FORM 10-Q

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

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2000

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ------------ to ------------

USX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	1-5153	25-0996816
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

600 Grant Street, Pittsburgh, PA	15219-4776
(Address of principal executive offices)	(Zip Code)

(412) 433-1121

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes..X..No.....

Common stock outstanding at July 31, 2000 follows:

USX-Marathon Group - 312,065,978 shares
USX-U. S. Steel Group - 88,688,017 shares

USX CORPORATION
SEC FORM 10-Q
QUARTER ENDED June 30, 2000

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Part I - Financial Information

A. Consolidated Corporation

USX CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

(Dollars in millions)	Second Quarter Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
REVENUES:				
Sales	$10,432	$6,731	$19,804	$12,809
Dividend and affiliate income	31	18	35	11
Net gains (losses) on disposal of assets	15	9	122	(13)
Gain on ownership change in Marathon Ashland Petroleum LLC	4	-	8	-
Other income	6	8	13	13
Total revenues	10,488	6,766	19,982	12,820
COSTS AND EXPENSES:				
Cost of sales (excludes items shown below)	7,848	4,810	15,126	9,364
Selling, general and administrative expenses	67	37	138	89
Depreciation, depletion and amortization	318	301	639	609
Taxes other than income taxes	1,237	1,123	2,400	2,148
Exploration expenses	46	59	91	122
Inventory market valuation credits	-	(66)	-	(415)
Total costs and expenses	9,516	6,264	18,394	11,917
INCOME FROM OPERATIONS	972	502	1,588	903
Net interest and other financial costs	92	91	187	174
Minority interest in income of Marathon Ashland Petroleum LLC	203	112	258	257
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY LOSS	677	299	1,143	472
Provision for estimated income taxes	254	110	423	173
INCOME BEFORE EXTRAORDINARY LOSS	423	189	720	299
Extraordinary loss on extinguishment of debt, net of income tax	-	-	-	5
NET INCOME	423	189	720	294
Dividends on preferred stock	2	3	4	5
NET INCOME APPLICABLE TO COMMON STOCKS	$421	$186	$716	$289

<FN>
Selected notes to financial statements appear on pages 9-19.

USX CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF OPERATIONS (Continued) (Unaudited)

INCOME PER COMMON SHARE

(Dollars in millions, except per share amounts)	Second Quarter Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
APPLICABLE TO MARATHON STOCK:				
Net income	$367	$134	$621	$253
- Per share - basic and diluted	1.18	.43	1.99	.82
Dividends paid per share	.21	.21	.42	.42
Weighted average shares, in thousands				
- Basic	312,233	309,054	312,180	309,041
- Diluted	312,431	309,462	312,359	309,332
APPLICABLE TO STEEL STOCK:				
Income before extraordinary loss	$54	$52	$95	$41
- Per share - basic	.62	.60	1.08	.47
- diluted	.62	.59	1.07	.47
Extraordinary loss, net of income tax	-	-	-	5
- Per share - basic and diluted	-	-	-	.06
Net income	$54	$52	$95	$36
- Per share - basic	.62	.60	1.08	.41
- diluted	.62	.59	1.07	.41
Dividends paid per share	.25	.25	.50	.50
Weighted average shares, in thousands				
- Basic	88,499	88,387	88,461	88,378
- Diluted	92,755	92,647	92,721	88,379

<FN>
Selected notes to financial statements appear on pages 9-19.

USX CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET (Unaudited)

ASSETS

(Dollars in millions)	June 30 2000	December 31 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$167	$133
Receivables, less allowance for doubtful accounts of $15 and $12	3,000	2,706

Inventories	2,892	2,627
Deferred income tax benefits	316	303
Other current assets	281	218
Total current assets	6,656	5,987
Investments and long-term receivables, less reserves of $3 and $3	1,339	1,237
Property, plant and equipment, less accumulated depreciation, depletion and amortization of $17,163 and $16,799	12,746	12,809
Prepaid pensions	2,775	2,629
Other noncurrent assets	267	300
Total assets	$23,783	$22,962

<FN>
Selected notes to financial statements appear on pages 9-19.

USX CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET (Continued) (Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

(Dollars in millions)	June 30 2000	December 31 1999
LIABILITIES		
Current liabilities:		
Notes payable	$121	$-
Accounts payable	3,531	3,440
Payroll and benefits payable	491	468
Accrued taxes	408	283
Accrued interest	107	107
Long-term debt due within one year	43	61
Total current liabilities	4,701	4,359
Long-term debt, less unamortized discount	3,830	4,222
Deferred income taxes	2,028	1,839
Employee benefits	2,802	2,809
Deferred credits and other liabilities	663	691
Preferred stock of subsidiary	250	250
USX obligated mandatorily redeemable convertible preferred securities of a subsidiary trust holding solely junior		

subordinated convertible debentures of USX	183	183
Minority interest in Marathon Ashland Petroleum LLC	1,943	1,753
STOCKHOLDERS' EQUITY		
Preferred stock -		
6.50% Cumulative Convertible issued - 2,428,887 shares and 2,715,287 ($121 and $136 liquidation preference, respectively)	2	3
Common stocks:		
Marathon Stock issued - 312,164,678 shares and 311,767,181 shares	312	312
Steel Stock issued - 88,688,017 shares and 88,397,714 shares	89	88
Securities exchangeable solely into Marathon Stock issued - 282,839 shares and 288,621 shares	-	-
Additional paid-in capital	4,675	4,673
Deferred compensation	(12)	-
Retained earnings	2,348	1,807
Accumulated other comprehensive income (loss)	(31)	(27)
Total stockholders' equity	7,383	6,856
Total liabilities and stockholders' equity	$23,783	$22,962

<FN>
Selected notes to financial statements appear on pages 9-19.

USX CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

(Dollars in millions)	Six Months Ended June 30 2000	1999
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING ACTIVITIES:		
Net income	$720	$294
Adjustments to reconcile to net cash provided from operating activities:		
Extraordinary loss	-	5
Minority interest in income of Marathon Ashland Petroleum LLC	258	257
Depreciation, depletion and amortization	639	609
Exploratory dry well costs	32	62
Inventory market valuation credits	-	(415)
Pensions and other postretirement benefits	(157)	(116)
Deferred income taxes	162	98
Gain on ownership change in Marathon Ashland Petroleum LLC	(8)	-
Net (gains) losses on disposal of assets	(122)	13
Changes in:		
Current receivables - sold	-	30
- operating turnover	(299)	(301)
Inventories	(265)	(221)
Current accounts payable and accrued expenses	192	353
All other - net	(44)	(1)
Net cash provided from operating activities	1,108	667
INVESTING ACTIVITIES:		
Capital expenditures	(673)	(685)
Disposal of assets	230	182
Restricted cash - withdrawals	161	39
- deposits	(194)	(26)
Affiliates - investments	(67)	-
- loans and advances	-	(56)

- returns and repayments	2	-
All other - net	23	(3)
Net cash used in investing activities	(518)	(549)
FINANCING ACTIVITIES:		
Commercial paper and revolving credit arrangements - net	(253)	(51)
Other debt - borrowings	273	459
- repayments	(309)	(195)
Common stock issued	-	8
Preferred stock repurchased	(12)	-
Dividends paid	(179)	(179)
Distributions to minority shareholder of Marathon Ashland Petroleum LLC	(73)	(206)
Net cash used in financing activities	(553)	(164)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(3)	(1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	34	(47)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	133	146
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$167	$99
Cash used in operating activities included:		
Interest and other financial costs paid (net of amount capitalized)	$(179)	$(178)
Income taxes paid	(141)	(12)

<FN>
Selected notes to financial statements appear on pages 9-19.

USX CORPORATION AND SUBSIDIARY COMPANIES
SELECTED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. The information furnished in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise. These financial statements, including selected notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission and do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. Certain reclassifications of prior year data have been made to conform to 2000 classifications. Additional information is contained in the USX Annual Report on Form 10-K for the year ended December 31, 1999.

   EITF Topic No. D-88, issued in March 2000, requires companies to disclose their accounting policy for costs incurred in connection with planned major maintenance activities. For USX, such costs primarily are associated with refinery turnarounds in the Marathon Group and blast furnace relines in the U. S. Steel Group. Costs associated with refinery turnarounds are expensed in the same annual period as incurred; however, estimated annual turnaround costs are recognized in income throughout the year on a pro rata basis. Costs associated with blast furnace relines are separately capitalized in property, plant and equipment. Such costs are amortized over their estimated useful life, which is generally the period until the next scheduled reline.

2. In 1998, Marathon Oil Company (Marathon) and Ashland Inc. (Ashland) combined the major elements of their refining, marketing and transportation (RM&T) operations. Marathon transferred certain RM&T assets to Marathon Ashland Petroleum LLC (MAP), a new consolidated subsidiary. Also, Marathon acquired certain RM&T net assets from Ashland in exchange for a 38% interest in MAP. In accordance with MAP closing agreements, Marathon and Ashland made capital contributions to MAP for environmental improvements. The closing agreements stipulate that ownership interests in MAP will not be adjusted as a result of such contributions. Accordingly, Marathon recognized a gain on ownership change of $4 million in each of the first and second quarters of 2000.

3. In 1997, USX sold its stock in Delhi Gas Pipeline Corporation and other subsidiaries of USX that comprised all of the Delhi Group. The net proceeds of the sale of $195 million were used to redeem all shares of USX-Delhi Group Common Stock (Delhi Stock) and were distributed to the holders thereof on January 26, 1998. After the redemption, 50,000,000 shares of Delhi Stock remain authorized but unissued.

4. The Marathon Group's operations consist of three reportable operating segments: 1) Exploration and Production (E&P) - explores for and produces crude oil and natural gas on a worldwide basis; 2) Refining, Marketing and Transportation (RM&T) - refines, markets and transports crude oil and petroleum products, primarily in the Midwest and southeastern United States through MAP; and 3) Other Energy Related Businesses (OERB). OERB is an aggregation of two segments which fall below the quantitative reporting thresholds: 1) Natural Gas and Crude Oil Marketing and Transportation - markets and transports its own and third-party natural gas and crude oil in the United States; and 2) Power Generation - develops, constructs and operates

4. (Continued)

independent electric power projects worldwide. The U. S. Steel Group consists of one operating segment, U. S. Steel (USS). USS is engaged in the production and sale of steel mill products, coke and taconite pellets. USS also engages in the following related business activities: the management of mineral resources, domestic coal mining, engineering and consulting services, and real estate development and management. The results of segment operations are as follows:

(In millions)	E&P	RM&T	OERB	Total Marathon Segments	USS	Total
SECOND QUARTER 2000						
Revenues:						
Customer	$1,060	$7,486	$305	$8,851	$1,581	$10,432
Intersegment (a)	119	49	13	181	-	181
Intergroup (a)	6	-	6	12	4	16
Equity in earnings (losses) of unconsolidated affiliate	(3)	6	4	7	14	21
Other	7	10	2	19	12	31
Total revenues	$1,189	$7,551	$330	$9,070	$1,611	$10,681
Segment income	$356	$529	$-	$885	$68	$953
SECOND QUARTER 1999						
Revenues:						
Customer	$689	$4,637	$113	$5,439	$1,292	$6,731
Intersegment (a)	34	4	6	44	-	44
Intergroup (a)	4	-	4	8	11	19
Equity in earnings (losses) of unconsolidated affiliates	3	4	5	12	(10)	2
Other	13	10	6	29	11	40
Total revenues	$743	$4,655	$134	$5,532	$1,304	$6,836
Segment income	$124	$228	$19	$371	$43	$414

<FN>
(a) Intersegment and intergroup sales and transfers were conducted under terms comparable to those with unrelated parties.

4. (Continued)

(In millions)	E&P	RM&T	OERB	Total Marathon Segments	USS	Total
SIX MONTHS ENDED JUNE 30, 2000						
Revenues:						
Customer	$2,051	$13,981	$655	$16,687	$3,117	$19,804
Intersegment (a)	188	69	32	289	-	289
Intergroup (a)	11	-	11	22	8	30
Equity in earnings (losses) of unconsolidated affiliates	(4)	10	8	14	7	21
Other	10	20	6	36	26	62
Total revenues	$2,256	$14,080	$712	$17,048	$3,158	$20,206
Segment income	$665	$669	$13	$1,347	$122	$1,469
SIX MONTHS ENDED JUNE 30, 1999						
Revenues:						
Customer	$1,261	$8,816	$195	$10,272	$2,537	$12,809
Intersegment (a)	68	9	15	92	-	92
Intergroup (a)	7	-	8	15	12	27
Equity in earnings (losses) of unconsolidated affiliates	4	7	13	24	(33)	(9)
Other	19	16	9	44	21	65
Total revenues	$1,359	$8,848	$240	$10,447	$2,537	$12,984
Segment income	$160	$273	$34	$467	$40	$507

<FN>
(a) Intersegment and intergroup sales and transfers were conducted under terms comparable to those with unrelated parties.

USX CORPORATION AND SUBSIDIARY COMPANIES
SELECTED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

4. (Continued)

The following schedules reconcile segment revenues and income to amounts reported in the Marathon and U. S. Steel Groups' financial statements:

(In millions)	Marathon Group Second Quarter Ended June 30 2000	1999	U. S. Steel Group Second Quarter Ended June 30 2000	1999
Revenues:				
Revenues of reportable segments	$9,070	$5,532	$1,611	$1,304
Items not allocated to segments:				
Gain on ownership change in MAP	4	-	-	-
Other (a)	-	(7)	-	-
Elimination of intersegment revenues	(181)	(44)	-	-
Total Group revenues	$8,893	$5,481	$1,611	$1,304

Income:				
Income for reportable segments	$885	$371	$68	$43
Items not allocated to segments:				
Gain on ownership change in MAP	4	-	-	-
Administrative expenses	(29)	(31)	(5)	(8)
Net pension credits	-	-	67	88
Costs related to former business activities	-	-	(18)	(20)
Inventory market valuation adjustments	-	66	-	-
Other (a)	-	(7)	-	-
Total Group income from operations	$860	$399	$112	$103

<FN>
(a) Represents for the Marathon Group in 1999, estimated loss on sale of Carnegie Natural Gas Company and affiliated subsidiaries (Carnegie).

Effective January 1, 2000, USX changed its methodology for allocating the pension credit or cost associated with its principal U. S. Steel pension plans for internal business performance reporting purposes. Since future contributions to these plans are expected to be minimal due to their overfunded position, no pension credit or cost is allocated to the U. S. Steel operating segment. Prior years' segment income or loss has been restated to conform with the current allocation methodology.

4. (Continued)

	Marathon Group Six Months Ended June 30		U. S. Steel Group Six Months Ended June 30	
(In millions)	2000	1999	2000	1999
Revenues:				
Revenues of reportable segments	$17,048	$10,447	$3,158	$2,537
Items not allocated to segments:				
Gain on ownership change in MAP	8	-	-	-
Other (a)	87	(23)	-	(22)
Elimination of intersegment revenues	(289)	(92)	-	-
Total Group revenues	$16,854	$10,332	$3,158	$2,515
Income:				
Income for reportable segments	$1,347	$467	$122	$40
Items not allocated to segments:				
Gain on ownership change in MAP	8	-	-	-
Administrative expenses	(57)	(57)	(11)	(13)
Net pension credits	-	-	132	140
Costs related to former business activities	-	-	(40)	(44)
Inventory market valuation adjustments	-	415	-	-
Other (a)	87	(23)	-	(22)
Total Group income from operations	$1,385	$802	$203	$101

<FN>
(a) Represents for the Marathon Group in 2000, gain on disposition of Angus/Stellaria and in 1999, loss on sale of Scurlock Permian LLC and Carnegie. For the U. S. Steel Group in 1999, represents loss on investment in RTI International Metals stock used to satisfy indexed debt obligations.

USX CORPORATION AND SUBSIDIARY COMPANIES
SELECTED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

5. Inventories are carried at lower of cost or market. Cost of inventories is determined primarily under the last-in, first-out (LIFO) method.

	(In millions)	
	June 30 2000	December 31 1999
Raw materials	$922	$830
Semi-finished products	368	392
Finished products	1,440	1,239
Supplies and sundry items	162	166
Total (at cost)	2,892	2,627
Less inventory market valuation reserve	-	-
Net inventory carrying value	$2,892	$2,627

The inventory market valuation reserve reflects the extent that the recorded LIFO cost basis of crude oil and refined products inventories exceeds net realizable value. The reserve is decreased to reflect increases in market prices and inventory turnover and increased to reflect decreases in market prices. Changes in the inventory market valuation reserve result in noncash charges or credits to costs and expenses. For additional information, see discussion of results of operations in the Marathon Group Management's Discussion and Analysis of Financial Condition and Results of Operations.

6. Total comprehensive income was $420 million for the second quarter of 2000, $185 million for the second quarter of 1999, $716 million for the six months of 2000 and $288 for the six months of 1999.

7. The method of calculating net income per share for the Marathon Stock and Steel Stock reflects the USX Board of Directors' intent that the separately reported earnings and surplus of the Marathon Group and the U. S. Steel Group, as determined consistent with the USX Restated Certificate of Incorporation, are available for payment of dividends on the respective classes of stock, although legally available funds and liquidation preferences of these classes of stock do not necessarily correspond with these amounts. The financial statements of the Marathon Group and the U. S. Steel Group, taken together, include all accounts which comprise the corresponding consolidated financial statements of USX.

Basic net income per share is calculated by adjusting net income for dividend requirements of preferred stock and is based on the weighted average number of common shares outstanding.

Diluted net income per share assumes conversion of convertible securities for the applicable periods outstanding and assumes exercise of stock options, provided in each case, the effect is not antidilutive.

