing. Ditches have been allowed to become blocked or restricted in a manner that impedes drai nage.

Action:
1. Already had DNR Water Pollution Control Permit. Notice vacated 8-15-79
2. Already had MSHA Permit 1211WV40505 - Diversion Constructed - Notice terminated 9-7-79
3. Vacated because no violation exists - Vacated 7-13-79
4. Revegetated - Terminated 9-7-79
5. Passed all surface drainage through ponds Terminated 9-7-79
6. Roads ditched and maintained - Terminated 9-7-79

No. 20 Mine (Cont'd)

Status:

1. No penalty assessed
2. No penalty assessed
3. Vacated
4. No penalty assessed
5. Proposed assessment----$1900
6. Proposed assessment----$1600

Total proposed assessment $ 3500

Hearing requested by United States Steel

No. 50 Mine

1. Date: June 7, 1979

Regulatory Authority: Office of Surface Mining

Description: 1. Person has failed to pass all surface drainage from the disturbed area through a sedimentation pond or series of sedimentation ponds prior to leaving the permit area. 2. The person has failed to obtain approval of the regulatory authority of a surface water monitoring program which meets the requirements of Section 717.17(b)(1).

Action: 1. Ponds, sumps and berms were constructed to control runoff from disturbed areas and runoff passed through ponds as required. 2. A surface water monitor program was submitted to the DNR 6-28-79 and approved 7-20-79.

Status: 1. Violation terminated 9-18-79 -- Assessed $1500
2. Violation terminated 9-12-79 -- No assessment
United States Steel requested a conference to review the assessments 7-16-79. File Closed - Fine Paid - $1000.

Pinnacle Preparation Plant

1. Date: 7-6-80

Regulatory Authority: West Virginia Department of Natural Resources

Description: Black water entering Smith Branch -- found to be residual from prior spill and entering stream due to heavy rainfall.

Status: Fined $100 + $10 Cost. Plea nolo contendere

Pinnacle Preparation Plant (Cont'd)

2.	Date:	5-21-80
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Water pollution due to "failure to impound or treat all water with suspended solids greater than 70 ppm leaving the refuse disposal area."
	Status:	Plea nolo contendere - Fined $100 + $10 cost
3.	Date:	3-19-80 and 3-20-80
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Discolored material entering stream from refuse dump and access road due to heavy rainfall. Ponds installed and working at the time but apparently not sufficient to settle the suspended matter.
	Action:	Regrade and clean ditch line along access road, place rock on access road to help eliminate runoff, construct additional pond in emergency spillway and another pond downstream from refuse dump and add flocculent tc water to decrease settling time for suspended matter.
	Status:	Plea nolo contendere - Fined $100 + $10 costs
4.	Date:	3-4-80
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Water pollution due to leak in decanting flume at refuse impoundment.
	Action:	Modified decant flume and installed new system.
	Status:	Fined $2,500.00
5.	Date:	2-7-80
	Regulatory Authority:	Office of Surface Mining
	Description:	Person has discharged water from the disturbed area which fails to meet the minimum numerical effluent limitations for total suspended solids.
	Action:	Area in question seeded to prevent future pollution problem.
	Status:	Notice abated 3-24-80; Violation terminated 7-21-80 -- No Assessment.
6.	Date:	July 11, 1979
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Pollution of Pinnacle Creek caused by broken coupling on pipeline.
	Action:	Broken coupling was immediately detected and replaced. DNR notified of accidental spill.
	Status	Paid fine $100 + $10 costs

Pinnacle Preparation Plant (Cont'd)

7.	Date:	4-6-79
	Regulatory Authority:	Office of Surface Mining (NOV 79-I-43-13)
	Description:	1. Person has failed to pass all surface drainage from the disturbed area through a sedimentation pond of series of sedimentation ponds. 2. Person has discharged water from the disturbed area (from the discharge pipe of the most downstream sedimentation pond located on the north side of Pinnacle Creek) which fails to meet the minimum numerical effluent limitations for total suspended solids.
	Action:	Corrective measures in regard to the maintenance and cleaning of the sedimentation pond have been employed.
	Status:	United States Steel requested a conference to review the assessments on 5-10-79. File closed - Fine paid - $700.
8.	Date:	February 27, 1979
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Pollution of Pinnacle Creek, in violation of terms of Water Pollution Control Permit No. 5220.
	Action:	Black water was controlled and diverted to pond 2-27-79.
	Status:	Plea nolo contendere - Paid fine of $2500 + $10 costs.
9.	Date:	January 17, 1979
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Pollution to Pinnacle Creek from surface runoff
	Action:	Corrected immediately by channeling runoff into settling pond.
	Status:	Plea of nolo contendere - Fine $100 + $10 costs.
10.	Date:	December 7, 1978
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Water pollution from stockpile area during heavy rainfall.
	Action:	Retention pond capacity increased.
	Status:	Plea of nolo contendere - Paid Fine $100 + Costs $10

Pinnacle Preparation Plant (Cont'd)

11.	Date:	November 15, 1978
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Water pollution - runoff from coal stockpile entered lagoon and at some time black water overflowed through the overflow pipe and left a black residue at the point of ground contact.
	Action:	To prevent recurrance a filtering material was placed in the overflow pipe.
	Status:	Plea nolo contendere - Fine $100 + $10 costs.
12.	Date:	April 26, 1978
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Water pollution - failure to report water pollution
	Action:	Incomplete file
	Status:	Plea nolo contendere - Fine $200 + $20 costs.
13.	Date:	January 6, 1978
	Regulatory Authority:	West Virginia Department of Natural Resources
	Description:	Pollution caused by the drippage from coal hauling trucks entering the roadway after being loaded at the stockpile in inclement weather.
	Action:	Plant personnel were in process of constructing berm when citation was issued.
	Status:	Plea nolo contendere - Fine $100 + $10 costs.

