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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported):

September 14, 2005

USEC Inc.

USEC Inc.
(Exact name of registrant as specified in its charter)

Delaware

1-14287

52-2107911

Delaware
(State or other jurisdiction
of incorporation)

1-14287
(Commission
File Number)

52-2107911
(I.R.S. Employer
Identification No.)

2 Democracy Center, 6903 Rockledge Drive,
Bethesda, Maryland

20817

2 Democracy Center, 6903 Rockledge Drive,
Bethesda, Maryland
(Address of principal executive offices)

20817
(Zip Code)

Registrant's telephone number, including area code:

(301) 564-3200

Not Applicable

Not Applicable
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

John K. Welch Employment Arrangement

On September 14, 2005, John K. Welch was appointed president and chief executive officer of USEC Inc. ("USEC" or the "Company"), effective October 3, 2005. Mr. Welch was also elected to the Company's board of directors, effective October 3, 2005. Mr. Welch's at-will employment arrangement is described in Exhibit 10.90 to this Form 8-K, which is incorporated herein by reference.

Timothy B. Hansen Employment Arrangement

On September 14, 2005, Timothy B. Hansen was appointed senior vice president, general counsel and secretary of the Company. Mr. Hansen's at-will employment arrangement is described in Exhibit 10.90 to this Form 8-K, which is incorporated herein by reference.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Appointment of President and Chief Executive Officer

On September 14, 2005, John K. Welch was appointed as president and chief executive officer of the Company, effective October 3, 2005. Mr. Welch was also elected to the Company's board of directors, effective October 3, 2005. A copy of the press release announcing the appointment of Mr. Welch is filed as Exhibit 99.1 to this Form 8-K.

Mr. Welch, age 55, previously served as executive vice president of the Marine Systems Group at General Dynamics Corporation, where he oversaw all operational aspects of four business units, including Electric Boat and Bath Iron Works. Prior to that, he held several executive positions over a 10-year period at Electric Boat, including president, and led the company's successful transition to a post-Cold War defense contractor. Mr. Welch most recently served as a consultant to several government and corporate entities in the areas of technology development and commercialization, program management, business process reengineering and strategic planning. Mr. Welch currently serves on the boards of directors of Battelle Memorial Institute and the U.S. Naval Academy Foundation.

In connection with Mr. Welch's appointment as the president and chief executive officer of USEC, the Company agreed to the at-will employment arrangement with Mr. Welch described in Exhibit 10.90 to this Form 8-K, which is incorporated herein by reference.

Mr. Welch replaces James R. Mellor, who has been serving on an interim basis as president and chief executive officer. Mr. Mellor will continue to serve as chairman of the board.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number--Description

10.90-- Summary of Compensation Arrangements for Certain Executive Officers.

99.1-- Press release, dated September 15, 2005, issued by USEC Inc. announcing the appointment of John K. Welch.

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SIGNATURES

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

September 16, 2005

USEC Inc.

By: */s/ Ellen C. Wolf*

*Name: Ellen C. Wolf
Title: Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)*

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.90	Summary of Compensation Arrangements for Certain Executive Officers.
99.1	Press release, dated September 15, 2005, issued by USEC Inc. announcing the appointment of John K. Welch.

**SUMMARY OF EMPLOYMENT ARRANGEMENTS
FOR CERTAIN EXECUTIVE OFFICERS**

John K. Welch

In connection with John K. Welch's appointment as the president and chief executive officer of USEC Inc., the following sets forth the principal terms of his at-will employment arrangement:

Base Salary	\$750,000 per annum
Initial Grant of Options	One time grant of options to purchase up to 100,000 shares of the Company's common stock. These options will be granted pursuant to the Company's 1999 Equity Incentive Plan at fair market value, vest ratably over three years, and have a five-year exercise period.
Annual Incentive	Entitled to participate in the Company's annual incentive program under the 1999 Equity Incentive Plan at a target annual award level of one times annual base salary. Actual award will be calculated as a percentage of the target award (from 0% to 150%) based on the achievement of pre-determined annual performance objectives. Maximum value (based on current annual base salary of \$750,000) would be \$1,125,000. Must take at least 35% of any annual incentive award in shares of restricted stock and may take the remainder of the award in cash or additional shares of restricted stock. As an incentive to take more of compensation in the form of Company stock, will receive additional shares of restricted stock if elects to take restricted stock in lieu of all or part of the cash portion of annual incentive award. Any final award for 2005 will be pro-rated from October 3, 2005 and will be based on the Company's previously reported 2005 annual performance objectives.

Long-Term Incentives

Stock Options/Restricted Stock

Not eligible for long term incentive for 2005. After 2005, entitled to participate in the Company's long term incentive program under the 1999 Equity Incentive Plan at a target annual award level of one times annual base salary, consisting of 50% non-qualified stock options and 50% restricted stock.

3-Year Strategic Incentive Plan

Entitled to participate in the three-year performance component of the Company's long term incentive program for senior executive officers at an annual award level of 0.5 times annual base salary (or a total 3-year award of 1.5 times annual base salary). Upon commencement of employment, will be granted restricted stock units (RSUs) for the current performance period (July 1, 2004 to June 30, 2007). The number of RSUs granted for the 2004-2007 performance period will be pro-rated from October 3, 2005 and will be determined based on the average closing price of USEC common stock on the NYSE for each trading day in the month of September 2005. Any final award for 2004-2007 will be calculated as a percentage of the target award (from 0% to 150%) based on the achievement of pre-determined performance objectives. The final cash value of this award will be based on the average closing price of USEC common stock on the NYSE for each trading day in the month of June 2007 and will include dividend equivalents based on actual dividends paid during the three-year performance period.