USX CORPORATION AND SUBSIDIARY COMPANIES
SELECTED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

7. (Continued)

COMPUTATION OF INCOME PER SHARE

	Second Quarter Ended June 30			
	2000		1999	
	Basic	Diluted	Basic	Diluted
Marathon Group				
Net income (millions)	$367	$367	$134	$134
Shares of common stock outstanding (thousands):				
Average number of common shares outstanding	312,233	312,233	309,054	309,054
Effect of dilutive securities - stock options	-	198	-	408
Average common shares and dilutive effect	312,233	312,431	309,054	309,462
Net income per share	$1.18	$1.18	$.43	$.43
U. S. Steel Group				
Net income (millions):				
Net income	$56	$56	$55	$55
Dividends on preferred stock	2	2	3	3
Net income applicable to Steel Stock	54	54	52	52
Effect of dilutive convertible securities	-	2	-	2
Net income assuming conversions	$54	$56	$52	$54
Shares of common stock outstanding (thousands):				
Average number of common shares outstanding	88,499	88,499	88,387	88,387
Effect of dilutive securities:				
Trust preferred securities	-	4,256	-	4,256
Stock options	-	-	-	4
Average common shares and dilutive effect	88,499	92,755	88,387	92,647
Net income per share	$.62	$.62	$.60	$.59

7. (Continued)

COMPUTATION OF INCOME PER SHARE

	Six Months Ended June 30			
	2000		1999	
	Basic	Diluted	Basic	Diluted
Marathon Group				
Net income (millions)	$621	$621	$253	$253
Shares of common stock outstanding (thousands):				
Average number of common shares outstanding	312,180	312,180	309,041	309,041
Effect of dilutive securities - stock options	-	179	-	291
Average common shares and dilutive effect	312,180	312,359	309,041	309,332
Net income per share	$1.99	$1.99	$.82	$.82

U. S. Steel Group

Net income (millions):				
Income before extraordinary loss	$99	$99	$46	$46
Dividends on preferred stock	4	4	5	5
Extraordinary loss	-	-	5	5
Net income applicable to Steel Stock	95	95	36	36
Effect of dilutive convertible securities	-	4	-	-
Net income assuming conversions	$95	$99	$36	$36
Shares of common stock outstanding (thousands):				
Average number of common shares outstanding	88,461	88,461	88,378	88,378
Effect of dilutive securities:				
Trust preferred securities	-	4,256	-	-
Stock options	-	4	-	1
Average common shares and dilutive effect	88,461	92,721	88,378	88,379
Per share:				
Income before extraordinary loss	$1.08	$1.07	$.47	$.47
Extraordinary loss	-	-	.06	.06
Net income	$1.08	$1.07	$.41	$.41

8. In 1999, USX irrevocably deposited with a trustee the entire 5.5 million common shares it owned in RTI International Metals (RTI). The deposit of the shares resulted in the satisfaction of USX's obligation under its 6-3/4% Exchangeable Notes (indexed debt) due February 1, 2000. Under the terms of the indenture, the trustee exchanged one RTI share for each note at maturity; therefore, none reverted back to USX.

   As a result of the above transaction, USX recorded in the first quarter of 1999 an extraordinary loss of $5 million, net of a $3 million income tax benefit, representing prepaid interest expense and the write-off of unamortized debt issue costs, and a pretax charge of $22 million, representing the difference between the carrying value of the investment in RTI and the carrying value of the indexed debt, which is included in net gains (losses) on disposal of assets.

   Additionally, a $13 million credit to adjust the indexed debt to settlement value at March 31, 1999, is included in net interest and other financial costs.

   In December 1996, USX had issued the $117 million of notes indexed to the common share price of RTI. At maturity, USX would have been required to exchange the notes for shares of RTI common stock, or redeem the notes for the equivalent amount of cash. Since USX's investment in RTI was attributed to the U. S. Steel Group, the indexed debt was also attributed to the U. S. Steel Group. USX had a 26% investment in RTI and accounted for its investment using the equity method of accounting.

9. The items below are included in both revenues and costs and expenses, resulting in no effect on income.

	(In millions)			
	Second Quarter Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
Matching crude oil and refined product				

buy/sell transactions settled in cash	$1,415	$698	$2,470	$1,570
Consumer excise taxes on petroleum products and merchandise	1,108	1,003	2,147	1,916

10. The provision for estimated income taxes for the periods reported is based on tax rates and amounts which recognize management's best estimate of current and deferred tax assets and liabilities.

11. In the second quarter of 1999, USX recognized a one-time pretax settlement gain of $35 million, related mainly to pension costs of employees who retired under the U. S. Steel Group 1998 voluntary early retirement program. This noncash settlement gain is included in selling, general and administrative expenses.

12. At June 30, 2000, USX had no borrowings against its $2,350 million long-term revolving credit agreement.

    At June 30, 2000, MAP had no borrowings against its $500 million revolving credit agreements with banks and had no amounts outstanding against its $190 million revolving credit agreement with Ashland.

    USX has a short-term credit agreement totaling $125 million at June 30, 2000. Interest is based on the bank's prime rate or London Interbank Offered Rate (LIBOR), and carries a facility fee of .15%. Certain other banks provide short-term lines of credit totaling $150 million which require a .125% fee or maintenance of compensating balances of 3%. At June 30, 2000, there were no borrowings against these facilities. USX had other outstanding short-term borrowings of $121 million.

    In the event of a change in control of USX, debt obligations totaling $3,089 million at June 30, 2000, may be declared immediately due and payable.

13. USX is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Certain of these matters are discussed below. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the consolidated financial statements. However, management believes that USX will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably. See discussion of Liquidity in USX Consolidated Management's Discussion and Analysis of Financial Condition and Results of Operations.

    USX is subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance. At June 30, 2000, and December 31, 1999, accrued liabilities for remediation totaled $184 million and $170 million, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed. Receivables for recoverable costs from certain states, under programs to assist companies in cleanup efforts related to underground storage tanks at retail marketing outlets, were $55 million at June 30, 2000, and $52 million at December 31, 1999.

    For a number of years, USX has made substantial capital expenditures to bring existing facilities into compliance with various laws relating to the environment. In the six months of 2000 and for the years 1999 and 1998, such capital expenditures totaled $23 million, $78 million and $132 million, respectively. USX anticipates making additional such expenditures in the future; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

13. (Continued)

At June 30, 2000, and December 31, 1999, accrued liabilities for platform abandonment and dismantlement totaled $157 million and $152 million, respectively.

Guarantees by USX of the liabilities of affiliated entities totaled $218 million at June 30, 2000. In the event that any defaults of guaranteed liabilities occur, USX has access to its interest in the assets of most of the affiliates to reduce losses resulting from these guarantees. As of June 30, 2000, the largest guarantee for a single affiliate was $131 million.

At June 30, 2000, USX's pro rata share of obligations of LOOP LLC and various pipeline affiliates secured by throughput and deficiency agreements totaled $144 million. Under the agreements, USX is required to advance funds if the affiliates are unable to service debt. Any such advances are prepayments of future transportation charges.

Contract commitments to acquire property, plant and equipment and long-term investments at June 30, 2000, totaled $709 million compared with $568 million at December 31, 1999.

USX CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED STOCK DIVIDENDS
TOTAL ENTERPRISE BASIS - (Unaudited)
CONTINUING OPERATIONS

Six Months Ended June 30		Year Ended December 31				
2000	1999	1999	1998	1997	1996	1995
6.58	4.00	4.20	3.45	3.63	3.41	1.46

USX CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
TOTAL ENTERPRISE BASIS - (Unaudited)
CONTINUING OPERATIONS

Six Months Ended June 30		Year Ended December 31				
2000	1999	1999	1998	1997	1996	1995
6.74	4.11	4.32	3.56	3.79	3.65	1.58

USX CORPORATION AND SUBSIDIARY COMPANIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

USX Corporation ("USX") is a diversified company that is principally engaged in the energy business through its Marathon Group and in the steel business through its U. S. Steel Group. The following discussion should be read in conjunction with the second quarter 2000 USX Consolidated Financial Statements and Selected Notes to Financial Statements. For income per common share amounts applicable to USX's two classes of common stock, USX-Marathon Group Common Stock ("Marathon Stock") and USX-U. S. Steel Group Common Stock ("Steel Stock"), see Consolidated Statement of Operations - Income per Common Share. For individual Group results, see Management's Discussion and Analysis of Financial Condition and Results of Operations for the Marathon Group and the U. S. Steel Group. For operating statistics, see Supplemental Statistics following Management's Discussion and Analysis of Financial Condition and Results of Operations for each of the respective Groups.

Certain sections of Management's Discussion and Analysis include forward-looking statements concerning trends or events potentially affecting USX. These statements typically contain words such as "anticipates", "believes", "estimates", "expects" or similar words indicating that future outcomes are uncertain. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements. For additional risk factors affecting the businesses of USX, see Supplementary Data - Disclosures About Forward-Looking Statements in the USX 1999 Form 10-K.

USX CORPORATION AND SUBSIDIARY COMPANIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Revenues for the second quarter and the first six months of 2000 and 1999 are set forth in the following table:

(Dollars in millions)	Second Quarter Ended June 30 2000	Second Quarter Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
Revenues				
Marathon Group	$8,893	$5,481	$16,854	$10,332
U. S. Steel Group	1,611	1,304	3,158	2,515
Eliminations	(16)	(19)	(30)	(27)
Total USX Corporation revenues	$10,488	$6,766	$19,982	$12,820
Less:				
Excise taxes (a)(b)	1,108	1,003	2,147	1,916
Matching buy/sell transactions (a)(c)	1,415	698	2,470	1,570
Revenues excluding above items	$7,965	$5,065	$15,365	$9,334

<FN>
(a) Included in both revenues and costs and expenses for the Marathon Group and USX consolidated.
(b) Consumer excise taxes on petroleum products and merchandise.
(c) Matching crude oil and refined products buy/sell transactions settled in cash.

Revenues (excluding excise taxes and matching buy/sell transactions) increased by $2,900 million in the second quarter of 2000 as compared with the

second quarter of 1999, reflecting increases of $2,590 million for the Marathon Group and $307 million for the U. S. Steel Group. For the first six months of 2000, revenues increased $6,031 million as compared with the same period of 1999, reflecting increases of $5,391 million for the Marathon Group and $643 million for the U. S. Steel Group.

For discussion of revenues by Group, see Management's Discussion and Analysis of Financial Condition and Results of Operations for the Marathon Group and the U. S. Steel Group.

Income from operations for the second quarter and the first six months of 2000 and 1999 are set forth in the following table:

(Dollars in millions)	Second Quarter Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
Reportable segments				
Marathon Group				
Exploration & production	$356	$124	$665	$160
Refining, marketing & transportation	529	228	669	273
Other energy related businesses	-	19	13	34
Income for reportable segments-Marathon Group	$885	$371	$1,347	$467
U. S. Steel Group				
Income for reportable segment	68	43	122	40
Income for reportable segments-USX Corporation	953	414	1,469	507
Items not allocated to segments:				
Marathon Group	(25)	28	38	335
U. S. Steel Group	44	60	81	61
Total income from operations-USX Corporation	$972	$502	$1,588	$903

Income for reportable segments increased by $539 million in the second quarter of 2000 as compared with the second quarter of 1999, reflecting increases of $514 million for the Marathon Group reportable segments and $25 million for U. S. Steel Group reportable segment. Income for reportable segments in the first six months of 2000 increased by $962 million compared with the first six months of 1999, reflecting increases of $880 million for the Marathon Group reportable segments and $82 million for the U. S. Steel Group reportable segment.

For discussion of income from operations see Management's Discussion and Analysis of Financial Condition and Results of Operations for the Marathon Group and the U. S. Steel Group.

Net interest and other financial costs for the second quarter and first six months of 2000 and 1999 are set forth in the following table:

Second Quarter Ended June 30	Six Months Ended June 30

(Dollars in millions)	2000	1999	2000	1999
Net interest and other financial costs	$92	$91	$187	$174
Less:				
Favorable adjustment to carrying value of indexed debt(a)	-	-	-	(13)
Net interest and other financial costs adjusted to exclude above item	$92	$91	$187	$187

<FN>
(a) In December 1996, USX issued $117 million of 6-3/4% Exchangeable Notes Due February 1, 2000 ("indexed debt"), mandatorily exchangeable at maturity for common stock of RTI International Metals, Inc. ("RTI") or for the equivalent amount of cash, at USX's option. The carrying value of indexed debt was adjusted quarterly to settlement value based on changes in the value of RTI common stock. Any resulting adjustment was charged or credited to income and included in interest and other financial costs. In 1999, USX satisfied its obligation by irrevocably depositing with a trustee the RTI common stock. For further discussion, see Note 8 to the USX Consolidated Financial Statements.

Provisions for estimated income taxes of $254 million and $423 million for the second quarter and the first six months of 2000 were based on tax rates and amounts that recognize management's best estimate of current and deferred tax assets and liabilities.

Extraordinary loss on extinguishment of debt of $5 million (net of a $3 million income tax benefit) in the first six months of 1999 represents prepaid interest expense and the write-off of unamortized debt issue costs resulting from the satisfaction of USX's obligation of its indexed debt. For further discussion, see Note 8 to the USX Consolidated Financial Statements.

Net income was $423 million for the second quarter of 2000, an increase of $234 million compared to the second quarter of 1999 reflecting increases of $233 million for the Marathon Group and $1 million for the U. S. Steel Group. Net income was $720 million for the first six months of 2000, an increase of $426 million compared with the first six months of 1999, reflecting increases of $368 million for the Marathon Group and $58 million for the U. S. Steel Group.

Dividends to Stockholders

On July 25, 2000, the USX Board of Directors (the "Board") declared dividends of 23 cents per share on Marathon Stock, a 2 cents per share increase over the previous quarter, and 25 cents per share on Steel Stock, payable September 9, 2000, to stockholders of record at the close of business on August 16, 2000. The Board also declared a dividend of $0.8125 per share on USX's 6.50% Cumulative Convertible Preferred Stock, payable September 29, 2000, to stockholders of record at the close of business on August 31, 2000.

On July 25, 2000, Marathon Oil Canada Limited, an indirect subsidiary of Marathon Oil Company, declared a dividend of CDN $0.3370 per share on its non-voting Exchangeable Shares, payable September 9, 2000, to stockholders of record at the close of business on August 16, 2000.

Cash Flows

Cash and cash equivalents totaled $167 million at June 30, 2000, compared with $99 million at June 30, 1999, an increase of $68 million reflecting an $83 million increase for the Marathon Group offset by a $15 million decrease for the U. S. Steel Group.

Net cash provided from operating activities totaled $1,108 million in the first six months of 2000, a $441 million increase from the first six months of 1999, reflecting a $466 million increase for the Marathon Group and a $25 million decrease for the U. S. Steel Group. The increase primarily reflects

higher net income. For details, see Management's Discussion and Analysis of Financial Condition and Results of Operation for each Group.

Capital expenditures for property, plant and equipment in the first six months of 2000 were $673 million compared with $685 million for the first six months of 1999. For details by Group, see USX Corporation - Financial Statistics, following Management's Discussion and Analysis of Financial Condition and Results of Operations.

Contract commitments to acquire property, plant and equipment and long-term investments at June 30, 2000, totaled $709 million compared with $568 million at December 31, 1999.

Cash from disposal of assets was $230 million in the first six months of 2000, compared with $182 million in the first six months of 1999. Proceeds in 2000 were mainly from the disposition of Marathon's 33.34 percent interest in the Angus/Stellaria development in the Gulf of Mexico. Proceeds in 1999 were mainly from the sale of Scurlock Permian LLC and domestic production properties.

The net change in restricted cash was a net deposit of $33 million in the first six months of 2000, compared with a net withdrawal of $13 million in the first six months of 1999. Restricted cash in both periods primarily reflected the net effects of cash deposited and withdrawn from domestic production property dispositions and acquisitions.

Financial obligations (the net of commercial paper and revolving credit agreements, debt borrowings and repayments on the Consolidated Statement of Cash Flows) decreased $289 million in the first six months of 2000 compared with an increase of $213 million in the first six months of 1999. The decrease in 2000 reflects net cash provided from operating activities and asset sales in excess of cash used for capital expenditures and dividend payments.

Distributions to minority shareholder of MAP were $73 million in the first six months of 2000, compared with $206 million in the first six months of 1999. For further details, see Management's Discussion and Analysis of Financial Condition and Results of Operations for the Marathon Group.

Debt and Preferred Stock Ratings

On May 8, 2000, Standard & Poor's raised its rating for USX senior debt to BBB. USX's preferred stock rating is BB+. On May 26, 2000, Moody's Investors Service upgraded the senior debt ratings of USX to Baa1 and preferred stock to baa3.

Liquidity

At June 30, 2000, USX had no borrowings against its $2,350 million long-term revolving credit agreement. At June 30, 2000, MAP had no borrowings against its bank revolving credit agreements. MAP's $100 million revolving credit facility that was scheduled to terminate in July 2000 was extended for an additional year. MAP's $400 million revolving credit facility terminates in July 2003.

On July 25, 2000, the USX Board of Directors authorized the spending of up to $450 million to repurchase shares of its USX-Marathon Group Common Stock, such purchases to be made from time to time as the Corporation's financial condition and market conditions warrant. Any purchases may be in either open market transactions, including block purchases, or in privately negotiated transactions. The repurchase program does not include specific price targets or timetables, and is subject to termination prior to completion. During the repurchase program, offerings of Marathon Stock under the Marathon Group Dividend Reinvestment and Direct Stock Purchase Plan have been suspended for first-time, non-employee purchasers.