Alpheus Preparation Plant

1.	Date:	December 5, 1979
	Regulatory Authority:	Office of Surface Mining (NOV 79-1-70-17)
	Description:	The person has failed to establish on all lands disturbed by the mining operation a diverse, effective and permanent vegetative cover capable of self-regeneration and plant succession and adequate to control soil erosion.
	Action:	Areas around ponds, diversion repair, diversion ditch and roads re-seeded with hydroseeder using required seed, fertilizer and mulch December 12, 1979.
	Status :	Violation terminated 12-14-79 - No assessment.

Western District -- East Carbon, Utah

Geneva Mine

1. Date: May 11, 1979
   Regulatory Authority: Office of Surface Mining (NOV 79-V-5-3)
   Description: Failure to pass surface drainage from the disturbed area through sedimentation ponds.
   Action: United States Steel Corporation appealed the violation on March 24, 1980 and July 22, 1980. The decision upheld the violation but suspended the penalty.
   Status: Nine sedimentation ponds were constructed. No penalty assessed.

2. Date: May 11, 1979
   Regulatory Authority: Office of Surface Mining (NOV-79-V-5-3)
   Description: Crossing stream fords not approved by the regulatory authority.
   Action: United States Steel has filed a request with the State of Utah for a stream crossing permit.
   Status: On July 19, 1979, the state issued permission for United States Steel to use the channel crossing facilities. Violation terminated on October 1, 1979. No penalty assessed.

3. Date: December 12, 1979
   Regulatory Authority: Utah State Division of Health
   Description: Sampling of point source discharge U-0022926-003 indicated that the Fecal Coliform allowance of 400/100 ml was exceeded by 1900/100 ml. Investigation showed that low chlorine pressure was noted on December 11, 1979.
   Action: The chlorine cylinder was replaced on December 13, 1979 which corrected the condition.
   Status: No further action by regulatory agency.

4. Date: April 23, 1980
   Regulatory Authority: Utah State Division of Health
   Description: Sampling of point source discharge 002 indicated that the total suspended solids daily maximum allowance of 30 mg/l was exceeded by 6.5 mg/l.
   Action: Previous samples of 002 indicate no pattern of high concentrations of suspended solids. There were no

Geneva Mine (Cont'd)

4. Action: (Cont'd) known changes in the dewatering system of Geneva Mine that would account for this out of compliance sample.

   Status: No further action by regulatory agency.

5. Date: May 7, 1980

   Regulatory Authority: Utah State Division of Health

   Description: Sampling of point source discharge 003 indicated that the oil and grease maximum allowance of 10 mg/l was exceeded by 41.80 mg/l. The total suspended solids 7-day period allowance of 30 mg/l was exceeded by 6.0 mg/l.

   Action: Previous samples of 003 indicate no pattern of high concentration of oil and grease or suspended solids. Investigation of the cause for this condition indicated no known reason that this should have occurred.

   Status: No further action by regulatory agency.

6. Date: August 13, 1980

   Regulatory Authority: Environmental Protection Agency.

   Description: Sampling of point source discharge 003 indicated that the oil and grease maximum allowance of 10 mg/l was exceeded by 2 mg/l.

   Action: United States Steel conducted an investigation on August 28, 1980 but was unable to identify a definite source of the material. The following steps are planned to attempt identification of the source and nature of the material reporting as oil and grease in the 003 point source discharge.

   1. Samples will be taken and analyzed from sources ahead of the treatment facility.
   2. Each time point source discharge is sampled for oil and grease a second parallel sample will be taken. This sample will be held until the results of the first sample are obtained.

   Status: No further action by regulatory agency.

7. Date: October 8, 1980

   Regulatory Authority: Utah State Division of Health

   Description: Sampling of point source discharge 003 indicated that the 7-day period allowance for total coliform

Geneva Mine (Cont'd)

7.	Description: (Cont'd)	of 2500 was exceeded by 2400. An investigation indicated that this condition was caused by a malfunction in the automatic chlorinator.
	Action:	The malfunction in the chlorinator has been corrected.
	Status:	No further action by regulatory agency.

Western District -- East Carbon, Utah (Cont'd)

Somerset Mine

1.	Date:	June 19, 1979
	Regulatory Authority:	Office of Surface Mining (NOV 79-V-5-12)
	Description:	Failure to pass surface drainage from the disturbed area through sedimentation ponds.
	Action:	Berms were constructed around the disturbed areas and straw bales have been placed at all locations where water is leaving the disturbed area.
	Status:	Violation terminated October 1, 1979. Fine $2100
2.	Date:	June 19, 1979
	Regulatory Authority:	Office of Surface Mining (NOV 79-V-5-12)
	Description:	Failure to use adequate sediment control measures to prevent additional contributions of sediment to streamflow.
	Action:	Small area exemptions were applied for and received on February 20, 1980 for the Bear and Hubbard Creek Fan and Substation Area.
	Status:	Violation terminated October 1, 1979. No penalty assessed.
3.	Date:	June 19, 1979
	Regulatory Authority:	Office of Surface Mining (NOV 79-V-5-12)
	Description:	Failure to remove or segregate and stockpile topsoil.
	Action:	A topsoil stockpile has been established at the site of the storage pad to cover the area when the transformers are removed from the site.
	Status:	Violation terminated October 1, 1979. No penalty assessed.
4.	Date:	June 19, 1979
	Regulatory Authority:	Office of Surface Mining (NOV 79-V-5-12)
	Description:	Failure to pass surface drainage from the disturbed area through the sediment ponds.
	Action:	Straw bales were placed at the entrance to the culverts to prevent the emission of suspended solids and/or toxic materials from the yard and facilities area.
	Status:	Violation terminated October 1, 1979 Fined $1300