Supplemental Executive Retirement Plan

Entitled to benefits under a supplemental executive retirement plan (SERP). SERP will provide that, commencing with five years of service, entitled to receive an annual retirement benefit equal to 30% (increasing to 50% with ten or more years of service) of final average compensation minus certain benefits received under the Company's other retirement programs and social security benefits.

Other Benefits

Eligible to participate in other benefit arrangements available to the Company's executive officers, including the Company's pension, 401(k), supplemental 401(k) restoration, life, health and welfare benefit plans.

Other Agreements

Will receive the Company's standard change in control agreement for senior executive officers and the Company's standard director and officer's indemnification agreement.

Timothy B. Hansen

In connection with Timothy B. Hansen's appointment as the senior vice president, general counsel and secretary of USEC, the following sets forth the principal terms of his at-will employment arrangement:

Base Salary

\$300,600 per annum

Annual Incentive

Not eligible for annual incentive for 2005. After 2005, entitled to participate in the Company's annual incentive program under the 1999 Equity Incentive Plan at a target annual award level of 0.7 times annual base salary. Actual award will be calculated as a percentage of the target award (from 0% to 150%) based on the achievement of pre-determined annual performance objectives. Maximum value (based on current annual base salary of \$300,600) would be \$315,630. Must take at least 35% of any annual incentive award in shares of restricted stock and may take the remainder of the award in cash or additional shares of restricted stock. As an incentive to take more of compensation in the form of Company stock, will receive additional shares of restricted stock if elects to take restricted stock in lieu of all or part of the cash portion of annual incentive award.

Long-Term Incentives

Stock Options/Restricted Stock

Not eligible for long term incentive for 2005. After 2005, entitled to participate in the Company's long term incentive program under the 1999 Equity Incentive Plan at a target annual award level of 0.7 times annual base salary, consisting of 50% non-qualified stock options and 50% restricted stock.

3-Year Strategic Incentive Plan

Entitled to participate in the three-year performance component of the Company's long term incentive program for senior executive officers at an annual award level of 0.35 times annual base salary (or a total 3-year award of 1.05 times annual base salary). On October 1, 2005, will be granted restricted stock units (RSUs) for the current performance period (July 1, 2004 to June 30, 2007). The number of RSUs granted for the 2004-2007 performance period will be pro-rated from October 1, 2005 and will be determined based on the average closing price of USEC common stock on the NYSE for each trading day in the month of September 2005. Any final award for 2004-2007 will be calculated as a percentage of the target award (from 0% to 150%) based on the achievement of pre-determined performance objectives. The final cash value of this award will be based on the average closing price of USEC common stock on the NYSE for each trading day in the month of June 2007 and will include dividend equivalents based on actual dividends paid during the three-year performance period.

Other Benefits

Eligible to participate in other benefit arrangements available to the Company's executive officers, including the Company's pension, 401(k), supplemental 401(k) restoration, life, health and welfare benefit plans.

Other Agreements

Will receive the Company's standard change in control agreement for senior executive officers and the Company's standard director and officer's indemnification agreement.

FOR IMMEDIATE RELEASE:

September 15, 2005

USEC Names John K. Welch President and Chief Executive Officer

- Brings Substantial Experience Commercializing Technology Programs-

Bethesda, MD – USEC Inc. (NYSE: USU) announced today the appointment of John K. Welch as president and chief executive officer. Welch will assume these duties October 3. James R. Mellor, who has served as president and chief executive officer since December 2004, will remain the Company's chairman. Welch will also join the Company's Board of Directors.

“John has a proven track record of deploying multi-billion dollar projects on time and under budget, and he brings a wealth of experience in helping businesses improve their processes and operate more efficiently,” said Mellor. “John has also demonstrated a strong customer focus and is noted for building strong working relationships. With USEC focused on commercial deployment of the American Centrifuge technology and on a strong customer orientation, the Board is confident that John is the right person to lead the Company.”

Welch said, “My success in commercializing complex technology programs makes me well prepared to see the American Centrifuge program to completion. This experience, together with the strong USEC leadership team and talented employees, will allow me to hit the ground running.”

Welch served as executive vice president of the Marine Systems Group at General Dynamics where he oversaw all operational aspects of four business units, including Electric Boat and Bath Iron Works. Prior to that, he held several executive positions over a 10-year period at Electric Boat, including president, and led the company's successful transition to a post-Cold War defense contractor. He most recently served as a consultant to several government and corporate entities in the areas of technology development and commercialization, program management, business process reengineering and strategic planning.

Welch began his career as a submarine officer in the U.S. Navy. After that, he held management positions with Advanced Technology, Inc. and General Physics Corporation before joining General Dynamics in 1989. He currently serves on the boards of Battelle Memorial Institute and the U.S. Naval Academy Foundation, among others.

Welch received a master's in business administration from Loyola College in Maryland, a master of science in aeronautical engineering from the Naval Postgraduate School in California, and a bachelor of science in aerospace engineering from the U.S. Naval Academy. He is a registered professional engineer in the state of Maryland.

Korn/Ferry International assisted the Company's Board of Directors in conducting the search.

USEC Inc., a global energy company, is the world's leading supplier of enriched uranium fuel for commercial nuclear power plants.

Contacts:

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