USX management believes that its short-term and long-term liquidity is adequate to satisfy its obligations as of June 30, 2000, and to complete currently authorized capital spending programs. Future requirements for USX's

business needs, including the funding of capital expenditures, debt maturities for the balance of 2000 and years 2001 and 2002, and any amounts that may ultimately be paid in connection with contingencies (which are discussed in Note 13 to the USX Consolidated Financial Statements), are expected to be financed by a combination of internally generated funds, proceeds from the sale of stock, borrowings and other external financing sources.

USX management's opinion concerning liquidity and USX's ability to avail itself in the future of the financing options mentioned in the above forward-looking statements are based on currently available information. To the extent that this information proves to be inaccurate, future availability of financing may be adversely affected. Factors that could affect the availability of financing include the performance of each Group (as measured by various factors including cash provided from operating activities), the state of worldwide debt and equity markets, investor perceptions and expectations of past and future performance, the overall U.S. financial climate, and, in particular, with respect to borrowings, by levels of USX's outstanding debt and credit ratings by rating agencies.

Environmental Matters, Contingencies and Commitments

USX has incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of USX's products and services, operating results will be adversely affected. USX believes that domestic competitors of the U. S. Steel Group and substantially all the competitors of the Marathon Group are subject to similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, marketing areas, production processes and the specific products and services it provides.

USX has been notified that it is a potentially responsible party ("PRP") at 40 waste sites under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") as of June 30, 2000. In addition, there are 17 sites where USX has received information requests or other indications that USX may be a PRP under CERCLA but where sufficient information is not presently available to confirm the existence of liability. There are also 138 additional sites, excluding retail gasoline stations, where remediation is being sought under other environmental statutes, both federal and state, or where private parties are seeking remediation through discussions or litigation. Of these sites, 16 were associated with properties conveyed to MAP by Ashland for which Ashland has retained liability for all costs associated with remediation. At many of these sites, USX is one of a number of parties involved and the total cost of remediation, as well as USX's share thereof, is frequently dependent upon the outcome of investigations and remedial studies. USX accrues for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. As environmental remediation matters proceed toward ultimate resolution or as additional remediation obligations arise, charges in excess of those previously accrued may be required.

MAP has responded to information requests from the U.S. Environmental Protection Agency ("EPA")regarding New Source Review ("NSR") compliance at its Garyville and Texas City refineries. In addition, the scope of the EPA's 1998 multi-media inspections of the Detroit and Robinson refineries included NSR compliance. MAP has not been notified of the results of either the information requests or inspections as regards NSR compliance.

NSR requires new major stationary sources and major modifications at existing major stationary sources to obtain permits, perform air quality analysis and install stringent air pollution control equipment at affected facilities. The current initiative appears to target many items that the industry has historically considered routine repair, replacement and maintenance or other activity exempted from the NSR requirements.

On July 25, 2000, the EPA issued a press release announcing a settlement in principle with two refiners concerning NSR and other environmental issues. MAP has initiated discussions with the EPA on similar issues.

In October 1998, the National Enforcement Investigations Center and Region V of the EPA conducted a multi-media inspection of MAP's Detroit refinery. Subsequently, in November 1998, Region V conducted a multi-media inspection of MAP's Robinson refinery. These inspections covered compliance with the Clean Air Act (New Source Performance Standards, Prevention of Significant Deterioration, and the National Emission Standards for Hazardous Air Pollutants for Benzene), the Clean Water Act (Permit exceedances for the Waste Water Treatment Plant), reporting obligations under the Emergency Planning and Community Right to Know Act and the handling of process waste. Although MAP has been advised as to certain compliance issues regarding MAP's Detroit refinery, complete findings on the results of the inspections have not been issued. Thus far, MAP has been served with two Notices of Violation ("NOV")and three Findings of Violation in connection with the multi-media inspections at its Detroit refinery. The Detroit notices allege violations of the Michigan State Air Pollution Regulation, the EPA New Source Performance Standards and National Emission Standards for Hazardous Air Pollutant for benzene. On March 6, 2000, MAP received its first NOV arising out of the multi-media inspection of the Robinson Refinery conducted in November 1998. The NOV is for alleged Resource Conservation and Recovery Act (hazardous waste) violations. MAP can contest the factual and legal basis for the allegations prior to the EPA taking enforcement action. At this time, it is not known when complete findings on the results of these multi-media inspections will be issued.

In 1996, USX was notified by the Indiana Department of Environmental Management ("IDEM") acting as lead trustee, that IDEM and the U.S. Department of the Interior had concluded a preliminary investigation of potential injuries to natural resources related to releases of hazardous substances and oil into the Grand Calumet River, Indiana Harbor Canal and Indiana Harbor near Gary Works. USX was identified as a PRP along with 15 other companies owning property along the river, harbor canal and harbor. The public trustees have completed a preassessment screen pursuant to federal regulations and are performing a Natural Resource Damage Assessment. USX is cooperating with eight other PRPs in a joint defense group which is currently engaged in settlement discussions with the public trustees and the EPA.

USX is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment (see Note 13 to the USX Consolidated Financial Statements for a discussion of certain of these matters). The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the USX Consolidated Financial Statements. However, management believes that USX will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably. See discussion of Liquidity herein.

Outlook

See Outlook in Management's Discussion and Analysis of Financial Condition and Results of Operations for the Marathon Group and the U. S. Steel Group.

USX CORPORATION AND SUBSIDIARY COMPANIES QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk and Related Risks

Sensitivity analysis of the incremental effects on income before income taxes of hypothetical 10% and 25% changes in commodity prices for open derivative commodity instruments are provided in the following table(a):

	Incremental Decrease in Income Before Income Taxes Assuming a Hypothetical Price Change of:		
(Dollars in millions)	10%	25%	
Derivative Commodity Instruments			
Marathon Group (b) (c)			
Crude oil			
Trading	$-	$-	
Other than trading (f)(g)	$29.0	$74.5	(d)
Natural gas			
Other than trading (f)(g)	2.2	5.7	(d)
Refined products			
Other than trading (f)(g)	.2	.8	(d)
U. S. Steel Group			
Natural gas			
Other than trading	$-	$-	
Zinc			
Other than trading	.5	1.2	(e)
Tin			
Other than trading	.3	.7	(e)

<FN>

(a) Gains and losses on derivative commodity instruments used for other than trading activities are generally offset by price changes in the underlying commodity. Effects of these offsets are not reflected in the sensitivity analyses. Amounts reflect the estimated incremental decrease in income before income taxes of hypothetical 10% and 25% changes in closing commodity prices for each open contract position at June 30, 2000. Management evaluates the portfolios of derivative commodity instruments on an ongoing basis and adjusts strategies to reflect anticipated market conditions, changes in risk profiles and overall business objectives. Changes to the portfolios subsequent to June 30, 2000, may cause future income before income tax effects to differ from those presented in the table.

(b) The number of net open contracts varied throughout second quarter 2000, from a low of 13,821 contracts at June 10, to a high of 24,360 contracts at May 4, and averaged 18,694 for the quarter. The derivative commodity instruments used and hedging positions taken also varied throughout second quarter 2000, and will continue to vary in the future. Because of these variations in the composition of the portfolio over time, the number of open contracts, by itself, cannot be used to predict future income effects.

(c) The calculation of sensitivity amounts for basis swaps assumes that the physical and paper indices are perfectly correlated. Gains and losses on options are based on changes in intrinsic value only.

(d) Price increase.

(e) Price decrease.

(f) The direction of the price change used in calculating the sensitivity amount for each commodity reflects that which would result in the largest incremental decrease in income before income taxes when applied to the derivative commodity instruments used to hedge that commodity.

(g) Adjusted to reflect Marathon's 62 percent ownership of MAP.

Interest Rate Risk

USX is subject to the effects of interest rate fluctuations on certain of its non-derivative financial instruments. A sensitivity analysis of the projected incremental effect of a hypothetical 10% decrease in June 30, 2000 interest rates on the fair value of USX's non-derivative financial instruments is provided in the following table:

(Dollars in millions)

As of June 30, 2000

Non-Derivative Financial Instruments(a)	Carrying Value	Fair Value	Incremental Increase in Fair Value(b)
Financial assets:			
Investments and long-term receivables	$204	$257	$ -
Financial liabilities:			
Long-term debt (c)(d)	$3,770	$3,868	$158
Preferred stock of subsidiary	250	233	21
USX obligated mandatorily redeemable convertible preferred securities of a subsidiary trust	183	132	12
Total liabilities	$4,203	$4,233	$191

<FN>

(a) Fair values of cash and cash equivalents, receivables, notes payable, accounts payable and accrued interest, approximate carrying value and are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.

(b) Reflects, by class of financial instrument, the estimated incremental effect of a hypothetical 10% decrease in interest rates at June 30, 2000, on the fair value of USX's non-derivative financial instruments. For financial liabilities, this assumes a 10% decrease in the weighted average yield to maturity of USX's long-term debt at June 30, 2000.

(c) Includes amounts due within one year.

(d) Fair value was based on market prices where available, or current borrowing rates for financings with similar terms and maturities.

Foreign Currency Exchange Rate Risk

USX is subject to the risk of price fluctuations related to anticipated revenues and operating costs, firm commitments for capital expenditures and existing assets or liabilities denominated in currencies other than U.S. dollars. USX has not generally used derivative instruments to manage this risk. However, USX has made limited use of forward currency contracts to manage exposure to certain currency price fluctuations. At June 30, 2000, USX had open Canadian dollar forward purchase contracts with a total carrying value of approximately $41 million. A 10% increase in the Canadian dollar to U.S. dollar forward rate would result in a charge to income of approximately $4 million.

Equity Price Risk

As of June 30, 2000, USX had no material exposure to equity price risk.

Safe Harbor

USX's Quantitative and Qualitative Disclosures About Market Risk include forward-looking statements with respect to management's opinion about risks associated with USX's use of derivative instruments. These statements are based

on certain assumptions with respect to market prices and industry supply and demand for crude oil, natural gas, refined products, steel products and certain raw materials. To the extent that these assumptions prove to be inaccurate, future outcomes with respect to USX's derivative usage may differ materially from those discussed in the forward-looking statements.

USX CORPORATION

FINANCIAL STATISTICS (Unaudited)

(Dollars in millions)	Second Quarter Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
REVENUES				
Marathon Group	$8,893	$5,481	$16,854	$10,332
U. S. Steel Group	1,611	1,304	3,158	2,515
Eliminations	(16)	(19)	(30)	(27)
Total	$10,488	$6,766	$19,982	$12,820
INCOME FROM OPERATIONS				
Marathon Group	$860	$399	$1,385	$802
U. S. Steel Group	112	103	203	101
Total	$972	$502	$1,588	$903
CASH FLOW DATA				
CAPITAL EXPENDITURES				
Marathon Group	$239	$336	$576	$532
U. S. Steel Group	52	74	97	153
Total	$291	$410	$673	$685
INVESTMENTS (RETURNS) & OTHER AFFILIATE ACTIVITY - NET				
Marathon Group	$34	$37	$54	$56
U. S. Steel Group	-	-	11	-
Total	$34	$37	$65	$56

Part I - Financial Information (Continued):

B. Marathon Group

MARATHON GROUP OF USX CORPORATION
STATEMENT OF OPERATIONS (Unaudited)

(Dollars in millions)	Second Quarter Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999

REVENUES:				
Sales	$8,863	$5,447	$16,709	$10,287
Dividend and affiliate income	17	28	28	44
Net gains (losses) on disposal of assets	2	(1)	94	(11)
Gain on ownership change in Marathon Ashland Petroleum LLC	4	-	8	-
Other income	7	7	15	12
Total revenues	8,893	5,481	16,854	10,332
COSTS AND EXPENSES:				
Cost of sales (excludes items shown below)	6,447	3,669	12,352	7,074
Selling, general and administrative expenses	124	132	258	254
Depreciation, depletion and amortization	240	222	486	459
Taxes other than income taxes	1,176	1,066	2,282	2,036
Exploration expenses	46	59	91	122
Inventory market valuation credits	-	(66)	-	(415)
Total costs and expenses	8,033	5,082	15,469	9,530
INCOME FROM OPERATIONS	860	399	1,385	802
Net interest and other financial costs	68	71	139	146
Minority interest in income of Marathon Ashland Petroleum LLC	203	112	258	257
INCOME BEFORE INCOME TAXES	589	216	988	399
Provision for estimated income taxes	222	82	367	146
NET INCOME	$367	$134	$621	$253
MARATHON STOCK DATA:				
Net income per share - basic and diluted	$1.18	$.43	$1.99	$.82
Dividends paid per share	.21	.21	.42	.42
Weighted average shares, in thousands				
- Basic	312,233	309,054	312,180	309,041
- Diluted	312,431	309,462	312,359	309,332

<FN>
Selected notes to financial statements appear on pages 37-45.

MARATHON GROUP OF USX CORPORATION
BALANCE SHEET (Unaudited)

(Dollars in millions)	June 30 2000	December 31 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$162	$111
Receivables, less allowance for doubtful accounts of $2 and $2	2,167	1,876
Inventories	2,120	1,884
Deferred income tax benefits	29	23
Other current assets	278	218
Total current assets	4,756	4,112
Investments and long-term receivables	851	762
Property, plant and equipment, less accumulated depreciation, depletion and amortization of $10,816 and $10,567	10,302	10,293
Prepaid pensions	232	225
Other noncurrent assets	280	313

Total assets	$16,421	$15,705
	======	======
LIABILITIES		
Current liabilities:		
Notes payable	$103	$-
Accounts payable	2,843	2,685
Payroll and benefits payable	156	146
Income taxes payable	73	97
Accrued taxes	269	107
Accrued interest	91	92
Long-term debt due within one year	31	48
Total current liabilities	3,566	3,175
Long-term debt, less unamortized discount	2,911	3,320
Deferred income taxes	1,530	1,495
Employee benefits	590	564
Deferred credits and other liabilities	408	414
Preferred stock of subsidiary	184	184
Minority interest in Marathon Ashland Petroleum LLC	1,943	1,753
COMMON STOCKHOLDERS' EQUITY	5,289	4,800
Total liabilities and common stockholders' equity	$16,421	$15,705
	======	======

<FN>
Selected notes to financial statements appear on pages 37-45.

MARATHON GROUP OF USX CORPORATION
STATEMENT OF CASH FLOWS (Unaudited)

(Dollars in millions)	Six Months Ended June 30 2000	1999
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING ACTIVITIES:		
Net income	$621	$253
Adjustments to reconcile to net cash provided from operating activities:		
Minority interest in income of Marathon Ashland Petroleum LLC	258	257
Depreciation, depletion and amortization	486	459
Exploratory dry well costs	32	62
Inventory market valuation credits	-	(415)
Pensions and other postretirement benefits	6	27
Deferred income taxes	16	49
Gain on ownership change in Marathon Ashland Petroleum LLC	(8)	-
Net (gains) losses on disposal of assets	(94)	11
Changes in:		
Current receivables	(290)	(265)
Inventories	(236)	(151)
Current accounts payable and accrued expenses	260	301
All other - net	(42)	(45)
Net cash provided from operating activities	1,009	543
INVESTING ACTIVITIES:		
Capital expenditures	(576)	(532)
Disposal of assets	214	178
Restricted cash - withdrawals	158	39
- deposits	(193)	(20)
Affiliates - investments	(56)	-
- loans and advances	-	(56)
- returns and repayments	2	-

All other - net	20	-
Net cash used in investing activities	(431)	(391)
FINANCING ACTIVITIES:		
Increase (decrease) in Marathon Group's portion of USX consolidated debt	(322)	119
Specifically attributed debt - borrowings	273	140
- repayments	(271)	(140)
Marathon Stock issued	-	8
Dividends paid	(131)	(130)
Distributions to minority shareholder of Marathon Ashland Petroleum LLC	(73)	(206)
Net cash used in financing activities	(524)	(209)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(3)	(1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51	(58)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	111	137
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$162	$79
Cash used in operating activities included:		
Interest and other financial costs paid (net of amount capitalized)	$(138)	$(136)
Income taxes paid, including settlements with the U. S. Steel Group	(226)	(7)

<FN>
Selected notes to financial statements appear on pages 37-45.

MARATHON GROUP OF USX CORPORATION
SELECTED NOTES TO FINANCIAL STATEMENTS
(Unaudited)

1. The information furnished in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise. These financial statements, including selected notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission and do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. Certain reclassifications of prior year data have been made to conform to 2000 classifications. Additional information is contained in the USX Annual Report on Form 10-K for the year ended December 31, 1999.

   EITF Topic No. D-88, issued in March 2000, requires companies to disclose their accounting policy for costs incurred in connection with planned major maintenance activities. For the Marathon Group, such costs primarily are associated with refinery turnarounds, which are expensed in the same annual period as incurred; however, estimated annual turnaround costs are recognized in income throughout the year on a pro rata basis.

2. The financial statements of the Marathon Group include the financial position, results of operations and cash flows for the businesses of Marathon Oil Company (Marathon) and certain other subsidiaries of USX, and a portion of the corporate assets and liabilities and related transactions which are not separately identified with ongoing operating units of USX. These financial statements are prepared using the amounts included in the USX consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be reasonable. The accounting policies applicable to the preparation of the financial statements of the Marathon Group may be modified or rescinded in the sole discretion of the Board of Directors of USX (Board), although the Board has no present intention to do so. The Board may also adopt additional policies depending on the circumstances.