APPENDIX B

PERSONAL INJURY AND PROPERTY DAMAGE INSURANCE

TAX DIVISION

United States Steel Corporation

600 GRANT STREET
PITTSBURGH, PENNSYLVANIA 15230

February 3, 1981

Colorado Mine Land Reclamation Board
State of Colorado

Subject: Personal Injury and Property Damage Insurance

Paragraph 2.03.9(4) of the Regulations of Colorado Mine Land Reclamation Board for Coal Mining states: "The Division may accept from the applicant, in lieu of a certificate for public liability insurance policy, satisfactory evidence from the applicant that it has satisfied applicable State or Federal self-insurance requirements." After an extensive search of both Federal and State regulations, we have not found nor has our telephone inquiries with state regulators disclosed any specified criteria for self-insurance requirements as part of this regulatory program.

Since we currently self-insure these exposures (at primary layers) and desire to continue to self-insure, we are enclosing financial reports (1979 Annual Report, 1979 10-K and Third Quarter 1980 10-Q) as evidence of our financial capability to self-insure. You will note from Page 23 of U. S. Steel's 1979 Annual Report that it has assets in excess of $11 billion, net worth of almost $5 billion and current assets exceed current liabilities by over $1 billion. Such financial capability far exceeds that of most property and casualty insurance companies. In addition, you will note from Page 21 of our 1979 Annual Report under the caption "Insurance" that while U. S. Steel does not purchase third party liability coverage at the primary levels, it does carry a catastrophe casualty insurance policy. This policy provides coverage of up to $300 million per occurrence.

We feel that the subject financial reports do provide evidence required by Paragraph 2.03.9(4) of the Regulations. If you have any questions regarding this subject, they should be addressed to undersigned at Room 2137, 600 Grant Street, Pittsburgh, Pa. 15230 or by telephone at (412) 433-5151.

Very truly yours,

S. N. Heltsley

S. N. Heltsley
Chairman, Insurance Committee

Enclosures

United States Steel Corporation

1979 ANNUAL REPORT

Seventy-Eighth Annual Report/United States Steel Corporation

600 Grant Street, Pittsburgh, Pa. 15230

STOCKHOLDER INFORMATION

Notice of Annual Meeting

The 1980 Annual Stockholders' Meeting will be held in San Francisco, California, in the Masonic Auditorium, 1111 California St., on Monday, May 5, 1980 at 10:00 A.M.

Availability of Form 10-K

The Form 10-K Annual Report to the Securities and Exchange Commission will be available in April. A copy may be obtained by writing to the Secretary, U. S. Steel Corporation, Room 6026, at the address listed below.

Availability of Order of the Securities and Exchange Commission (SEC)

On September 27, 1979, the SEC issued an Order instituting administrative proceedings regarding the adequacy of U. S. Steel's disclosures concerning environmental matters and accepting an offer of settlement which the Corporation submitted solely to settle the proceedings. A copy may be obtained by writing to the Secretary, U. S. Steel Corporation, Room 6026, at the address listed below.

Corporate Headquarters

600 Grant St., Pittsburgh, Pa. 15230

Telephone (412) 433-1121

Dividend Reinvestment Plan

Shareholders of record can automatically have their common stock dividends reinvested in additional shares of stock and/or purchase a limited amount of additional shares without any brokerage commission or service charge through U. S. Steel's Dividend Reinvestment Plan. For a prospectus explaining the plan in detail, write U. S. Steel Corporation, Stock Transfer Department at the address listed below.

Principal Stock Transfer Office

U. S. Steel Corporation, Stock Transfer Department
Room 3381, 600 Grant St., Pittsburgh, Pa. 15230
Telephone (412) 433-4801

Stock Exchange Listings

New York Stock Exchange, Midwest Stock Exchange
Pacific Stock Exchange, Montreal Stock Exchange

Independent Accountant

Price Waterhouse & Co.
600 Grant St., Pittsburgh, Pa. 15219

Stockholders—Common Stock

December 31, 1979

	Holders	Shares
Registered in name of:		
Individuals		
Women	93,422	13,674,552
Men	68,333	12,057,849
Joint Accounts	69,153	11,010,493
Total Individuals	230,908	36,742,894
Nominees, Brokers & Others	24,432	50,013,168
Total	255,340	86,756,062

No individual held of record as much as one-tenth of one percent of the common stock. Stock registered in the name of nominees, brokers and others is owned by insurance companies; various charitable, religious and educational organizations; pension funds; investment companies; trustees, custodians and estates; and others, including many individuals.

Note:

In this Report, amounts in round numbers are approximate. U. S. Steel refers to parent corporation, subsidiaries, or both, as required by context.

USS is a trademark of U. S. Steel.

U. S. Steel's new 5,000-ton-per-day computer-controlled blast furnace at Fairfield (Ala.) Works is operated from this closed circuit TV-equipped command post. A casting of molten iron from the furnace is shown at far right.

The Year 1979 for U.S. Steel—At a Glance

		Dollars in Millions (except as noted)		
		1979	1978	% Change
Sales	For the year	**$12,929.1**	$11,049.5	+17
Income (Loss)	Operating income (excludes items shown below)	**$ 261.5**	$ 286.1	− 9
	Interest, dividends, other income; and interest and other financing costs	**12.0**	(36.1)	
	Income before items shown below	**273.5**	250.0	+ 9
	Unusual items	**(949.9)**	—	
	Provision (credit) for United States and foreign income taxes	**(293.0)**	8.0	
	Income (loss) before cumulative effect on prior years of changes in accounting principles	**(383.4)**	242.0	
	Cumulative effect on prior years of changes in accounting principles	**90.4**	—	
	Income (loss)	**$ (293.0)**	$ 242.0	
	Income (loss) per share (in dollars)—primary			
	—before cumulative effect on prior years of changes in accounting principles	**$ (4.46)**	$ 2.85	
	—cumulative effect on prior years of changes in accounting principles	**1.05**	—	
	—Income (loss)	**$ (3.41)**	$ 2.85	
	Return on sales	**(2.3)%**	2.2%	
	Return on common stock equity—year-end	**(6.0)%**	4.6%	
Dividends and Income Reinvested	Paid as dividends—total	**$ 137.5**	$ 135.9	+ 1
	—per common share (in dollars)	**1.60**	1.60	—
	Income reinvested	**(430.5)**	106.1	
Plant and Equipment Expenditures	Spent in year—total	**$ 979.0**	$ 667.8	+47
	—environmental control	**215.0**	135.0	+59
	Authorized but unexpended at year-end	**1,030.0**	1,045.0	− 1
Working Capital	At year-end	**$ 1,045.9**	$ 1,363.8	−23
Capitalization	Total long-term debt, notes payable & minority interests	**$ 2,559.1**	$ 2,442.3	+ 5
	Redeemable preferred stock of consolidated subsidiary	**500.0**	500.0	—
	Common stock equity	**4,894.6**	5,281.0	− 7
	Total capitalization—year-end	**$ 7,953.7**	$ 8,223.3	− 3
Stockholders	Number at year-end	**255,340**	258,239	− 1
Common Stock Price	Year-end market price per share	**$ 17½**	$ 21¼	−18

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To the Stockholders

During the decade of the Seventies, significant progress was made by U. S. Steel in many areas, particularly in nonsteel businesses. However, many of the problems that plagued steel operations at the beginning of the decade still remain as current problems. These include inadequate productivity improvement, cost-price pressures, imports, environmental requirements, government regulation and capital shortages.

In 1979, your management team, fully supported by the Board of Directors, made a number of critical decisions—many unpleasant—but nevertheless essential for the long-term prosperity of the company. Included in these decisions were plans for the permanent shutdown of many marginal operations. Sales revenues from these operations amount to about five percent of total sales. However, with improved utilization of our remaining facilities, a significant amount of this potential revenue loss will not materialize.

Steel operations at Gary (Ind.) Works, South (Chicago, Ill.) Works, Fairfield (Ala.) Works and Texas Works were continued although currently unprofitable. Much of the steelmaking equipment at these locations is technologically modern and competitive. In addition, with the programs already under way, improvements in operating performance and productivity had already been accomplished by year-end. Further improvements are expected in 1980 even though the demand for steel is expected to be lower.

Operating income for 1979 was $261.5 million, compared with $286.1 million in 1978. However, as a result of certain unusual items (including an estimated provision for shutdown liabilities) partially offset by the effect of certain changes in accounting principles, a loss after taxes of $293.0 million was reported for the year, compared with net income of $242.0 million in 1978. (Details are covered beginning on page 4 and in Notes 3, 19, 20 and 21 to Financial Statements.)

We deeply regret the impact of the plant closings on the more than 11,000 employees, their families, and the communities in which the facilities are located. When it has been necessary to discontinue operations in the past, U. S. Steel has worked closely with the local communities in converting the sites to other job-producing, tax-paying businesses. Similar efforts are already under way to make the affected plant sites productive income sources for the communities and for their citizens.

U. S. Steel's benefit programs will greatly alleviate the financial impact of the closings on employees. Many are eligible for employment in other U. S. Steel plants. Virtually all are entitled to unemployment compensation, and most are also entitled to supplemental unemployment benefits. Nearly 70 percent of those affected qualify for immediate or deferred pensions. Those immediately pensioned will also continue to have life and health insurance benefits.

For many years, U. S. Steel and other steel companies have spoken out on the problems of inflation, unfairly priced steel imports, lagging productivity improvement, inadequate capital cost recovery allowances, direct and indirect control of steel prices, and unrealistic environmental control regulations. While these problems were not the sole reasons behind the shutdowns, they certainly played a major cumulative role in many of them. Without solutions to these problems, the domestic steel industry will not be able to revitalize and earn a competitive rate of return on the massive investments required. As a result, the industry will most likely be faced with more shutdowns and more lost jobs—and the United States will become more dependent on foreign producers to supply its steel needs, as it has with oil.

Looking to the Eighties

We are confident that U. S. Steel is starting the decade of the Eighties a stronger, more competitive enterprise. We will continue to invest in steel or other businesses where there is a competitive return. Our objective is to attain a competitive rate of return on assets employed in steel operations and those businesses—the nonsteel segments—whose success is not dependent on the Corporation's

being in the steel business. Our planning is geared to maximize the utilization of all assets and to take full advantage of manufacturing, marketing and financial strengths. This includes making the best use of those assets, such as land and mineral resources, that are not an integral part of our operating facilities, whether by joint venture, sale or direct investment.