   Although the financial statements of the Marathon Group and the U. S. Steel Group separately report the assets, liabilities (including contingent liabilities) and stockholders' equity of USX attributed to each such Group, such attribution of assets, liabilities (including contingent liabilities)

and stockholders' equity between the Marathon Group and the U. S. Steel Group for the purpose of preparing their respective financial statements does not affect legal title to such assets and responsibility for such liabilities. Holders of USX-Marathon Group Common Stock (Marathon Stock) and USX-U. S. Steel Group Common Stock (Steel Stock) are holders of common stock of USX and continue to be subject to all the risks associated with an investment in USX and all of its businesses and liabilities. Financial impacts arising from one Group that affect the overall cost of USX's capital could affect the results of operations and financial condition of the other Group. In addition, net losses of either Group, as well as dividends or distributions on any class of USX Common Stock or series of Preferred Stock and repurchases of any class of USX Common Stock or series of Preferred Stock at prices in excess of par or stated value, will reduce the funds of USX legally available for payment of dividends on both classes of Common Stock. Accordingly, the USX consolidated financial information should be read in connection with the Marathon Group financial information.

2. (Continued)

The financial statement provision for estimated income taxes and related tax payments or refunds have been reflected in the Marathon Group and the U. S. Steel Group financial statements in accordance with USX's tax allocation policy for such groups. In general, such policy provides that the consolidated tax provision and related tax payments or refunds are allocated between the Marathon Group and the U. S. Steel Group for group financial statement purposes, based principally upon the financial income, taxable income, credits, preferences and other amounts directly related to the respective groups.

The provision for estimated income taxes for the Marathon Group is based on tax rates and amounts which recognize management's best estimate of current and deferred tax assets and liabilities. Differences between the combined interim tax provisions of the Marathon and U. S. Steel Groups and USX consolidated are allocated to each group based on the relationship of the individual group provisions to the combined interim provisions.

3. The method of calculating net income per common share for the Marathon Stock and Steel Stock reflects the Board's intent that the separately reported earnings and surplus of the Marathon Group and the U. S. Steel Group, as determined consistent with the USX Restated Certificate of Incorporation, are available for payment of dividends on the respective classes of stock, although legally available funds and liquidation preferences of these classes of stock do not necessarily correspond with these amounts.

   Basic net income per share is based on the weighted average number of common shares outstanding.

   Diluted net income per share assumes conversion of convertible securities for the applicable periods outstanding and assumes exercise of stock options, provided in each case, the effect is not antidilutive.

   See Note 7 of the Notes to USX Consolidated Financial Statements for the computation of income per share.

4. In 1998, Marathon and Ashland Inc. (Ashland) combined the major elements of their refining, marketing and transportation (RM&T) operations. Marathon transferred certain RM&T assets to Marathon Ashland Petroleum LLC (MAP), a new consolidated subsidiary. Also, Marathon acquired certain RM&T net assets from Ashland in exchange for a 38% interest in MAP. In accordance with MAP closing agreements, Marathon and Ashland made capital contributions to MAP for environmental improvements. The closing agreements stipulate that ownership interests in MAP will not be adjusted as a result of such contributions. Accordingly, Marathon recognized a gain on ownership change of $4 million in each of the first and second quarters of 2000.

MARATHON GROUP OF USX CORPORATION
SELECTED NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

5. The items below are included in both revenues and costs and expenses, resulting in no effect on income.

	(In millions)			
	Second Quarter Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
Matching crude oil and refined product buy/sell transactions settled in cash	$1,415	$698	$2,470	$1,570
Consumer excise taxes on petroleum products and merchandise	1,108	1,003	2,147	1,916

6. The Marathon Group's total comprehensive income was $366 million for the second quarter of 2000, $134 million for the second quarter of 1999, $618 million for the six months of 2000 and $255 million for the six months of 1999.

7. The Marathon Group's operations consist of three reportable operating segments: 1) Exploration and Production (E&P) - explores for and produces crude oil and natural gas on a worldwide basis; 2) Refining, Marketing and Transportation (RM&T) - refines, markets and transports crude oil and petroleum products, primarily in the Midwest and southeastern United States through MAP; and 3) Other Energy Related Businesses (OERB). OERB is an aggregation of two segments which fall below the quantitative reporting thresholds: 1) Natural Gas and Crude Oil Marketing and Transportation - markets and transports its own and third-party natural gas and crude oil in the United States; and 2) Power Generation - develops, constructs and operates independent electric power projects worldwide. The results of segment operations are as follows:

7. (Continued)

(In millions)	E&P	RM&T	OERB	Total Segments
SECOND QUARTER 2000				
Revenues:				
Customer	$1,060	$7,486	$305	$8,851
Intersegment (a)	119	49	13	181
Intergroup (a)	6	-	6	12
Equity in earnings (losses) of unconsolidated affiliates	(3)	6	4	7
Other	7	10	2	19
Total revenues	$1,189	$7,551	$330	$9,070

Segment income	$356	$529	$-	$885

SECOND QUARTER 1999				
Revenues:				
Customer	$689	$4,637	$113	$5,439
Intersegment (a)	34	4	6	44
Intergroup (a)	4	-	4	8
Equity in earnings of unconsolidated affiliates	3	4	5	12
Other	13	10	6	29
Total revenues	$743	$4,655	$134	$5,532
Segment income	$124	$228	$19	$371

<FN>
(a) Intersegment and intergroup sales and transfers were conducted under terms comparable to those with unrelated parties.

7. (Continued)

(In millions)	E&P	RM&T	OERB	Total Segments
SIX MONTHS ENDED JUNE 30, 2000				
Revenues:				
Customer	$2,051	$13,981	$655	$16,687
Intersegment (a)	188	69	32	289
Intergroup (a)	11	-	11	22
Equity in earnings (losses) of unconsolidated affiliates	(4)	10	8	14
Other	10	20	6	36
Total revenues	$2,256	$14,080	$712	$17,048
Segment income	$665	$669	$13	$1,347
SIX MONTHS ENDED JUNE 30, 1999				
Revenues:				
Customer	$1,261	$8,816	$195	$10,272
Intersegment (a)	68	9	15	92
Intergroup (a)	7	-	8	15
Equity in earnings of unconsolidated affiliates	4	7	13	24
Other	19	16	9	44
Total revenues	$1,359	$8,848	$240	$10,447
Segment income	$160	$273	$34	$467

<FN>
(a) Intersegment and intergroup sales and transfers were conducted under terms comparable to those with unrelated parties.

7. (Continued)

The following schedules reconcile segment revenues and income to amounts reported in the Marathon Group financial statements:

(In millions)	Second Quarter Ended June 30 2000	1999
Revenues:		
Revenues of reportable segments	$9,070	$5,532
Items not allocated to segments:		
Gain on ownership change in MAP	4	-
Other (a)	-	(7)
Elimination of intersegment revenues	(181)	(44)
Total Group revenues	$8,893	$5,481
Income:		
Income for reportable segments	$885	$371
Items not allocated to segments:		
Gain on ownership change in MAP	4	-
Administrative expenses	(29)	(31)
Inventory market valuation adjustments	-	66
Other (a)	-	(7)
Total Group income from operations	$860	$399

<FN>
(a) Represents in 1999, estimated loss on sale of Carnegie Natural Gas Company and subsidiaries (Carnegie).

7. (Continued)

(In millions)	Six Months Ended June 30 2000	1999
Revenues:		
Revenues of reportable segments	$17,048	$10,447
Items not allocated to segments:		
Gain on ownership change in MAP	8	-
Other (a)	87	(23)
Elimination of intersegment revenues	(289)	(92)
Total Group revenues	$16,854	$10,332
Income:		
Income for reportable segments	$1,347	$467
Items not allocated to segments:		
Gain on ownership change in MAP	8	-
Administrative expenses	(57)	(57)
Inventory market valuation adjustments	-	415
Other (a)	87	(23)
Total Group income from operations	$1,385	$802

<FN>
(a) Represents in 2000, gain on disposition of Angus/Stellaria and in 1999, loss on sale of Scurlock Permian LLC and Carnegie.

(Unaudited)

8. Inventories are carried at the lower of cost or market. Cost of inventories of crude oil and refined products is determined under the last-in, first-out (LIFO) method.

	(In millions)	
	June 30 2000	December 31 1999
Crude oil and natural gas liquids	$794	$729
Refined products and merchandise	1,222	1,046
Supplies and sundry items	104	109
Total (at cost)	2,120	1,884
Less inventory market valuation reserve	-	-
Net inventory carrying value	$2,120	$1,884

The inventory market valuation reserve reflects the extent that the recorded LIFO cost basis of crude oil and refined products inventories exceeds net realizable value. The reserve is decreased to reflect increases in market prices and inventory turnover and increased to reflect decreases in market prices. Changes in the inventory market valuation reserve result in noncash charges or credits to costs and expenses. For additional information, see discussion of results of operations in the Marathon Group Management's Discussion and Analysis of Financial Condition and Results of Operations.

9. At June 30, 2000, and December 31, 1999, income taxes payable represents an estimated income tax payable to the U. S. Steel Group. In addition, included in deferred credits and other liabilities at June 30, 2000, and December 31, 1999, is $97 million income taxes payable to the U. S. Steel Group. These amounts have been determined in accordance with the tax allocation policy discussed in Note 2.

10. USX is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments relating to the Marathon Group involving a variety of matters, including laws and regulations relating to the environment. Certain of these matters are discussed below. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the Marathon Group financial statements. However, management believes that USX will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably to the Marathon Group. See discussion of Liquidity in USX Consolidated Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Marathon Group is subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance. At June 30, 2000, and December 31, 1999, accrued liabilities for remediation totaled $73 million and $69 million, respectively. It is not presently possible to estimate the ultimate amount of

10. (Continued)

all remediation costs that might be incurred or the penalties that may be imposed. Receivables for recoverable costs from certain states, under programs to assist companies in cleanup efforts related to underground storage tanks at retail marketing outlets, were $55 million at June 30, 2000, and $52 million at December 31, 1999.

For a number of years, the Marathon Group has made substantial capital expenditures to bring existing facilities into compliance with various laws relating to the environment. In the first six months of 2000 and for the years 1999 and 1998, such capital expenditures totaled $9 million, $46 million and $83 million, respectively. The Marathon Group anticipates making additional such expenditures in the future; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

At June 30, 2000, and December 31, 1999, accrued liabilities for platform abandonment and dismantlement totaled $157 million and $152 million, respectively.

Guarantees by USX and its consolidated subsidiaries of the liabilities of an affiliated entity of the Marathon Group totaled $131 million at June 30, 2000.

At June 30, 2000, the Marathon Group's pro rata share of obligations of LOOP LLC and various pipeline affiliates secured by throughput and deficiency agreements totaled $144 million. Under the agreements, the Marathon Group is required to advance funds if the affiliates are unable to service debt. Any such advances are prepayments of future transportation charges.

The Marathon Group's contract commitments to acquire property, plant and equipment and long-term investments at June 30, 2000, totaled $617 million compared with $485 million at December 31, 1999.

MARATHON GROUP OF USX CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Marathon Group includes Marathon Oil Company ("Marathon") and certain other subsidiaries of USX Corporation ("USX"), which are engaged in worldwide exploration and production of crude oil and natural gas; domestic refining, marketing and transportation of petroleum products primarily through Marathon Ashland Petroleum ("MAP"), owned 62 percent by Marathon; and other energy related businesses. The Management's Discussion and Analysis should be read in conjunction with the Marathon Group's Financial Statements and Selected Notes to Financial Statements. The discussion of Results of Operations should be read in conjunction with the Supplemental Statistics provided on page 59.

Certain sections of Management's Discussion and Analysis include forward-looking statements concerning trends or events potentially affecting the businesses of the Marathon Group. These statements typically contain words such as "anticipates", "believes", "estimates", "expects", "targets", "scheduled" or similar words indicating that future outcomes are uncertain. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in forward-looking statements. For additional risk factors affecting the businesses of the Marathon Group, see Supplementary Data - Disclosures About Forward-Looking Statements in the USX Annual Report on Form 10-K for the year ended December 31, 1999.

Results of Operations

Revenues for the second quarter and first six months of 2000 and 1999 are summarized in the following table:

(Dollars in millions)	Second Quarter Ended June 30 2000	Second Quarter Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
Exploration & production ("E&P")	$1,189	$743	$2,256	$1,359
Refining, marketing & transportation ("RM&T")	7,551	4,655	14,080	8,848
Other energy related businesses (a)	330	134	712	240
Revenues of reportable segments	$9,070	$5,532	$17,048	$10,447
Revenues not allocated to segments:				
Gain on ownership change in MAP	4	-	8	-
Other (b)	-	(7)	87	(23)
Elimination of intersegment revenues	(181)	(44)	(289)	(92)
Total Group revenues	$8,893	$5,481	$16,854	$10,332
Items included in both revenues and costs and expenses, resulting in no effect on income:				
Consumer excise taxes on petroleum products and merchandise	$1,108	$1,003	$2,147	$1,916
Matching crude oil and refined product buy/sell transactions settled in cash:				
E&P	$222	$161	$377	$275
RM&T	1,193	537	2,093	1,295
Total buy/sell transactions	$1,415	$698	$2,470	$1,570

<FN>

(a) Includes domestic natural gas and crude oil marketing and transportation, and power generation.

(b) Represents in 2000, a gain on the disposition of Angus/Stellaria and in 1999, an estimated loss on sale of Scurlock and Carnegie.

E&P segment revenues increased by $446 million in the second quarter of 2000 from the comparable prior-year period. For the first six months of 2000, revenues increased by $897 million from the prior-year period. The increase in both periods primarily reflected higher worldwide liquid hydrocarbon and natural gas prices.

RM&T segment revenues increased by $2,896 million in the second quarter of 2000 from the comparable prior-year period. For the first six months of 2000, revenues increased by $5,232 million from the prior-year period. The increase in both periods primarily reflected higher refined product prices and increased refined product sales volumes.

Other energy related businesses segment revenues increased by $196 million in the second quarter of 2000 from the comparable prior-year period. For the first six months of 2000, revenues increased by $472 million from the prior-year period. The increase in both periods primarily reflected higher natural gas and crude oil purchase and resale activity accompanied by higher crude oil and natural gas prices.

Income from operations for the second quarter and first six months of 2000 and 1999 is summarized in the following table:

(Dollars in millions)	Second Quarter Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
E&P				
Domestic	$277	$93	$478	$131
International	79	31	187	29
Income for E&P reportable segment	356	124	665	160
RM&T	529	228	669	273
Other energy related businesses	-	19	13	34
Income for reportable segments	$885	$371	$1,347	$467
Items not allocated to segments:				
Administrative expenses (a)	$(29)	$(31)	$(57)	$(57)
IMV reserve adjustment (b)	-	66	-	415
Estimated loss on sale of assets (c)	-	(7)	-	(23)
Gain on disposition of Angus/Stellaria (d)	-	-	87	-
Gain on ownership change in MAP (e)	4	-	8	-
Total Group income from operations	$860	$399	$1,385	$802

<FN>
(a) Includes the portion of the Marathon Group's administrative costs not charged to the operating segments and the portion of USX corporate general and administrative costs allocated to the Marathon Group.
(b) The inventory market valuation ("IMV") reserve reflects the extent to which the recorded LIFO cost basis of crude oil and refined products inventories exceeds net realizable value. For additional discussion of the IMV, see Note 8 to the Marathon Group Financial Statements.
(c) Resulted from the sale of Scurlock Permian LLC and Carnegie Natural Gas Company and affiliated subsidiaries.
(d) Resulted from the disposition of Marathon's 33.34 percent interest in the Angus/Stellaria development located in the Gulf of Mexico.
(e) For additional discussion of the gain on ownership change in MAP, see Note 4 to the Marathon Group Financial Statements.

Income for reportable segments in the second quarter of 2000 increased by $514 million from last year's second quarter, due primarily to higher worldwide liquid hydrocarbon and natural gas prices and higher refined product margins. Income for reportable segments in the first six months of 2000 increased by $880 million from the first six months of 1999, due primarily to the factors discussed previously.

Worldwide E&P segment income in the second quarter of 2000 increased by $232 million from last year's second quarter. Results in the first six months of 2000 increased by $505 million from the same period in 1999.

Domestic E&P income in the second quarter of 2000 increased by $184 million from last year's second quarter. Results in the first six months of 2000 increased by $347 million from the same period in 1999. These increases were mainly due to higher liquid hydrocarbon and natural gas prices and lower exploration expense, partially offset by derivative losses from other than trading activities and lower liquid hydrocarbon and natural gas volumes due to natural field declines and asset sales.

International E&P income in the second quarter of 2000 increased by $48 million from last year's second quarter. This increase was mainly due to higher liquid hydrocarbon and natural gas prices, partially offset by a decrease in natural gas volumes due to the depletion of Heimdal reserves in Norway, decreased production in Ireland and the sale of certain Egyptian properties. Results in the first six months of 2000 increased by $158 million from the same period in 1999. In addition to the factors discussed previously, the increase

was also due to lower dry well expense.

RM&T segment income in the second quarter of 2000 increased by $301 million from last year's second quarter. Results in the first six months of 2000 increased by $396 million from the same period in 1999. These increases were mainly due to higher refined product margins and increased refined product sales volumes.

Other energy related businesses segment income in the second quarter of 2000 decreased by $19 million from last year's second quarter. Results in the first six months of 2000 decreased by $21 million from the same period in 1999. These decreases were primarily a result of derivative losses from other than trading activities and lower equity earnings as a result of decreased pipeline throughput. Also, the 1999 results included a reversal of abandonment accruals of $10 million.

Item not allocated to reportable segments: IMV reserve adjustment - When United States Steel Corporation acquired Marathon Oil Company in March 1982, crude oil and refined product prices were at historically high levels. In applying the purchase method of accounting, the Marathon Group's crude oil and refined product inventories were revalued by reference to current prices at the time of acquisition, and this became the new LIFO cost basis of the inventories. Generally accepted accounting principles require that inventories be carried at lower of cost or market. Accordingly, the Marathon Group has established an IMV reserve to reduce the cost basis of its inventories to net realizable value. Quarterly adjustments to the IMV reserve, if necessary, result in noncash charges or credits to income from operations.