In the past five years, U. S. Steel has invested over $4.3 billion in all of its businesses. Of this amount, $2.1 billion has primarily been for investments to reduce steelmaking costs, $1.6 billion for expansion and growth of nonsteel businesses, and $.6 billion for non-income producing environmental facilities.

To modernize, grow with markets and remain competitive, capital needs of U. S. Steel and the domestic steel industry in the next decade will be more than double the level of spending in the past ten years. This can be accomplished if there is provision in our tax laws for competitive capital recovery allowances, if there are improved cost-price relationships, if there is increased productivity, and if trade laws are enforced. Until these changes occur, however, it is essential to direct available funds where they will provide the greatest return. During both the past five year period and the past ten year period, U. S. Steel's nonsteel businesses have been profitable and virtually self-sufficient in terms of cash flow. The steel business has not. Until the economics of steel investments improve, the only responsible choice is to direct discretionary capital spending in steel toward maximizing return on investments already in place—not for major expansion of capacity to meet growing domestic steel demand.

We have established the foundation for improved profitability in both steel and nonsteel businesses. Our job, however, is not complete. We must now build on this foundation by making our remaining facilities more competitive. We are confident that we will meet this challenge and that the Eighties will be a decade of progress for U. S. Steel.

Chairman, Board of Directors

February 26, 1980

* * * * * *

The year was darkened by the death of Edgar B. Speer, former Chairman of the Board and Chief Executive Officer. Throughout his 41 years with the Corporation, Ed Speer's influence and contributions extended not only to U. S. Steel, but to the American steel industry and the world steel industry as well. He was a true man of steel in every sense.

The Year 1979

FINANCIAL SUMMARY

Income before unusual items, taxes on income, and the cumulative effect on prior years of changes in accounting principles was $273.5 million in 1979, compared with $250.0 million in 1978. After all charges, a loss after taxes was reported for the year in the amount of $293.0 million, compared with income of $242.0 million in 1978. (Details of unusual items and changes in accounting principles are covered below and in Notes 3, 19, 20 and 21 to Financial Statements.)

Steel Manufacturing reported an operating loss for the year of $102.5 million, compared with operating income of $25.5 million in 1978. Operating income for the nonsteel business segments improved significantly in 1979.

Charles G. Schwartz
Secretary

Marion G. Heatwole
General Counsel

W. Bruce Thomas
Executive Vice President—Accounting and Finance

William R. Roesch
President

David M. Roderick
Chairman of the Board

FACILITY SHUTDOWNS

Following a comprehensive review of all operations, management recommended and the Board of Directors approved the permanent shutdown of a number of facilities. Operations at these facilities have been marginal and, in total, recorded losses in each of the last four years.

The estimated provision for shutdown of facilities charged to income in 1979 was $808.6 million before tax provisions. The principal item, about $413.3 million, is for benefits to which affected employees are entitled—including early pensions, continued life and health insurance, supplemental unemployment, and severance pay. The remaining provision covers the depreciated book value of the assets, dismantling expenses, contract termination costs, and estimated losses until shutdown is complete.

Steel Manufacturing

Major facilities being permanently shut down include Youngstown (Ohio) Works; New Haven (Conn.) Works; Torrance (Cal.) Works; Joliet-Waukegan (Ill.) Works, except for a rod mill at the Joliet plant; the wire mill and 140″ plate mill at Fairfield (Ala.) Works; wheel and axle manufacturing operations at McKees Rocks, Pa.; the 80″ hot strip mill at Gary (Ind.) Works; the iron foundry at South (Chicago, Ill.) Works; and the rod mill at Pittsburg (Cal.) Works.

Steelmaking capability will be reduced about three percent due to the shutdowns. For the most part, this is a reduction of peak operating capability only, since a number of the products produced at the affected locations will continue to be furnished to customers from other Corporation mills.

The Corporate Policy Committee formulates and approves corporate policies, plans, objectives, organization structure and executive development, and provides counsel and policy direction for the Corporation and its associated subsidiaries. The Committee also appoints corporate officers other than those elected by the Board and authorizes various activities in connection with the conduct of the business of the Corporation.

This is one of 18 huge electric shovels that scoop up low-iron content taconite ore for processing at U. S. Steel's expanded Minntac (Minn.) iron ore concentrating facilities. The taconite is upgraded into high-grade iron pellets for blast furnace consumption.

Nonsteel Industry Segments

Units being shut down include American Bridge Division's (ABD) steel fabricating plants at Los Angeles, Cal., and Gary, Ind. The decision to close the Los Angeles plant was due to the continuing high level of imported fabricated steel and steel mill products on the West Coast. ABD's hourly employment costs at Gary, as well as at its Ambridge (Pa.) and Shiffler (Pa.) plants, are tied to the Basic Steel Labor Agreement. These costs are substantially higher than those of ABD's structural steel fabricating competitors —as much as $5 per hour and an average of $3.50 per hour. These labor cost differentials exist with many competitors whose employees are represented either by the United Steelworkers of America or by other unions. After employees at Ambridge and Shiffler voted to execute revised labor contracts, the decision was made to continue operations at these locations. We are confident that with revised labor contracts, these operations will become more competitive. Also being shut down are Universal Atlas Cement Division's Universal (Pa.) cement plant and the gray cement facilities at Buffington, Ind., and Northampton, Pa.; United States Steel Supply Division's container manufacturing plants at Chicago, Ill., and Camden, N.J. In addition, an unprofitable wholly owned subsidiary was sold.

OTHER UNUSUAL CHARGES

Other unusual charges against income in 1979 totaled $141.3 million. These charges included estimated provision for occupational disease claims for former employees in coal operations and revaluation of certain investments.

CHANGES IN ACCOUNTING PRINCIPLES

Other adjustments to income in 1979 included the retroactive effects of adopting two preferred methods of accounting.

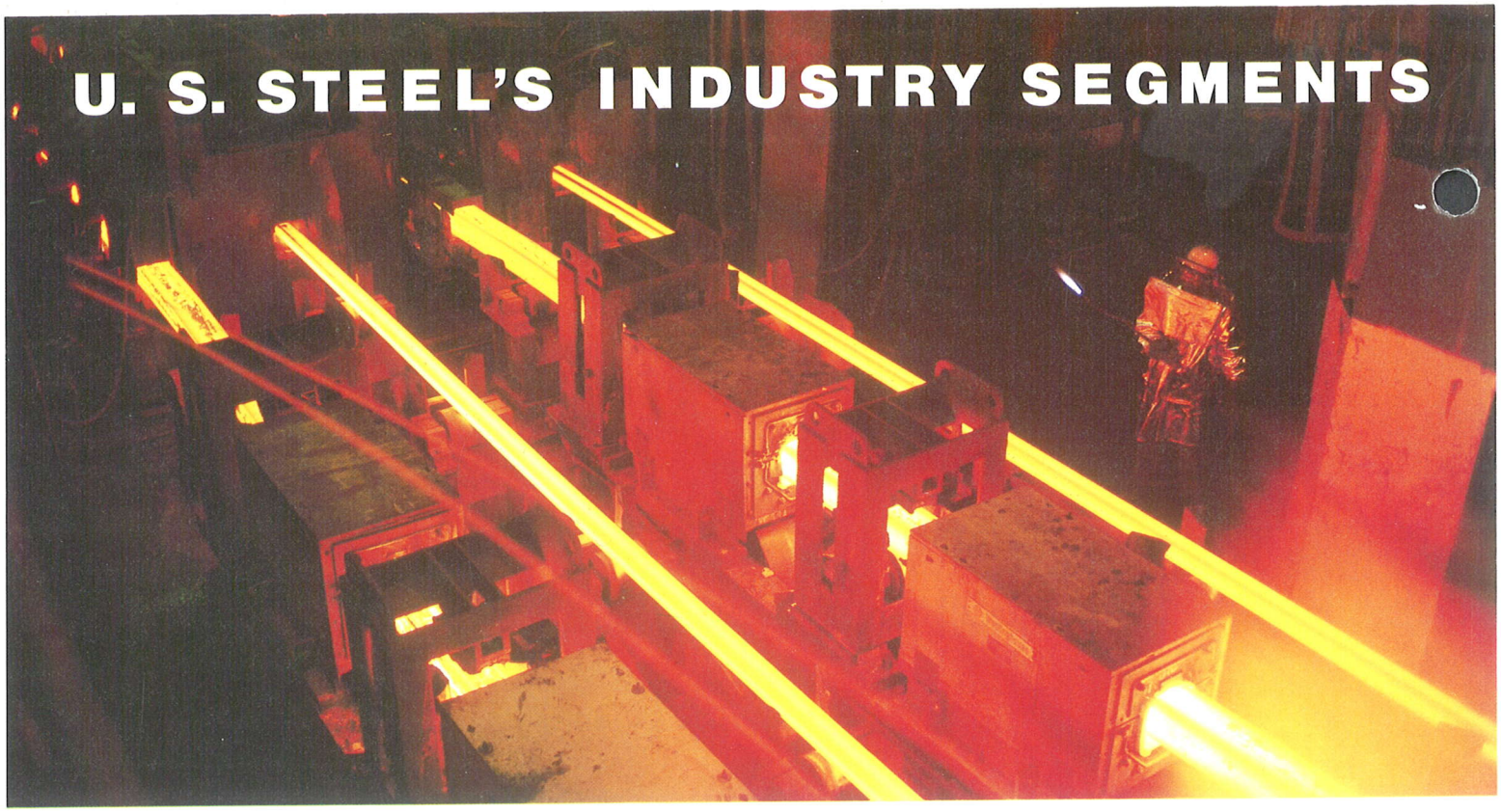
For many years, U. S. Steel's own engineering costs associated with capital projects had been expensed for both book and tax purposes. In 1979, to better reflect its total investment in facilities and to achieve a better matching of expense with revenue, for book purposes the Corporation began capitalizing these engineering costs and depreciating them as part of the assets acquired. This treatment parallels the accounting for outside engineering services for capital projects. The net effect of this change for years prior to 1979 is an addition to income of $64.3 million in 1979.

Certain expenditures for blast furnace relining projects have been charged to expense in the year in which the relining occurred. Beginning in 1979, such expenditures are being capitalized and amortized over the estimated life of the linings. The net effect of this change for prior years was to improve income by $26.1 million in 1979.

U. S. Steel also adopted Financial Accounting Standard No. 34 in 1979 which provides for capitalization of interest on construction projects.

The combined effect of unusual items (exclusive of shutdown costs) and prior years' effect of changes in accounting principles was to increase income before taxes by $18.1 million in 1979.