These adjustments affect the comparability of financial results from period to period as well as comparisons with other energy companies, many of which do not have such adjustments. Therefore, the Marathon Group reports separately the effects of the IMV reserve adjustments on financial results. In management's opinion, the effects of such adjustments should be considered separately when evaluating operating performance.

Net interest and other financial costs in the first six months of 2000 decreased by $7 million from the comparable 1999 period, mainly due to decreased costs resulting from lower average debt levels and higher interest income, partially offset by lower capitalized interest on E&P projects.

The minority interest in income of MAP, which represents Ashland's 38 percent ownership interest, increased by $1 million in the first six months of 2000 from the comparable 1999 period. The 1999 results included a favorable IMV reserve adjustment as discussed previously.

The provision for estimated income taxes in the first six months of 2000 increased by $221 million from the comparable 1999 period due to an increase in income before taxes.

Net income for the second quarter and first six months increased by $233 million and $368 million, respectively, in 2000 from 1999, primarily reflecting the factors discussed above.

Cash Flows

Net cash provided from operating activities was $1,009 million in the first six months of 2000, compared with $543 million in the first six months of 1999. The $466 million increase mainly reflected the favorable effects of improved net income (excluding noncash items), partially offset by an income tax settlement with the Steel Group in accordance with the group tax allocation policy.

Capital expenditures in the first six months of 2000 totaled $576 million, compared with $532 million in the comparable 1999 period. For additional information regarding capital expenditures, refer to the Supplemental Statistics on page 59.

Contract commitments for property, plant and equipment acquisitions and long-term investments at June 30, 2000 totaled $617 million compared with $485 million at December 31, 1999.

Cash from disposal of assets was $214 million in the first six months of 2000, compared with $178 million in the comparable 1999 period. Proceeds in 2000 were mainly from the disposition of Marathon's 33.34 percent interest in the Angus/Stellaria development in the Gulf of Mexico. Proceeds in 1999 were mainly from the sale of Scurlock Permian LLC and domestic production properties.

The net change in restricted cash was a net deposit of $35 million in the first six months of 2000, compared to a net withdrawal of $19 million in the comparable 1999 period. Restricted cash in both periods primarily reflected the net effects of cash deposited and withdrawn from domestic production property dispositions and acquisitions.

Net investments in affiliates were $54 million in the first six months of 2000, compared with $56 million in the comparable 1999 period. Cash outflows in both periods mainly reflected funding provided to equity affiliates for capital projects, primarily the Sakhalin II project in Russia.

Financial obligations, which consist of the Marathon Group's portion of USX debt and preferred stock of a subsidiary attributed to both groups, as well as debt specifically attributed to the Marathon Group, decreased by $320 million in the first six months of 2000. Financial obligations decreased primarily because cash from operating activities and asset sales exceeded capital expenditures and dividend payments. For further details, see Management's Discussion and Analysis of USX Consolidated Financial Condition, Cash Flows and Liquidity.

Distributions to minority shareholder of MAP were $73 million in the first six months of 2000, compared with $206 million in the comparable 1999 period. The 1999 amount included a distribution of $103 million in the first quarter 1999, which related to fourth quarter 1998 MAP activity.

Derivative Instruments

See Quantitative and Qualitative Disclosure About Market Risk for discussion of derivative instruments and associated market risk for the Marathon Group.

Liquidity

For discussion of USX's liquidity and capital resources, see Management's Discussion and Analysis of USX Consolidated Financial Condition, Cash Flows and Liquidity.

Environmental Matters, Contingencies and Commitments

The Marathon Group has incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of the Marathon Group's products and services, operating results will be adversely affected. The Marathon Group believes that substantially all of its competitors are subject to similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, marketing areas, production processes and whether or not it is engaged in the petrochemical business, power business or the marine transportation of crude oil and refined products.

USX has been notified that it is a potentially responsible party ("PRP") at 13 waste sites related to the Marathon Group under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") as of June 30,

2000. In addition, there are 5 sites related to the Marathon Group where USX has received information requests or other indications that USX may be a PRP under CERCLA but where sufficient information is not presently available to confirm the existence of liability.

There are also 108 additional sites, excluding retail marketing outlets, related to the Marathon Group where remediation is being sought under other environmental statutes, both federal and state, or where private parties are seeking remediation through discussions or litigation. Of these sites, 16 were associated with properties conveyed to MAP by Ashland for which Ashland has retained liability for all costs associated with remediation.

At many of these sites, USX is one of a number of parties involved and the total cost of remediation, as well as USX's share thereof, is frequently dependent upon the outcome of investigations and remedial studies. The Marathon Group accrues for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. As environmental remediation matters proceed toward ultimate resolution or as additional remediation obligations arise, charges in excess of those previously accrued may be required.

MAP has responded to information requests from the U.S. Environmental Protection Agency ("EPA") regarding New Source Review ("NSR") compliance at its Garyville and Texas City refineries. In addition, the scope of the EPA's 1998 multi-media inspections of the Detroit and Robinson refineries included NSR compliance. MAP has not been notified of the results of either the information requests or inspections as regards NSR compliance.

NSR requires new major stationary sources and major modifications at existing major stationary sources to obtain permits, perform air quality analysis and install stringent air pollution control equipment at affected facilities. The current initiative appears to target many items that the industry has historically considered routine repair, replacement and maintenance or other activity exempted from the NSR requirements.

On July 25, 2000, the EPA issued a press release announcing a settlement in principle with two refiners concerning NSR and other environmental issues. MAP has initiated discussions with the EPA on similar issues.

In October 1998, the National Enforcement Investigations Center and Region V of the EPA conducted a multi-media inspection of MAP's Detroit refinery. Subsequently, in November 1998, Region V conducted a multi-media inspection of MAP's Robinson refinery. These inspections covered compliance with the Clean Air Act (New Source Performance Standards, Prevention of Significant Deterioration, and the National Emission Standards for Hazardous Air Pollutants for Benzene), the Clean Water Act (Permit exceedances for the Waste Water Treatment Plant), reporting obligations under the Emergency Planning and Community Right to Know Act and the handling of process waste. Although MAP has been advised as to certain compliance issues regarding MAP's Detroit refinery, complete findings on the results of the inspections have not been issued. Thus far, MAP has been served with two Notices of Violation ("NOV") and three Findings of Violation in connection with the multi-media inspections at its Detroit refinery. The Detroit notices allege violations of the Michigan State Air Pollution Regulations, the EPA New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants for benzene. On March 6, 2000, MAP received its first NOV arising out of the multi-media inspection of the Robinson Refinery conducted in November 1998. The NOV is for alleged Resource Conservation and Recovery Act (hazardous waste) violations. MAP can contest the factual and legal basis for the allegations prior to the EPA taking enforcement action. At this time, it is not known when complete findings on the results of these multi-media inspections will be issued.

USX is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments relating to the Marathon Group involving a variety of matters, including laws and regulations relating to the environment. See Note 10 to the Marathon Group Financial Statements for a discussion of certain of these matters. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the

Marathon Group Financial Statements. However, management believes that USX will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably to the Marathon Group. See Management's Discussion and Analysis of USX Consolidated Financial Condition, Cash Flows and Liquidity.

Outlook

The outlook regarding the Marathon Group's upstream revenues and income is largely dependent upon future prices and volumes of liquid hydrocarbons and natural gas. Prices have historically been volatile and have frequently been affected by unpredictable changes in supply and demand resulting from fluctuations in worldwide economic activity and political developments in the world's major oil and gas producing and consuming areas. Any significant decline in prices could have a material adverse effect on the Marathon Group's results of operations. A prolonged decline in such prices could also adversely affect the quantity of crude oil and natural gas reserves that can be economically produced and the amount of capital available for exploration and development.

On July 27, 2000, Marathon expounded upon existing goals to significantly improve its E&P business performance. Specific actions include: $75 million reduction in above field costs, $25 million savings in global procurement expenses and $50 million reduction in exploration expense. Other actions include possible disposition or exchange of noncore producing properties for producing properties in Marathon's core producing areas. These goals are expected to be achieved in 2001. This is a forward-looking statement. Some factors that could potentially affect reaching these goals include the closing of certain acquisitions, dispositions and exchanges, drilling rig availability, weather conditions, and other geological, operating and economic considerations.

On June 1, 2000, Marathon announced it had signed a non-binding letter of intent with Shell to trade its 37.5 percent interest in Sakhalin Energy Investment Company Ltd. ("Sakhalin Energy"). In exchange, Marathon would receive all of Shell's interest in the BP Amoco-operated Foinaven field in the UK North Sea, associated infrastructure, and adjacent discoveries and prospects. In addition, Marathon would receive a 3.5 percent overriding royalty in eight Gulf of Mexico blocks including the Shell-operated Ursa field and Shell would reimburse Marathon for all Sakhalin project expenditures made this year. Ultimate completion of the transaction is subject to the resolution of a number of significant contingencies between Shell and Marathon in addition to the receipt of consents from third parties. Pending the favorable and timely resolution of these contingencies, definitive agreements are expected to be signed in late September, with transfer of operations expected to take place in the fourth quarter of this year. This is a forward-looking statement. Some factors that could potentially affect the timing and completion of the Sakhalin transaction include negotiation of definitive agreements, third party consents and satisfactory due diligence results. In accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, USX has included in Form 10-K for the year ended December 31, 1999, cautionary statements identifying important factors, but not necessarily all factors, that could cause actual results to differ materially from those set forth in the forward-looking statement.

Net deferred tax liabilities reported by USX at December 31, 1999 included deferred tax assets related to expected federal tax benefits for crediting certain foreign deferred tax liabilities, net of a valuation allowance for amounts not expected to be realized. USX's ability to realize these assets is based upon certain assumptions concerning future operating conditions (particularly as related to prevailing oil and gas commodity prices), income

generated from foreign sources and USX's tax profile in the years that such credits may be claimed. The proposed disposition of Sakhalin Energy would have a significant impact on the amount and timing of expected future income generated from foreign sources. An additional impairment of these deferred tax assets would be necessary when it becomes more likely than not that Marathon will dispose of its interest in Sakhalin Energy. Any impairment of these deferred tax assets would not have a material impact on the financial position of USX or the Marathon Group, although the impact could be material to the results of operations for the interim period in which the deferred tax expense is recognized.

Downstream income of the Marathon Group is largely dependent upon refined product margins, which reflect the difference between the selling prices of refined products and the cost of raw materials refined and manufacturing costs. Refined product margins have been historically volatile and vary due to numerous factors such as supply and demand balance in the various marketing areas, the regulatory climate, crude oil costs, manufacturing costs and the available supply of crude oil and refined products.

On March 9, 2000, Marathon Ashland Petroleum LLC ("MAP") announced it joined CMS Energy Corporation and TEPPCO Partners, L.P., in an agreement to form a limited liability company with equal ownership to operate an interstate refined petroleum products pipeline extending from the U.S. Gulf of Mexico to the Midwest. The new company plans to build a 70-mile, 24-inch diameter pipeline connecting TEPPCO's facility in Beaumont, Texas, with an existing 720-mile, 26-inch diameter pipeline extending from Longville, Louisiana to Bourbon, Illinois. The system will be called Centennial Pipeline and will pass through seven states. It is expected to be completed in the fourth quarter of 2001. This is a forward-looking statement. Some factors that could potentially affect the timing of the Centennial Pipeline completion include (among others) securing acceptable financing, obtaining the necessary construction and environmental permits, unforeseen hazards such as weather conditions, acquisitions of rights-of-way and regulatory approval constraints.

MAP's subsidiary, Ohio River Pipe Line LLC ("ORPL"), plans to build a pipeline from Kenova, West Virginia to Columbus, Ohio. ORPL is a common carrier pipeline company and the pipeline will be an interstate common carrier pipeline. The pipeline is expected to initially move about 50,000 bpd of refined petroleum into the central Ohio region. Construction is currently expected to begin in the second half of 2001. However, the construction schedule is largely dependent on obtaining the necessary rights-of-way, of which approximately 90 percent have been obtained to date, and final regulatory approvals. ORPL is still negotiating with various landowners to obtain the remaining rights-of-way. In addition, where appropriate, ORPL has brought condemnation actions to acquire rights-of-way. These actions are at various stages of litigation and appeal.

MARATHON GROUP OF USX CORPORATION QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk and Related Risks

Sensitivity analysis of the incremental effects on income before income taxes of hypothetical 10% and 25% changes in commodity prices for open derivative commodity instruments as of June 30, 2000, are provided in the following table(a):

	Incremental Decrease in Income Before Income Taxes Assuming a Hypothetical Price Change of:		
(Dollars in millions)	10%	25%	
Derivative Commodity Instruments			
Marathon Group (b) (c)			
Crude oil			
Trading	$-	$-	
Other than trading (f)(g)	$29.0	$74.5	(d)

Natural gas			
Other than trading (f)(g)	2.2	5.7	(d)
Refined products			
Other than trading (f)(g)	.2	.8	(d)

<FN>

(a) Gains and losses on derivative commodity instruments used for other than trading activities are generally offset by price changes in the underlying commodity. Effects of these offsets are not reflected in the sensitivity analyses. Amounts reflect the estimated incremental decrease in income before income taxes of hypothetical 10% and 25% changes in closing commodity prices for each open contract position at June 30, 2000. Management evaluates the portfolios of derivative commodity instruments on an ongoing basis and adjusts strategies to reflect anticipated market conditions, changes in risk profiles and overall business objectives. Changes to the portfolios subsequent to June 30, 2000, may cause future income before income tax effects to differ from those presented in the table.

(b) The number of net open contracts varied throughout second quarter 2000, from a low of 13,821 contracts at June 10, to a high of 24,360 contracts at May 4, and averaged 18,694 for the quarter. The derivative commodity instruments used and hedging positions taken also varied throughout second quarter 2000, and will continue to vary in the future. Because of these variations in the composition of the portfolio over time, the number of open contracts, by itself, cannot be used to predict future income effects.

(c) The calculation of sensitivity amounts for basis swaps assumes that the physical and paper indices are perfectly correlated. Gains and losses on options are based on changes in intrinsic value only.

(d) Price increase.

(e) Price decrease.

(f) The direction of the price change used in calculating the sensitivity amount for each commodity reflects that which would result in the largest incremental decrease in income before income taxes when applied to the derivative commodity instruments used to hedge that commodity.

(g) Adjusted to reflect Marathon's 62 percent ownership of MAP.

Interest Rate Risk

USX is subject to the effects of interest rate fluctuations on certain of its non-derivative financial instruments. A sensitivity analysis of the projected incremental effect of a hypothetical 10% decrease in June 30, 2000, interest rates on the fair value of the Marathon Group's specifically attributed non-derivative financial instruments and the Marathon Group's portion of USX's non-derivative financial instruments attributed to both groups, is provided in the following table:

(Dollars in millions)

As of June 30, 2000

Non-Derivative Financial Instruments(a)	Carrying Value	Fair Value	Incremental Increase in Fair Value(b)
Financial assets:			
Investments and long-term receivables	$152	$205	$ -
Financial liabilities:			
Long-term debt (c)(d)	$2,927	$3,011	$135
Preferred stock of subsidiary	184	171	15
Total liabilities	$3,111	$3,182	$150

<FN>

(a) Fair values of cash and cash equivalents, receivables, notes payable, accounts payable and accrued interest, approximate carrying value and are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.

(b) Reflects, by class of financial instrument, the estimated incremental effect of a hypothetical 10% decrease in interest rates at June 30, 2000, on the fair value of USX's non-derivative financial instruments. For financial liabilities, this assumes a 10% decrease in the weighted average yield to maturity of USX's long-term debt at June 30, 2000.

(c) Includes amounts due within one year.

(d) Fair value was based on market prices where available, or current borrowing rates for financings with similar terms and maturities.

MARATHON GROUP OF USX CORPORATION
QUANTITATIVE AND QUALITATIVE
DISCLOSURES ABOUT MARKET RISK

Foreign Currency Exchange Rate Risk

USX is subject to the risk of price fluctuations related to anticipated revenues and operating costs, firm commitments for capital expenditures and existing assets or liabilities denominated in currencies other than U.S. dollars. USX has not generally used derivative instruments to manage this risk. However, USX has made limited use of forward currency contracts to manage exposure to certain currency price fluctuations. At June 30, 2000, USX had open Canadian dollar forward purchase contracts with a total carrying value of approximately $41 million. A 10% increase in the Canadian dollar to U.S. dollar forward rate would result in a charge to income of approximately $4 million. The entire amount of these contracts is attributed to the Marathon Group.

Equity Price Risk

As of June 30, 2000, the Marathon Group had no material exposure to equity price risk.

Safe Harbor

The Marathon Group's Quantitative and Qualitative Disclosures About Market Risk include forward-looking statements with respect to management's opinion about risks associated with the Marathon Group's use of derivative instruments. These statements are based on certain assumptions with respect to market prices and industry supply and demand for crude oil, natural gas and refined products. To the extent that these assumptions prove to be inaccurate, future outcomes with respect to the Marathon Group's derivative usage may differ materially from those discussed in the forward-looking statements.