U. S. STEEL'S INDUSTRY SEGMENTS



Robert W. Smith
Group Vice President—Steel

STEEL MANUFACTURING

	$ Millions	
	1979	1978
Sales	**$9,754**	$8,820
Operating Income (Loss)	**(102)**	26

The increase in sales during 1979 resulted primarily from steel price increases, which only partially covered increased costs. Price increases were voluntarily restricted in compliance with the Federal government's Anti-Inflation Program (see "Wage-Price Guideline Program", page 16).

With strong steel markets in the first half of 1979, operating income trended upward. However, income in the second half was adversely impacted by a decline in demand, continued cost-price pressures, and substantial costs to implement major programs necessary to maintain and improve future operations.

The loss for 1979 came principally from operations at four unprofitable plants. These steel operations have many new facilities which have not yet attained expected performance and productivity levels. Correcting problems at these locations has been costly in terms of increased maintenance and facility outages, disrupted production schedules, and reduced productivity. By year-end, many major maintenance programs were virtually complete. In addition, comprehensive programs utilizing the best available technical expertise are under way to resolve remaining problems.

Many improvements were evident by year-end and more are expected. At Gary Works, the Corporation's largest blast furnace was completely rebuilt and resumed operation in January 1980. Upon completion of start-up, production from this rebuilt furnace is expected to be about 50 percent above its level during 1979. Three smaller furnaces have been shut down. With completion of a blast furnace program in late 1979, South Works has efficient iron production facilities which complement a modern oxygen steelmaking shop and electric furnaces.

At Fairfield Works, efficient, consistent production of quality iron is now being achieved from the new 5,000-ton-per-day blast furnace, which began production in late 1978. It is now exceeding its expected production level. Texas Works began operations in 1970 as a plate mill. It has been expanded and includes modern electric furnaces, continuous casting facilities and a large diameter pipe mill. The new pipe mill is expected to be the leader in the production of pipe products, including the rigid specification, high quality Arctic grades.

The steelmaking facilities and many of the finishing facilities at these four locations are as modern as those anywhere. Some investment will be required, however, to increase production of flat rolled products at Fairfield, to provide new rail production facilities at a location to be determined, and to obtain additional continuous casting and annealing capability. These investments are expected to provide an attractive rate of return.

Strengthening the Organization

Low-cost production on modern, competitive facilities is only one part of the business plan for Steel Manufacturing. The other major part is renewed emphasis on customer service and product quality. To accomplish this, marketing,

This four-strand billet caster at South (Chicago, Ill.) Works is one of U. S. Steel's six modern continuous casting units.

product allocation and production planning functions in steel were centralized. This change will enable more effective coordination of production and sale of the most profitable products by the most efficient plants. The plan does not contemplate production of every possible product.

Also, to insure the greatest return from the investment dollar, all aspects of facility planning, process engineering and construction management were placed under centralized control.

Enhancing Product Quality

In a continuing effort to further improve product quality, all plants are well into the most comprehensive quality improvement program ever undertaken in the Corporation. The program includes an ongoing monitoring system to indicate whether standards are met. It defines responsibilities and establishes authority and accountability for quality control management.

Improving Steelmaking

To benefit from the best steelmaking practices available, U. S. Steel is supplementing its own expertise with the best proven practices available worldwide.

The Corporation has substantial reserves of high-quality coking coal and ore. U. S. Steel intends to use the most efficient manufacturing practices to convert coal and ore economically into iron for steelmaking. The objective is to lower costs, reduce energy requirements, decrease investment in facilities and be virtually self-sufficient in cokemaking capacity. As a corollary, fewer blast furnaces and less coke will be needed to produce the required iron. Already, usage of coke has declined and blast furnace productivity has improved. Further improvements in productivity are expected upon completion of projects under way to produce higher quality coke consistently.

Facilities are under construction at three steel producing locations to accomplish desulphurization of iron, and similar facilities are planned for three additional locations. Benefits will include reduced coke consumption, increased productivity in both ironmaking and steelmaking processes, and production of more prime grade steel.

Improved Profitability: Target for the 1980's

Steel Manufacturing's strategy is to maximize return from investments already in place. Implementation involves identifying and concentrating on product lines with the greatest profit potential; continuing emphasis on product quality; improving customer service; and consolidating production into those facilities where quality, cost effectiveness and improved product mix will provide optimum results. The full favorable effects from these actions will not be realized immediately; but a steady, gradual improvement is expected. With production directed to the most profitable products and the most efficient facilities, U. S. Steel expects to be a leaner, more profitable, market-oriented steel producer in the 1980's.

Steel Manufacturing

	1979	1978	1977	1976	1975
SALES BY PRODUCT GROUPING	Percent of Total Dollars				
Sheet, Strip and Tin Mill	**41%**	41%	42%	44%	33%
Plates, Structural and Piling	**19**	20	18	17	22
Bars and Rods	**12**	13	13	14	12
Pipe and Tubing	**15**	15	14	11	19
Other Steel Products	**7**	7	8	10	9
All Other Products and Services	**6**	4	5	4	5
Total	**100%**	100%	100%	100%	100%
OPERATING STATISTICS	Millions of Net Tons				
Shipments of Steel	**21.0**	20.9	19.6	19.4	17.6
Production:					
Raw Steel	**29.7**	31.3	28.8	28.3	26.4
% Capability Utilization	**83.5%**	82.4%	75.5%	74.6%	74.1%
Iron	**23.4**	24.8	23.1	23.2	21.5
Coal Mined	**16.1**	11.5	14.0	16.0	17.1
Coke	**14.5**	13.6	15.4	15.5	16.0
Iron Ore—Natural and Agglomerated					
Mesabi and Western Ore Operations	**22.8**	20.5	12.2	20.8	22.0
Quebec Cartier Mining Company*	**16.7**	9.0	17.1	16.5	9.1
Total Iron Ore	**39.5**	29.5	29.3	37.3	31.1
% Iron Ore Sold to Others	**38%**	26%	31%	28%	23%

*Resource Development segment

The La Porte, Texas chemical plant of USS Novamont, Inc., U. S. Steel's recently acquired subsidiary, is one of the world's most modern facilities for production of both homopolymer and copolymer polypropylenes.

Duncan J. MacLennan
Group Vice President—Chemicals

Chemicals—Sales by Product Grouping

	Percent of Total Dollars				
	1979	1978	1977	1976	1975
Industrial & Coal Chemicals	**39%**	39%	45%	46%	42%
Plastic Resins	**23**	13	5	9	8
Agriculture	**38**	48	50	45	50
	100%	100%	100%	100%	100%

CHEMICALS

	$ Millions	
	1979	1978
Sales	**$1,256**	$808
Operating Income	**58**	21

With growing markets, with new products available and with higher prices, sales of chemicals in 1979 exceeded the billion dollar level for the first time—a year ahead of earlier projections. Cost increases, primarily raw materials and energy, were substantial—as were preproduction and start-up expenses associated with major construction projects. Operating income increased significantly.

Seven major projects, most of which came on stream late in 1979, are expected to reach full production capability in early 1980. With these projects completed, the year 1980 should be largely free of preproduction and start-up costs. Annual sales potential from these new facilities is nearly $350 million per year at current prices.

Highlights

The new chemical facilities will provide a stronger raw materials base, expand existing product lines, supply new products and provide entry into new markets.

Styrene monomer and olefin cracker units were acquired in January 1979. The styrene monomer facility operated throughout 1979. The olefin cracker unit was placed in operation in the fourth quarter after installation of additional environmental control equipment. Production from both of these units will be used to satisfy a portion of existing raw material requirements of other industrial chemical and plastic resin facilities.

New and expanded facilities for producing nitrogen-based fertilizers began operations in 1979, increasing sales potential for these products by 20 percent. New phenol and unsaturated polyester resins facilities will increase the sales potential of these products, many of which ultimately go into construction and automotive products.

New chemical products were added to the existing line with the start-up of facilities in 1979 to produce bisphenol-A, acrylic sheets, polypropylene, ABS resins and latex materials. These products are used in a wide variety of consumer products. The more diversified product line enables USS Chemicals to enter new markets and to broaden its participation in existing markets.

Further Growth: Plan for the 1980's

USS Chemicals and Texaco, Inc., have formed a joint venture to market high-density polyethylene. This product is widely used in containers, housewares and other consumer products; high rates of growth appear likely in the 1980's. Engineering studies are under way for a proposed manufacturing plant for the joint venture that could commence operation in 1983.

In December 1979, USS Chemicals and Tenneco Chemicals, Inc., signed a letter of intent to form a joint venture to manufacture phthalic anhydride and a plasticizer alcohol. The agreement contemplates construction of new world-scale production facilities in the Houston, Texas area. The units could be in production during 1982. These materials will further strengthen the raw materials base for certain product lines.

During 1979, USS Agri-Chemicals and its partner in a joint venture agreed to expand and extend the life of their existing phosphate rock mine near Ft. Meade, Fla. Phosphate rock is the base material for phosphatic fertilizers. This action will insure Agri-Chemicals' continued self-sufficiency in terms of its phosphate rock requirements through the Eighties.

USS Agri-Chemicals has programs under way to increase sales to consumer markets through additional retail facilities. This approach, coupled with expected strengthening of worldwide phosphatic and nitrogen fertilizer markets, should improve profitability.

James E. Chenault, Jr.
Group Vice President—
Resource Development

At U. S. Steel's Cumberland Coal Mine, an inspector teaches employees safe underground transportation practices.

Resource Development—
Sales by Product Grouping

	Percent of Total Dollars				
	1979	1978	1977	1976	1975
Minerals	**51%**	56%	60%	63%	36%
Transportation Services	**28**	26	21	26	48
Other	**21**	18	19	11	16
	100%	100%	100%	100%	100%

RESOURCE DEVELOPMENT

	$ Millions	
	1979	1978
Sales	**$576**	$396
Operating Income	**55**	25

The improvement in sales and operating income during 1979 primarily reflected higher volume for iron ore, ocean shipping services and energy products, as well as improved earnings from equity investments in overseas mining companies.

Following organization changes made in the 1979, the management of these business activities is now responsible for all the Corporation's mineral resources, including those necessary to support steel operations.

Capital Investments Beginning to Pay Off

Though world iron ore markets continued depressed, Quebec Cartier Mining Company (QCM), a wholly owned Canadian subsidiary, sold 16.3 million net tons in 1979—80 percent of its annual capacity. Higher customer commitments are already in hand at increased prices for 1980.

The international bulk shipping market experienced a dramatic improvement in 1979. Volume for Navios Corporation, U. S. Steel's ocean transportation subsidiary, was 20 million tons in 1979—up 25 percent with public cargoes accounting for most of the gain. Navios initiated a program in 1976 to replace chartered vessels with owned vessels. This program has moved ahead rapidly and successfully. With the acquisition of two additional vessels in 1979, twelve are now under Navios ownership and management. Owned vessels accounted for 32 percent of the total tonnage transported in 1979. Based on business already in place for 1980 and a continued strong international bulk shipping market, further profit improvements are expected.

U. S. Steel's uranium operations in Texas have undergone three expansion programs