MARATHON GROUP OF USX CORPORATION
SUPPLEMENTAL STATISTICS (Unaudited)

(Dollars in millions)	Second Quarter Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
INCOME (LOSS) FROM OPERATIONS				
Exploration & Production ("E&P")				
Domestic	$277	$93	$478	$131
International	79	31	187	29
Income For E&P Reportable Segment	356	124	665	160
Refining, Marketing & Transportation	529	228	669	273
Other Energy Related Businesses (a)	-	19	13	34
Income For Reportable Segments	$885	$371	$1,347	$467

Items Not Allocated To Segments:				
Administrative Expenses	$(29)	$(31)	$(57)	$(57)
Inventory Market Valuation Reserve Adjustment	-	66	-	415
Estimated Loss on Sale of Assets	-	(7)	-	(23)
Gain on Disposition of Angus/Stellaria	-	-	87	-
Gain on Ownership Change In MAP	4	-	8	-
Marathon Group Income From Operations	$860	$399	$1,385	$802
CAPITAL EXPENDITURES				
Exploration & Production	$129	$261	$400	$410
Refining, Marketing & Transportation	106	73	166	119
Other (b)	4	2	10	3
Total	$239	$336	$576	$532
EXPLORATION EXPENSE				
Domestic	$20	$44	$51	$66
International	26	15	40	56
Total	$46	$59	$91	$122
INVESTMENTS IN EQUITY AFFILIATES - NET	$34	$37	$54	$56
OPERATING STATISTICS				
Net Liquid Hydrocarbon Production (c):				
United States	137.1	148.7	132.9	145.9
Europe	28.9	34.5	29.1	34.2
Other International	32.8	29.8	34.6	30.4
Total Consolidated	198.8	213.0	196.6	210.5
Equity Affiliates (CLAM & Sakhalin Energy)	2.6	0.1	1.3	0.1
Worldwide	201.4	213.1	197.9	210.6
Net Natural Gas Production (d):				
United States	711.6	741.8	731.5	755.5
Europe (e)	331.8	346.9	346.6	373.1
Other International	154.6	171.0	144.8	180.2
Total Consolidated	1198.0	1259.7	1222.9	1308.8
Equity Affiliate (CLAM)	25.9	35.6	31.4	35.6
Worldwide	1223.9	1295.3	1254.3	1344.4
Average Equity Sales Prices (f) (g):				
Liquid Hydrocarbons (per Bbl)				
Domestic	$23.88	$13.56	$24.00	$11.41
International	25.74	14.87	25.80	12.80
Natural Gas (per Mcf)				
Domestic	$2.95	$1.81	$2.55	$1.64
International	2.41	1.77	2.41	1.82
Crude Oil Refined (c)	965.0	939.0	908.2	893.8
Refined Products Sold (c)	1344.7	1259.3	1281.7	1190.5
Matching buy/sell volumes included in refined products sold (c)	73.5	56.0	61.3	47.1
MAP Merchandise Sales	$607	$525	$1,148	$984

<FN>

(a) Includes domestic natural gas and crude oil marketing and transportation, and power generation.

(b) Includes other energy related businesses and corporate capital expenditures.

(c) Thousands of barrels per day

(d) Millions of cubic feet per day

(e) Includes gas acquired for injection and subsequent resale of 11.9, 16.1, 12.9 and 24.5 mmcfd in the second quarter and six month year-to-date 2000 and 1999, respectively.

(f) Prices exclude gains and losses from hedging activities.

(g) Prices exclude equity affiliates and purchase/resale gas.

Part I - Financial Information (Continued):

C. U. S. Steel Group

U. S. STEEL GROUP OF USX CORPORATION
STATEMENT OF OPERATIONS (Unaudited)

(Dollars in millions, except per share amounts)	Second Quarter Ended June 30 2000	Second Quarter Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
REVENUES:				
Sales	$1,585	$1,303	$3,125	$2,549
Income (loss) from affiliates	14	(10)	7	(33)
Net gains (losses) on disposal of assets	13	10	28	(2)
Other income (loss)	(1)	1	(2)	1
Total revenues	1,611	1,304	3,158	2,515
COSTS AND EXPENSES:				
Cost of sales (excludes items shown below)	1,417	1,160	2,804	2,317
Selling, general and administrative expenses (credits)	(57)	(95)	(120)	(165)
Depreciation, depletion and amortization	78	79	153	150
Taxes other than income taxes	61	57	118	112
Total costs and expenses	1,499	1,201	2,955	2,414
INCOME FROM OPERATIONS	112	103	203	101
Net interest and other financial costs	24	20	48	28
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY LOSS	88	83	155	73
Provision for estimated income taxes	32	28	56	27
INCOME BEFORE EXTRAORDINARY LOSS	56	55	99	46
Extraordinary loss on extinguishment of debt, net of income tax	-	-	-	5
NET INCOME	56	55	99	41
Dividends on preferred stock	2	3	4	5
NET INCOME APPLICABLE TO STEEL STOCK	$54	$52	$95	$36
STEEL STOCK DATA:				
Income before extraordinary loss	$54	$52	$95	$41
- Per share - basic	.62	.60	1.08	.47
- diluted	.62	.59	1.07	.47
Extraordinary loss, net of income tax	-	-	-	5
- Per share - basic and diluted	-	-	-	.06
Net income	$54	$52	$95	$36
- Per share - basic	.62	.60	1.08	.41
- diluted	.62	.59	1.07	.41
Dividends paid per share	.25	.25	.50	.50
Weighted average shares, in thousands				
- Basic	88,499	88,387	88,461	88,378
- Diluted	92,755	92,647	92,721	88,379

<FN>
Selected notes to financial statements appear on pages 63-68.

U. S. STEEL GROUP OF USX CORPORATION
BALANCE SHEET (Unaudited)

(Dollars in millions)	June 30 2000	December 31 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$5	$22
Receivables, less allowance for doubtful accounts of $13 and $10	842	838
Income taxes receivable	73	97
Inventories	772	743
Deferred income tax benefits	287	281
Other current assets	3	-
Total current assets	1,982	1,981
Investments and long-term receivables, less reserves of $3 and $3	585	572
Property, plant and equipment, less accumulated depreciation, depletion and amortization of $6,347 and $6,232	2,444	2,516
Prepaid pensions	2,543	2,404
Other noncurrent assets	52	52
Total assets	$7,606	$7,525
LIABILITIES		
Current liabilities:		
Notes payable	$18	$-
Accounts payable	691	757
Payroll and benefits payable	335	322
Accrued taxes	139	177
Accrued interest	16	15
Long-term debt due within one year	12	13
Total current liabilities	1,211	1,284
Long-term debt, less unamortized discount	919	902
Deferred income taxes	498	348
Employee benefits	2,212	2,245
Deferred credits and other liabilities	423	441
Preferred stock of subsidiary	66	66
USX obligated mandatorily redeemable convertible preferred securities of a subsidiary trust holding solely junior subordinated convertible debentures of USX	183	183
STOCKHOLDERS' EQUITY		
Preferred stock	2	3
Common stockholders' equity	2,092	2,053
Total stockholders' equity	2,094	2,056
Total liabilities and stockholders' equity	$7,606	$7,525

<FN>
Selected notes to financial statements appear on pages 63-68.

U. S. STEEL GROUP OF USX CORPORATION
STATEMENT OF CASH FLOWS (Unaudited)

(Dollars in millions)	Six Months Ended June 30 2000	1999
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		

OPERATING ACTIVITIES:		
Net income	$99	$41
Adjustments to reconcile to net cash provided from operating activities:		
Extraordinary loss	-	5
Depreciation, depletion and amortization	153	150
Pensions and other postretirement benefits	(163)	(143)
Deferred income taxes	146	49
Net (gains) losses on disposal of assets	(28)	2
Changes in:		
Current receivables - sold	-	30
- operating turnover	13	(60)
Inventories	(29)	(70)
Current accounts payable and accrued expenses	(90)	76
All other - net	(2)	44
Net cash provided from operating activities	99	124
INVESTING ACTIVITIES:		
Capital expenditures	(97)	(153)
Disposal of assets	16	4
Restricted cash - withdrawals	3	-
- deposits	(1)	(6)
Affiliates - investments	(11)	-
All other - net	3	(3)
Net cash used in investing activities	(87)	(158)
FINANCING ACTIVITIES:		
Increase in U. S. Steel Group's portion of USX consolidated debt	37	105
Specifically attributed debt repayments	(6)	(11)
Preferred stock repurchased	(12)	-
Dividends paid	(48)	(49)
Net cash provided from (used in) financing activities	(29)	45
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17)	11
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22	9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$5	$20
Cash provided from (used in) operating activities included:		
Interest and other financial costs paid (net of amount capitalized)	$(41)	$(42)
Income taxes (paid) refunded, including settlements with the Marathon Group	85	(5)

<FN>
Selected notes to financial statements appear on pages 63-68.

U. S. STEEL GROUP OF USX CORPORATION
SELECTED NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. The information furnished in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise. These financial statements, including selected notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission and do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. Certain reclassifications of prior year data have been made to conform to 2000 classifications. Additional information is contained in the USX Annual Report on Form 10-K for the year ended December 31, 1999.

   EITF Topic No. D-88, issued in March 2000, requires companies to disclose their accounting policy for costs incurred in connection with planned major maintenance activities. For the U. S. Steel Group, such costs primarily are associated with blast furnace relines, which are separately capitalized in property, plant and equipment. Such costs are amortized over their estimated useful life, which is generally the period

until the next scheduled reline.

2. The financial statements of the U. S. Steel Group include the financial position, results of operations and cash flows for all businesses of USX other than the businesses, assets and liabilities included in the Marathon Group and a portion of the corporate assets and liabilities and related transactions which are not separately identified with ongoing operating units of USX. These financial statements are prepared using the amounts included in the USX consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be reasonable. The accounting policies applicable to the preparation of the financial statements of the U. S. Steel Group may be modified or rescinded in the sole discretion of the Board of Directors of USX (Board), although the Board has no present intention to do so. The Board may also adopt additional policies depending on the circumstances.

   Although the financial statements of the U. S. Steel Group and the Marathon Group separately report the assets, liabilities (including contingent liabilities) and stockholders' equity of USX attributed to each such Group, such attribution of assets, liabilities (including contingent liabilities) and stockholders' equity between the U. S. Steel Group and the Marathon Group for purposes of preparing their respective financial statements does not affect legal title to such assets and responsibility for such liabilities. Holders of USX-U. S. Steel Group Common Stock (Steel Stock) and USX-Marathon Group Common Stock (Marathon Stock) are holders of common stock of USX and continue to be subject to all the risks associated with an investment in USX and all of its businesses and liabilities. Financial impacts arising from one Group that affect the overall cost of USX's capital could affect the results of operations and financial condition of the other Group. In addition, net losses of either Group, as well as dividends or distributions on any class of USX Common Stock or series of Preferred Stock and repurchases of any class of USX Common Stock or series of Preferred Stock at prices in excess of par or stated value, will reduce the funds of USX legally available for payment of dividends on both classes of Common Stock. Accordingly, the USX consolidated financial information should be read in connection with the U. S. Steel Group financial information.

2. (Continued)

   The financial statement provision for estimated income taxes and related tax payments or refunds have been reflected in the U. S. Steel Group and the Marathon Group financial statements in accordance with USX's tax allocation policy for such groups. In general, such policy provides that the consolidated tax provision and related tax payments or refunds are allocated between the U. S. Steel Group and the Marathon Group for group financial statement purposes, based principally upon the financial income, taxable income, credits, preferences and other amounts directly related to the respective groups.

   The provision for estimated income taxes for the U. S. Steel Group is based on tax rates and amounts which recognize management's best estimate of current and deferred tax assets and liabilities. Differences between the combined interim tax provisions of the U. S. Steel and Marathon Groups and USX consolidated are allocated to each group based on the relationship of the individual group provisions to the combined interim provisions.

3. The U. S. Steel Group's total comprehensive income was $54 million for the second quarter of 2000, $51 million for the second quarter of 1999, $98 million for the six months of 2000 and $33 million for the six months of 1999.

4. The method of calculating net income per common share for the Steel Stock and Marathon Stock reflects the Board's intent that the separately reported earnings and surplus of the U. S. Steel Group and the Marathon Group, as determined consistent with the USX Restated Certificate of

Incorporation, are available for payment of dividends on the respective classes of stock, although legally available funds and liquidation preferences of these classes of stock do not necessarily correspond with these amounts.

Basic net income per share is calculated by adjusting net income for dividend requirements of preferred stock and is based on the weighted average number of common shares outstanding.

Diluted net income per share assumes conversion of convertible securities for the applicable periods outstanding and assumes exercise of stock options, provided in each case, the effect is not antidilutive.

See Note 7, of the Notes to USX Consolidated Financial Statements for the computation of income per share.

5. In 1999, USX irrevocably deposited with a trustee the entire 5.5 million common shares it owned in RTI International Metals (RTI). The deposit of the shares resulted in the satisfaction of USX's obligation under its 6-3/4% Exchangeable Notes (indexed debt) due February 1, 2000. Under the terms of the indenture, the trustee exchanged one RTI share for each note at maturity; therefore, none reverted back to USX.

5. (Continued)

As a result of the above transaction, USX recorded in the first quarter of 1999 an extraordinary loss of $5 million, net of a $3 million income tax benefit, representing prepaid interest expense and the write-off of unamortized debt issue costs, and a pretax charge of $22 million, representing the difference between the carrying value of the investment in RTI and the carrying value of the indexed debt, which is included in net gains (losses) on disposal of assets.

Additionally, a $13 million credit to adjust the indexed debt to settlement value at March 31, 1999, is included in net interest and other financial costs.

In December 1996, USX had issued the $117 million of notes indexed to the common share price of RTI. At maturity, USX would have been required to exchange the notes for shares of RTI common stock, or redeem the notes for the equivalent amount of cash. Since USX's investment in RTI was attributed to the U. S. Steel Group, the indexed debt was also attributed to the U. S. Steel Group. USX had a 26% investment in RTI and accounted for its investment using the equity method of accounting.

6. The U. S. Steel Group consists of one operating segment, U. S. Steel. U. S. Steel is engaged in the production and sale of steel mill products, coke and taconite pellets. U. S. Steel also engages in the following related business activities: the management of mineral resources, domestic coal mining, engineering and consulting services, and real estate development and management. The results of segment operations are as follows:

(In millions)	Second Quarter Ended June 30 2000	1999
Revenues:		
Customer	$1,581	$1,292
Intergroup (a)	4	11
Equity in earnings (losses) of unconsolidated affiliates	14	(10)
Other	12	11
Total revenues	$1,611	$1,304

Segment income	$68	$43
	======	======

<FN>
(a) Intergroup sales and transfers were conducted under terms comparable to those with unrelated parties.

Effective January 1, 2000, USX changed its methodology for allocating the pension credit or cost associated with its principal pension plans for internal business performance reporting purposes. Since future contributions to these plans are expected to be minimal due to their overfunded position, no pension credit or cost is allocated to the U. S. Steel operating segment. Prior years' segment income or loss has been restated to conform with the current allocation methodology.

6. (Continued)

(In millions)	Six Months Ended June 30 2000	1999
Revenues:		
Customer	$3,117	$2,537
Intergroup (a)	8	12
Equity in earnings (losses) of unconsolidated affiliates	7	(33)
Other	26	21
	------	------
Total revenues	$3,158	$2,537
	======	======
Segment income	$122	$40
	======	======

<FN>
(a) Intergroup sales and transfers were conducted under terms comparable to those with unrelated parties.

The following schedules reconcile segment revenue and income to amounts reported in the U. S. Steel Group's financial statements:

(In millions)	Second Quarter Ended June 30 2000	1999
Revenues of reportable segment and Group revenues	$1,611	$1,304
	======	======
Income for reportable segment	$68	$43
Items not allocated to segment:		
Administrative expenses	(5)	(8)
Net pension credits	67	88
Costs related to former business activities	(18)	(20)
	------	------
Total Group income from operations	$112	$103
	======	======

6. (Continued)

(In millions)	Six Months Ended June 30 2000	1999
Revenues of reportable segment	$3,158	$2,537
Loss on investment in RTI stock used to satisfy indexed debt obligations	-	(22)
Total Group revenues	$3,158	$2,515
Income for reportable segment	$122	$40
Items not allocated to segment:		
Administrative expenses	(11)	(13)
Net pension credits	132	140
Costs related to former business activities	(40)	(44)
Loss on investment in RTI stock used to satisfy indexed debt obligations	-	(22)
Total Group income from operations	$203	$101

7. In the second quarter of 1999, the U. S. Steel Group recognized a one-time pretax settlement gain of $35 million, related mainly to pension costs of employees who retired under the U. S. Steel Group 1998 voluntary early retirement program. This noncash settlement gain is included in selling, general and administrative expenses.

8. Inventories are carried at the lower of cost or market. Cost of inventories is determined primarily under the last-in, first-out (LIFO) method.

	(In millions) June 30 2000	December 31 1999
Raw materials	$128	$101
Semi-finished products	368	392
Finished products	218	193
Supplies and sundry items	58	57
Total	$772	$743

9. At June 30, 2000, and December 31, 1999, income taxes receivable represents an estimated income tax receivable from the Marathon Group. In addition, included in investments and long-term receivables at June 30, 2000, and December 31, 1999, is $97 million income taxes receivable from the Marathon Group. These amounts have been determined in accordance with the tax allocation policy discussed in Note 2.

10. USX is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments relating to the

U. S. Steel Group involving a variety of matters including laws and regulations relating to the environment. Certain of these matters are discussed below. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the U. S. Steel Group financial statements. However, management believes that USX will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably to the U. S. Steel Group. See discussion of Liquidity in USX Consolidated Management's Discussion and Analysis of Financial Condition and Results of Operations.

The U. S. Steel Group is subject to federal, state and local laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance. At June 30, 2000, and December 31, 1999, accrued liabilities for remediation totaled $111 million and $101 million, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed.

For a number of years, the U. S. Steel Group has made substantial capital expenditures to bring existing facilities into compliance with various laws relating to the environment. In the six months of 2000 and for the years 1999 and 1998, such capital expenditures totaled $14 million, $32 million and $49 million, respectively. The U. S. Steel Group anticipates making additional such expenditures in the future; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

Guarantees by USX of the liabilities of affiliated entities of the U. S. Steel Group totaled $87 million at June 30, 2000. In the event that any defaults of guaranteed liabilities occur, USX has access to its interest in the assets of the affiliates to reduce U. S. Steel Group losses resulting from these guarantees. As of June 30, 2000, the largest guarantee for a single affiliate was $60 million.

The U. S. Steel Group's contract commitments to acquire property, plant and equipment at June 30, 2000, totaled $92 million compared with $83 million at December 31, 1999.

U. S. STEEL GROUP OF USX CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The U. S. Steel Group includes U. S. Steel, which is engaged in the production, transportation and sale of steel mill products, coke, and taconite pellets; the management of mineral resources; domestic coal mining; real estate development; and engineering and consulting services. Certain business activities are conducted through joint ventures and partially owned companies, such as USS-POSCO Industries ("USS-POSCO"), PRO-TEC Coating Company ("PRO-TEC"), Transtar, Inc. ("Transtar"), Clairton 1314B Partnership, VSZ U. S. Steel, s. r.o, and Republic Technologies International, LLC ("Republic"). Management's Discussion and Analysis should be read in conjunction with the U. S. Steel Group's Financial Statements and Selected Notes to Financial Statements. The discussion of Results of Operations should be read in conjunction with the Supplemental Statistics provided on page 80.

Certain sections of Management's Discussion and Analysis include forward-looking statements concerning trends or events potentially affecting the businesses of the U. S. Steel Group. These statements typically contain words such as "anticipates," "believes," "estimates," "expects" or similar words indicating that future outcomes are not known with certainty and subject to risk factors that could cause these outcomes to differ significantly from those projected. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in forward-looking statements. For additional risk factors affecting the businesses of the U. S. Steel Group, see Supplementary Data -- Disclosures About Forward-Looking Information in USX 1999 Form 10-K.

Results of Operations

Revenues for the second quarter and first six months of 2000 and 1999 are set forth in the following table:

(Dollars in millions)	Second Quarter Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
Revenues of reportable segment	$1,611	$1,304	$3,158	$2,537
Revenues not allocated to reportable segment	-	-	-	(22)
Total Revenues	$1,611	$1,304	$3,158	$2,515

Total reportable segment revenues increased by $307 million and $621 million in the second quarter and first six months of 2000, respectively, compared with the same periods in 1999. The increases primarily reflected higher average steel product prices (average prices increased $27/ton and $15/ton in the second quarter and first six months of 2000, respectively), higher shipment volumes (shipments increased 356,000 tons and 955,000 tons in the second quarter and first six months of 2000, respectively) and better results from equity affiliates.

Income from operations for the U. S. Steel Group for the second quarter and first six months of 2000 and 1999 is set forth in the following table:

(Dollars in millions)	Second Quarter Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
Segment income for U. S. Steel operations (a)	$68	$43	$122	$40
Items not allocated to segment:				
Net pension credits	67	88	132	140
Administrative expenses	(5)	(8)	(11)	(13)
Costs related to former business activities (b)	(18)	(20)	(40)	(44)
Loss on investment in RTI stock used to satisfy indexed debt obligations (c)	-	-	-	(22)
Total Group income from operations	$112	$103	$203	$101

<FN>

(a) Includes income from the production and sale of steel products, coke and taconite pellets; domestic coal mining; the management of mineral resources; engineering and consulting services; and equity income from joint ventures and partially owned companies, such as USS-POSCO Industries, PRO-TEC Coating Company, Transtar Inc., Republic Technologies International, LLC and VSZ U. S. Steel, s. r.o. Also includes results of real estate development and leasing and financing activities.

(b) Includes other postretirement benefit costs and certain other expenses principally attributable to former business units of the U. S. Steel Group.

(c) For further details, see Note 5 to the U. S. Steel Group Financial Statements.

Segment income for U. S. Steel operations

Segment income for U. S. Steel operations increased $25 million and $82 million in the second quarter and first six months of 2000, respectively, compared with the same periods in 1999. The increases in segment income were primarily due to higher average steel prices, higher shipments and better results from affiliates. The second quarter and first six months of 2000

included charges totaling $15 million for certain environmental and legal contingencies and were unfavorably impacted by a two-week unplanned blast furnace outage at Fairfield Works and increased natural gas prices. Segment income for the first six months of 1999 included a $10 million charge for environmental accruals. Segment income for 1999 was restated to conform with the current pension allocation methodology; therefore, no pension credit or cost is allocated to the U. S. Steel operations segment.

Item not allocated to segment

Net pension credits associated with all of U. S. Steel's pension plans are not included in segment income for U. S. Steel operations. These net pension credits, which are primarily noncash, totaled $67 million and $132 million in the second quarter and first six months of 2000, respectively, compared to $88 million and $140 million in the same periods in 1999. Net pension credits in the second quarter and first six months of 1999 included $35 million for a one-time favorable settlement primarily related to the 1998 voluntary early retirement program for salaried employees completed during the second quarter 1999.

Future net pension credits can vary depending upon the market performance of plan assets, changes in actuarial assumptions regarding such factors as a selection of a discount rate and rate of return on assets, changes in the amortization levels of transition amounts or prior period service costs, plan amendments affecting benefit payout levels and profile changes in the beneficiary populations being valued. To the extent net pension credits decline in the future, income from operations would be adversely affected.

Net interest and other financial costs for the second quarter and first six months of 2000 and 1999 are set forth in the following table:

	Second Quarter Ended June 30		Six Months Ended June 30	
(Dollars in millions)	2000	1999	2000	1999
Net interest and other financial costs	$24	$20	$48	$28
Less:				
Favorable adjustment to carrying value of indexed debt(a)	-	-	-	(13)
Net interest and other financial costs adjusted to exclude above item	$24	$20	$48	$41

<FN>
(a) In December 1996, USX issued $117 million of 6-3/4% Exchangeable Notes Due February 1, 2000 ("indexed debt"), mandatorily exchangeable at maturity for common stock of RTI International Metals, Inc. ("RTI") or for the equivalent amount of cash, at USX's option. The carrying value of indexed debt was adjusted quarterly to settlement value based on changes in the value of RTI common stock. Any resulting adjustment was charged or credited to income and included in interest and other financial costs. In 1999, USX satisfied its obligation by irrevocably depositing with a trustee the RTI common stock. For further discussion, see Note 5 to the U. S. Steel Group Financial Statements.

Adjusted net interest and other financial costs increased by $4 million and $7 million in the second quarter and first six months of 2000, respectively, as compared with the same periods in 1999. This increase was primarily due to higher debt levels and higher interest rates.

The provision for estimated income taxes in the second quarter and first six months of 2000 increased compared to the same periods in 1999 due to an increase in income before income taxes.

The extraordinary loss on extinguishment of debt of $5 million (net of $3 million income tax benefit) in the first six months of 1999 represents prepaid interest expense and the write-off of unamortized debt issue costs resulting from the satisfaction of USX's obligation of its indexed debt. For further discussion, see Note 5 to the U. S. Steel Group Financial Statements.

Net income increased $1 million and $58 million in the second quarter and first six months of 2000, respectively, compared to the same periods in 1999, primarily reflecting the factors discussed above.

Operating Statistics

Second quarter and first six months of 2000 steel shipments of 2.9 million tons and 5.9 million tons, increased 14% and 19%, respectively, from the same periods in 1999. Raw steel production in the second quarter of 2000 of 3.0 million tons was down slightly compared to the same period in 1999. Raw steel production in the first six months of 2000 of 6.2 million tons, increased 6% from the same period in 1999. Raw steel capability utilization in the second quarter of 2000 averaged 95.4%, compared to 96.9% in the same period in 1999. Raw steel capability utilization in the first six months of 2000 averaged 97.2%, compared to 92.0% in the same period in 1999. Steel shipments, raw steel production and raw steel capability utilization in the second quarter and first six months of 2000 were negatively impacted by the blast furnace outage at Fairfield Works.

Cash Flows

Net cash provided from operating activities in the first six months of 2000 was $99 million, compared with $124 million in the same period in 1999. The decrease of $25 million reflected unfavorable working capital changes, partially offset by improved net income and an income tax settlement with the Marathon Group in accordance with the group tax allocation policy.

Capital expenditures in the first six months of 2000 were $97 million, compared with $153 million in the same period in 1999.

Contract commitments for capital expenditures at June 30, 2000, totaled $92 million, compared with $83 million at December 31, 1999.

Financial obligations increased $19 million in the first six months of 2000. The increase in financial obligations resulted from capital expenditures and dividend payments exceeding cash from operating activities. Financial obligations consist of the U. S. Steel Group's portion of USX debt and preferred stock of a subsidiary attributed to both groups, as well as debt and financing agreements specifically attributed to the U. S. Steel Group.

Derivative Instruments

See Quantitative and Qualitative Disclosures About Market Risk for discussion of derivative instruments and associated market risk for U. S. Steel Group.

Liquidity

For discussion of USX's liquidity and capital resources, see Management's Discussion and Analysis of USX Consolidated Financial Condition, Cash Flows and Liquidity.

Environmental Matters, Litigation and Contingencies

The U. S. Steel Group has incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. In recent years, these expenditures have been mainly for process changes in order to meet Clean Air Act obligations, although ongoing compliance costs have also been significant. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of the U. S. Steel Group's products and services, operating results will be adversely affected. The U. S. Steel Group believes that all of its domestic competitors are subject to similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, marketing areas, production processes and the specific products and services it provides. To the extent that competitors are not required to undertake equivalent costs in their operations, the competitive position of the U. S. Steel Group could be adversely affected.

USX has been notified that it is a potential responsible party ("PRP") at 27 waste sites related to the U. S. Steel Group under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") as of June 30, 2000. In addition, there are 12 sites related to the U. S. Steel Group where USX has received information requests or other indications that USX may be a PRP under CERCLA but where sufficient information is not presently available to confirm the existence of liability or make any judgment as to the amount thereof. There are also 30 additional sites related to the U. S. Steel Group where remediation is being sought under other environmental statutes, both federal and state, or where private parties are seeking remediation through discussions or litigation. At many of these sites, USX is one of a number of parties involved and the total cost of remediation, as well as USX's share thereof, is frequently dependent upon the outcome of investigations and remedial studies. The U. S. Steel Group accrues for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. As environmental remediation matters proceed toward ultimate resolution or as additional remediation obligations arise, charges in excess of those previously accrued may be required.

In 1997, USS/Kobe Steel Company ("USS/Kobe"), a joint venture between USX and Kobe Steel, Ltd. ("Kobe"), was the subject of a multi-media audit by the U.S. Environmental Protection Agency ("EPA") that included an air, water and hazardous waste compliance review. USS/Kobe and the EPA entered into a tolling agreement pending issuance of the final audit and commenced settlement negotiations in July 1999. In August 1999, the steelmaking and bar producing operations of USS/Kobe were combined with companies controlled by Blackstone Capital Partners II to form Republic. The tubular operations of USS/Kobe were transferred to a newly formed entity, Lorain Tubular Company, LLC ("Lorain Tubular"), which operated as a joint venture between USX and Kobe until December 31, 1999 when USX purchased all of Kobe's interest in Lorain Tubular. Republic and Lorain Tubular are continuing negotiations with the EPA. Most of the matters raised by the EPA relate to Republic's facilities; however, air discharges from Lorain Tubular's #3 seamless pipe mill have also been cited. Lorain Tubular will be responsible for matters relating to its facilities. The final report and citations from the EPA have not been issued.

In 1996, USX was notified by the Indiana Department of Environmental Management ("IDEM"), acting as lead trustee, that IDEM and the U.S. Department of the Interior had concluded a preliminary investigation of potential injuries to natural resources related to releases of hazardous substances and oil into the Grand Calumet River, Indiana Harbor Canal and Indiana Harbor near Gary Works. USX was identified as a PRP along with 15 other companies owning property along the river, harbor canal and harbor. The public trustees have completed a preassessment screen pursuant to federal regulations and are performing a Natural Resource Damage Assessment. USX is cooperating with eight other PRP's in a joint defense group which is currently engaged in settlement discussions with the public trustees and the EPA.

USX is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments relating to the U. S. Steel Group involving a variety of matters, including laws and regulations relating to the

environment, certain of which are discussed in Note 11 to the U. S. Steel Group Financial Statements. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the U. S. Steel Group Financial Statements. However, management believes that USX will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably to the U. S. Steel Group.

Outlook

U. S. Steel's order book and prices are softening due to continued high import volumes, which are approaching record 1998 levels, and increasing evidence that the growth in the domestic economy is slowing. High natural gas prices, which unfavorably affected the second quarter 2000, are expected to persist for some time.

USX owns a 16 percent equity method investment in Republic (through USX's ownership in Republic Technologies International Holdings, LLC ("Republic Holdings"), which is the sole owner of Republic). In its Annual Report on Form 10-K for the year ended December 31, 1999, which was filed with the SEC on May 9, 2000, Republic Holdings stated that "[it] and its [p]redecessors have historically incurred substantial losses...[Republic's] performance during the third and fourth quarters of 1999 was below expectations, causing the [c]ompany's liquidity position to be negatively affected. [Republic's] liquidity position has also been negatively impacted by the implementation of [Republic's] consolidation plan...." Republic Holdings' 10-K also discusses a number of actions that Republic's management has taken to improve its liquidity position. In the same report, Republic's independent accountants rendered an unqualified opinion and stated that "[Republic] and [its] [p]redecessors' recurring losses and negative cash flows from operations and ... [Republic's] members' interest deficiency and limited available liquidity from existing credit resources raise substantial doubt about its ability to continue as a going concern."

On July 18, 2000, Republic announced that it had "reached a series of key agreements and agreements in principle that will, upon completion, provide the additional liquidity Republic needs to continue its plans to expand. Coincident with this, Republic made its current bond interest payment of July 17, 2000." Through one of the agreements, Republic raised approximately $30 million through a rights offering to its current shareholders, including USX which invested approximately $6 million under such agreement. USX also agreed to certain deferred payment terms, up to a maximum of $30 million into the year 2002, with regard to Republic's obligations to USX relating to iron ore pellets supplied to Republic.

At June 30, 2000, USX's financial exposure to Republic totaled approximately $100 million, excluding the $6 million July investment, consisting of its equity investment in Republic (which includes an unsecured note receivable), unsecured trade accounts receivable and contingent liabilities on USX obligations assumed by Republic.

In March 2000, U. S. Steel announced it had reached a tentative agreement to acquire ownership of the steel and related assets of VSZ a.s. ("VSZ") located in the Slovak Republic. VSZ has an annual capacity of 4 million tons of raw steel production. In May 2000, the shareholders of VSZ approved the general terms of this agreement. Final approval of the transaction is expected to be voted on by the shareholders in late August and closing of the transaction is expected in the third quarter of 2000. The agreement guaranteeing U. S. Steel's exclusivity as the strategic investor in VSZ has been extended.

The above discussion includes forward-looking statements concerning shipments, pricing, and completion of the VSZ acquisition. These statements are based on assumptions as to future product demand, prices and mix, production and the prompt closing of the VSZ acquisition. Steel shipments and prices can be affected by imports and actions of the U.S. Government and its agencies pertaining to trade, domestic and international economies, domestic production capacity, and customer demand. In the event these assumptions prove to be inaccurate, actual results may differ significantly from those presently anticipated. Some factors that could potentially affect the completion or

timing of the VSZ closing include, among others, final approval by the shareholders of VSZ and satisfactory completion of all necessary agreements and financing arrangements.

Steel imports to the United States accounted for an estimated 27%, 26% and 30% of the domestic steel market in the first five months of 2000, and for the years 1999 and 1998, respectively. Steel imports of hot-rolled sheet and pipe increased 76% and 44%, respectively, in the first five months of 2000, compared to the same period in 1999.

On June 2, 1999, U. S. Steel joined with eight other producers, the USWA and the Independent Steelworkers Union ("ISU") to file trade cases against twelve countries (Argentina, Brazil, China, Indonesia, Japan, Russia, South Africa, Slovakia, Taiwan, Thailand, Turkey, and Venezuela) concerning imports of cold-rolled sheet products. Antidumping ("AD") cases were filed against all the countries and countervailing duty ("CVD") cases were filed against Brazil, Indonesia, Thailand, and Venezuela. On July 19, 1999, the ITC issued its preliminary determination that the domestic industry was being injured or threatened with injury as the result of imports from all of the countries. It decided, however, to discontinue the investigations of subsidies on imports from Indonesia, Thailand, and Venezuela. The Department of Commerce ("Commerce") found AD and CVD margins against each of the countries in each of the remaining cases, and also announced that it had entered into an agreement with Russia to suspend the investigation. On March 3, 2000 and June 30, 2000, the International Trade Commission ("ITC") determined that the imports in question were not causing, or threatening to cause, material injury to the domestic industry, terminating the cases. Appeals are pending at the U.S. Court of International Trade ("CIT") in which various domestic producers are challenging the decisions of the ITC.

On June 30, 1999, U. S. Steel joined with four other producers and the USWA to file trade cases against five countries (the Czech Republic, Japan, Mexico, Romania, and South Africa) concerning imports of large and small diameter seamless carbon and alloy standard, line, and pressure pipe. In each of these cases Commerce found that dumping had occurred, and on June 9, 2000 and July 13, 2000, the ITC determined that the domestic industry is being materially injured or threatened with material injury by the dumping in question. Commerce issued AD orders against Japan and South Africa effective June 26, 2000 and is expected to issue orders against the remaining countries in early August.

USX intends to file additional AD and CVD petitions if unfairly traded imports adversely impact, or threaten to adversely impact, the results of the U. S. Steel Group.

On September 1, 1999, Commerce and the ITC published public notices announcing the initiation of the mandatory five-year "sunset" reviews of AD and CVD orders issued as a result of the cold-rolled, corrosion-resistant, and cut-to-length plate cases filed by the domestic industry in 1992 and earlier. Under the "sunset" review procedure, an order must be revoked after five years unless Commerce and the ITC determine that dumping or a countervailable subsidy is likely to continue or recur and that material injury to the domestic industry is likely to continue or recur. Of the 34 orders issued concerning the various products imported from various countries, 26 are the subject of expedited review at Commerce because there was no response, inadequate response, or waiver of participation by the respondent parties. Therefore, at Commerce, only eight of the orders (corrosion-resistant, cold-rolled, and cut-to-length plate from Germany; corrosion-resistant and cut-to-length plate from Canada; corrosion-resistant from Japan; cold-rolled from the Netherlands; and cut-to-length plate from Romania) are the subject of a full review. On March 29, 2000, Commerce issued its final determinations of margins in the expedited reviews and found that if the CVD or AD orders were to be revoked, further dumping or subsidization would occur. In all eight cases subject to full review, it issued preliminary margins and a preliminary determination that, if the CVD or AD orders were to be revoked, further dumping or subsidization would occur. The ITC will conduct full reviews in all 34 of the cases, despite the fact that responses by some of the respondent countries were inadequate. Hearings in these cases are scheduled to be held at the ITC on September 12, 13, and 15, 2000.

On July 3, 2000, Commerce and the ITC published public notices announcing the initiation of the mandatory five-year "sunset" reviews of AD orders issued in 1995 against seamless pipe from Argentina, Brazil, Germany and Italy and oil country tubular goods from Argentina, Italy, Japan, Mexico and South Korea. The reviews will also encompass the 1995 CVD orders against the same two products from Italy.

On October 28, 1999, Weirton Steel, along with the USWA and the ISU, filed a trade case against tin- and chromium-coated steel sheet imports from Japan. In December 1999, the ITC issued its preliminary determination that the domestic industry is being injured as a result of the imports from Japan. On June 20, 2000 Commerce announced final AD margins. This case is subject to further investigation by the ITC.

U. S. STEEL GROUP OF USX CORPORATION
QUANTITATIVE AND QUALITATIVE
DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk and Related Risks

Sensitivity analysis of the incremental effects on income before income taxes of hypothetical 10% and 25% decreases in commodity prices for open derivative commodity instruments as of June 30, 2000, are provided in the following table(a):

	Incremental Decrease in Income Before Income Taxes Assuming a Hypothetical Price Change of:		
(Dollars in millions)	10%	25%	
Derivative Commodity Instruments			
U. S. Steel Group			
Natural gas			
Other than trading	$-	$-	(b)
Zinc			
Other than trading	.9	2.2	(b)
Tin			
Other than trading	.3	.7	(b)

<FN>
(a) Gains and losses on derivative commodity instruments used for other than trading activities are generally offset by price changes in the underlying commodity. Effects of these offsets are not reflected in the sensitivity analyses. Amounts reflect the estimated incremental decrease in income before income taxes of hypothetical 10% and 25% changes in closing commodity prices for each open contract position at June 30, 2000. Management evaluates the portfolios of derivative commodity instruments on an ongoing basis and adjusts strategies to reflect anticipated market conditions, changes in risk profiles and overall business objectives. Changes to the portfolios subsequent to June 30, 2000, may cause future income before income tax effects to differ from those presented in the table.
(b) Price decrease.

U. S. STEEL GROUP OF USX CORPORATION
QUANTITATIVE AND QUALITATIVE
DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

USX is subject to the effects of interest rate fluctuations on certain of its non-derivative financial instruments. A sensitivity analysis of the projected incremental effect of a hypothetical 10% decrease in June 30, 2000, interest rates on the fair value of the U.S. Steel Group's specifically attributed non-derivative financial instruments and the U. S. Steel Group's

portion of USX's non-derivative financial instruments attributed to both groups, is provided in the following table:

(Dollars in millions)

As of June 30, 2000 Non-Derivative Financial Instruments(a)	Carrying Value	Fair Value	Incremental Increase in Fair Value(b)
Financial assets:			
Investments and long-term receivables	$52	$52	$-
Financial liabilities:			
Long-term debt (c)(d)	$843	$857	$23
Preferred stock of subsidiary	66	62	6
USX obligated mandatorily redeemable convertible preferred securities of a subsidiary trust	183	132	12
Total liabilities	$1,092	$1,051	$41

<FN>

(a) Fair values of cash and cash equivalents, receivables, notes payable, accounts payable and accrued interest, approximate carrying value and are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.

(b) Reflects, by class of financial instrument, the estimated incremental effect of a hypothetical 10% decrease in interest rates at June 30, 2000, on the fair value of USX's non-derivative financial instruments. For financial liabilities, this assumes a 10% decrease in the weighted average yield to maturity of USX's long-term debt at June 30, 2000.

(c) Includes amounts due within one year.

(d) Fair value was based on market prices where available, or current borrowing rates for financings with similar terms and maturities.

Foreign Currency Exchange Rate Risk

As of June 30, 2000, the U. S. Steel Group had no material exposure to foreign currency exchange rate risk.

Equity Price Risk

As of June 30, 2000, the U. S. Steel Group had no material exposure to equity price risk.

U. S. STEEL GROUP OF USX CORPORATION
QUANTITATIVE AND QUALITATIVE
DISCLOSURES ABOUT MARKET RISK

Safe Harbor

The U. S. Steel Group's Quantitative and Qualitative Disclosures About Market Risk include forward-looking statements with respect to management's opinion about risks associated with the U. S. Steel Group's use of derivative instruments. These statements are based on certain assumptions with respect to market prices and industry supply and demand for steel products and certain raw materials. To the extent that these assumptions prove to be inaccurate, future outcomes with respect to the U. S. Steel Group's hedging programs may differ materially from those discussed in the forward-looking statements.

U. S. STEEL GROUP OF USX CORPORATION
SUPPLEMENTAL STATISTICS (Unaudited)

(Dollars in millions)	Second Quarter Ended June 30 2000	Second Quarter Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
REVENUES	$1,611	$1,304	$3,158	$2,515
INCOME (LOSS) FROM OPERATIONS				
U. S. Steel operations (a) (b) (c)	$68	$43	$122	$40
Items not allocated to segment:				
Net Pension Credits (c)	67	88	132	140
Administrative Expenses	(5)	(8)	(11)	(13)
Cost related to former business activities (d)	(18)	(20)	(40)	(44)
Loss on settlement of indexed debt with RTI International Metals, Inc. Stock	-	-	-	(22)
Total U. S. Steel Group	112	103	203	101
CAPITAL EXPENDITURES	$52	$74	$97	$153
OPERATING STATISTICS				
Average steel price per ton	$451	$424	$445	$430
Steel Shipments (e)	2,904	2,548	5,884	4,929
Raw Steel-Production (e)	3,034	3,091	6,186	5,840
Raw Steel-Capability Utilization (f)	95.4%	96.9%	97.2%	92.0%
Iron ore shipments (e)	4,656	4,823	6,685	6,186

<FN>

(a) Results in the second quarter and first six months of 2000 included charges totaling $15 million for environmental and legal contingencies. Results in the first six months of 1999 included a $10 million charge for environmental accruals.

(b) Includes the production and sale of steel products, coke and taconite pellets; domestic coal mining; the management of mineral resources; engineering and consulting services; and equity income from joint ventures and partially owned companies, such as USS-POSCO Industries, PRO-TEC Coating Company, Transtar Inc., Republic Technologies International, LLC and VSZ U. S. Steel, s. r.o. Also includes results of real estate development and leasing and financing activities.

(c) Effective January 1, 2000, USX changed its methodology for allocating the pension credit or cost associated with its principal pension plans for internal business performance reporting purposes. Since future contributions to these plans are expected to be minimal due to their overfunded position, no pension credit or cost is allocated to current business activities. Accordingly, no pension credit or cost has been allocated to the U. S. Steel operations segment. Prior years' segment profit or loss has been restated to conform with the current allocation methodology. Net pension credits for 1999 periods include $35 million for a pension settlement gain primarily related to the early retirement program completed during the second quarter 1999.

(d) Includes other postretirement benefit costs and certain other expenses principally attributable to former business units of the U. S. Steel Group.

(e) Thousands of net tons.

(f) Based on annual raw steel production capability of 12.8 million tons.

Part II - Other Information

Item 1. LEGAL PROCEEDINGS

Marathon Group

Environmental Proceedings

MAP has responded to information requests from the U.S. Environmental Protection Agency ("EPA") regarding New Source Review ("NSR") compliance at its Garyville and Texas City refineries. In addition, the scope of the EPA's 1998 multi-media inspections of the Detroit and Robinson refineries included NSR

compliance. MAP has not been notified of the results of either the information requests or inspections as regards NSR compliance.

NSR requires new major stationary sources and major modifications at existing major stationary sources to obtain permits, perform air quality analysis and install stringent air pollution control equipment at affected facilities. The current initiative appears to target many items that the industry has historically considered routine repair, replacement and maintenance or other activity exempted from the NSR requirements.

On July 25, 2000, the EPA issued a press release announcing a settlement in principle with two refiners concerning NSR and other environmental issues. MAP has initiated discussions with the EPA on similar issues.

In October 1998, the National Enforcement Investigations Center and Region V of the EPA conducted a multi-media inspection of MAP's Detroit refinery. Subsequently, in November 1998, Region V conducted a multi-media inspection of MAP's Robinson refinery. These inspections covered compliance with the Clean Air Act (New Source Performance Standards, Prevention of Significant Deterioration, and the National Emission Standards for Hazardous Air Pollutants for Benzene), the Clean Water Act (Permit exceedances for the Waste Water Treatment Plant), reporting obligations under the Emergency Planning and Community Right to Know Act and the handling of process waste. Although MAP has been advised as to certain compliance issues regarding MAP's Detroit refinery, complete findings on the results of the inspections have not been issued. Thus far, MAP has been served with two Notices of Violation ("NOV") and three Findings of Violation in connection with the multi-media inspections at its Detroit refinery. The Detroit notices allege violations of the Michigan State Air Pollution Regulations, the EPA New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants for benzene. On March 6, 2000, MAP received its first NOV arising out of the multi-media inspection of the Robinson Refinery conducted in November 1998. The NOV is for alleged Resource Conservation and Recovery Act (hazardous waste) violations. MAP can contest the factual and legal basis for the allegations prior to the EPA taking enforcement action. At this time, it is not known when complete findings on the results of these multi-media inspections will be issued.

FTC Investigation

On June 27, 2000, the Federal Trade Commission ("FTC") issued a subpoena to MAP as part of an investigation to determine whether firms engaged in the production, transportation, distribution, marketing or sale of petroleum products have engaged in any unfair methods of competition in the Midwest in violation of Section 5 of the Federal Trade Commission Act. MAP is responding to the subpoena and cooperating with the investigation. On June 29, 2000, MAP received a demand for information from the Wisconsin Attorney General which is substantially similar to the FTC subpoena. MAP is likewise responding to the request and certain other informal requests for information.

The investigation was in response to a recent increase in gasoline prices, particularly those in the Midwest. MAP believes that much of the increase nationwide was related to the price of crude oil, which nearly tripled since January 1999, and to the implementation of regulations which force refiners to produce an ever-widening array of motor fuels for different markets. In addition to these factors, the Midwest has been experiencing an imbalance of gasoline supply and demand. The primary causes of this imbalance are new fuels required June 1 for the Chicago, Milwaukee and St. Louis markets and a series of pipeline and refinery disruptions. MAP believes that it properly responded to market forces in its gasoline pricing practices.

Manteo

On July 18, 1997, the United States Court of Federal Claims, Case No. 92-

331C, entered a judgment in the amount of $78 million in favor of Marathon Oil Company and against the United States of America. The U.S. government was effectively ordered to return lease bonuses that Marathon paid in 1981 for interest in five oil and gas leases offshore North Carolina. The lawsuit filed in May 1992 alleged, inter alia, that the federal government breached the leases through passage of legislation which imposed additional conditions and a moratorium on the company's rights to explore, develop, and produce hydrocarbons from the leases. The Department of Justice appealed the trial court's decision to the U.S. Court of Appeals for the Federal Circuit which reversed the trial court. During the fourth quarter of 1999, Marathon's request for Writ of Certiorari to the U.S. Supreme Court was granted. On June 26, 2000, the United States Supreme Court reversed and remanded the case to the U.S. Court of Appeals for the Federal Circuit for further action.

Item 1. LEGAL PROCEEDINGS (continued)

U. S. Steel Group

Environmental Proceedings

Gary Works

In 1996, USX was notified by the Indiana Department of Environmental Management ("IDEM") acting as lead trustee, that IDEM and the U.S. Department of the Interior had concluded a preliminary investigation of potential injuries to natural resources related to releases of hazardous substances and oil into the Grand Calumet River, Indiana Harbor Canal and Indiana Harbor near Gary Works. USX was identified as a PRP along with 15 other companies owning property along the river, harbor canal and harbor. The public trustees have completed a preassessment screen pursuant to federal regulations and are performing a Natural Resource Damage Assessment. USX is cooperating with eight other PRPs in a joint defense group which is currently engaged in settlement discussions with the public trustees and the EPA.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The annual meeting of stockholders was held April 25, 2000. In connection with the meeting, proxies were solicited pursuant to the Securities Exchange Act. The following are the voting results on proposals considered and voted upon at the meeting, all of which were described in the proxy statement.

1. All nominees for director listed in the proxy statement were elected.

2. PricewaterhouseCoopers LLP was elected as the independent accountants for 2000. (For, 346,217,388; against, 964,867; abstained, 1,679,869).

Item 5. OTHER INFORMATION (continued)

Marathon Group

SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION OF MARATHON OIL COMPANY
Supplementary Data

(Unaudited)

The following summarized consolidated financial information of Marathon Oil Company, a wholly owned subsidiary of USX, is included in this Form 10-Q in satisfaction of the reporting obligation of Marathon which has debt securities registered under the Securities Exchange Act. All such securities are

guaranteed by USX.

	(In millions)			
	Second Quarter Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
INCOME DATA:				
Revenues	$8,893	$5,480	$16,854	$10,322
Income from operations	866	415	1,399	823
Net income	355	143	617	254

	(In millions)	
	June 30 2000	December 31 1999
BALANCE SHEET DATA:		
Assets:		
Current assets	$6,939	$6,077
Noncurrent assets	11,557	11,489
Total assets	$18,496	$17,566
Liabilities and Stockholder's Equity:		
Current liabilities	$3,744	$3,320
Noncurrent liabilities	8,950	9,250
Preferred stock of subsidiary	10	10
Minority interest in consolidated subsidiary	1,943	1,753
Stockholder's equity	3,849	3,233
Total liabilities and stockholder's equity	$18,496	$17,566

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

12.1 Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

12.2 Computation of Ratio of Earnings to Fixed Charges

27. Financial Data Schedule

(b) REPORTS ON FORM 8-K

Form 8-K dated June 1, 2000, reporting under Item 5. Other Events, that effective June 1, 2000, Marathon Sakhalin Limited, a subsidiary of Marathon Oil Company, had signed a nonbinding letter of intent with Shell Sakhalin Holdings B.V. to transfer Marathon's 37.5 percent interest in Sakhalin Energy Investment Company Ltd. to Shell.

Form 8-K dated July 25, 2000, reporting under Item 5. Other Events, that the Board of Directors declared a dividend of 25 cents per share on USX-U. S. Steel Group Common Stock.

Form 8-K dated July 25, 2000, reporting under Item 5. Other Events, that the Board of Directors declared a dividend of 23 cents per share on USX-Marathon Group Common Stock, an increase of 2 cents per share. USX also announced the

Board of Directors authorized the spending of up to $450 million to repurchase shares of its USX-Marathon Group Common Stock.

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

USX CORPORATION

By /s/ Larry G. Schultz

Larry G. Schultz
Vice President -
Accounting

August 2, 2000

Exhibit 12.1

USX CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED STOCK DIVIDENDS
TOTAL ENTERPRISE BASIS - (Unaudited)
CONTINUING OPERATIONS

(Dollars in Millions)

	Six Months Ended June 30		Year Ended December 31				
	2000	1999	1999	1998	1997	1996	1995
Portion of rentals representing interest	$48	$49	$95	$105	$82	$78	$76
Capitalized interest	4	20	26	46	31	11	13
Other interest and fixed charges	195	174	365	318	352	428	486
Pretax earnings which would be required to cover preferred stock dividend requirements of parent	6	7	14	15	20	37	46
Combined fixed charges and preferred stock dividends (A)	$253	$250	$500	$484	$485	$554	$621
Earnings-pretax income with applicable adjustments (B)	$1666	$999	$2098	$1671	$1761	$1887	$909
Ratio of (B) to (A)	6.58	4.00	4.20	3.45	3.63	3.41	1.46

Exhibit 12.2

USX CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
TOTAL ENTERPRISE BASIS - (Unaudited)
CONTINUING OPERATIONS

(Dollars in Millions)

	Six Months Ended June 30		Year Ended December 31				
	2000	1999	1999	1998	1997	1996	1995
Portion of rentals representing interest	$48	$49	$95	$105	$82	$78	$76
Capitalized interest	4	20	26	46	31	11	13
Other interest and fixed charges	195	174	365	318	352	428	486
Total fixed charges (A)	$247	$243	$486	$469	$465	$517	$575
Earnings-pretax income with applicable adjustments (B)	$1666	$999	$2098	$1671	$1761	$1887	$909
Ratio of (B) to (A)	6.74	4.11	4.32	3.56	3.79	3.65	1.58

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<F1>Consists of Marathon Stock issued, $312 million; Steel Stock issued $89 million.
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