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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):

February 23, 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.**

On February 23, 2005, USEC Inc. ("USEC" or the "Company") entered into a letter agreement with James R. Mellor, Chairman and Chief Executive Officer of the Company, relating to the terms of Mr. Mellor's employment as Chairman and Chief Executive Officer effective for the period from December 14, 2004 through December 31, 2005. Under the terms of the letter agreement, Mr. Mellor will receive \$100,000 per month for a minimum of six months as compensation for his employment as Chief Executive Officer. The Company must give Mr. Mellor two months' notice prior to the end of his employment as Chief Executive Officer, and Mr. Mellor must provide at least 30 days' notice if he chooses to end his service. During the time that he is employed as Chief Executive Officer, Mr. Mellor will not receive any separate fees for his service on the Board. In addition, his existing consulting agreement was terminated effective December 14, 2004. The letter agreement provides for a grant of 80,000 shares of restricted stock to Mr. Mellor on the date the letter agreement was entered into, which shares will vest upon the earlier to occur of five years from the date of grant or Mr. Mellor's retirement from the Board. The Company will provide Mr. Mellor with standard employee benefits and temporary housing during the term of his employment. The Company may also develop and implement a deferred compensation agreement for the purpose of allowing Mr. Mellor to defer compensation in the form of restricted stock. At the conclusion of his service as Chief Executive Officer, Mr. Mellor will resume his role as Non-Executive Chairman of the Board, will receive standard fees for such service, and the Company and Mr. Mellor may enter into a new consulting agreement.

**Item 1.02. Termination of a Material Definitive Agreement.**

On February 23, 2005, pursuant to the terms of the letter agreement entered into by the Company and Mr. Mellor discussed above, the consulting agreement dated July 29, 2004, by and between the Company and Mr. Mellor was terminated, effective December 14, 2004. This consulting agreement provided for the payment of \$175,000 to Mr. Mellor for consulting services for a one year period.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit Number -- 10.76

Description -- Letter Agreement, dated February 23, 2005, by and between USEC Inc. and James R. Mellor, Chairman of the Board and Chief Executive Officer.

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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.

USEC Inc.

February 28, 2005

By: */s/ Ellen C. Wolf*

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

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Exhibit Index

Exhibit No.	Description
10.76	Letter Agreement, dated February 23, 2005, by and between USEC Inc. and James R. Mellor, Chairman of the Board and Chief Executive Officer.

February 23, 2005

Mr. James R. Mellor  
Chairman of the Board and Chief Executive Officer  
USEC Inc.  
6903 Rockledge Drive  
Bethesda, MD 20817

Dear Jim:

The Board of Directors is pleased by your acceptance of the Chairman and Chief Executive Officer position effective December 14, 2004. The purpose of this letter is to detail your compensation arrangements.

Before turning to compensation, we want to express our sincere appreciation for your agreeing to lead USEC in this transition period and to lead the search for the new CEO. At the end of this period, which you and we expect to be no later than December 31, 2005, we look forward to your return to your prior role as the Non-Executive Chairman of the Board.

Following are the details on your employment as Chairman and Chief Executive Officer:

- Salary: You will be paid \$100,000 per month, pro-rated for a partial month, payable through the Company's bi-weekly payroll system.
- Restricted Stock: The Board has approved a restricted stock grant of 80,000 shares. These shares will be granted to you on the date this Agreement is executed. The shares will be restricted to the earlier of five years from the date of grant or your retirement from the USEC Board of Directors.
- Employee Benefits: You have the right to participate in the standard employee benefits program of USEC Inc.
- You will be provided with reasonable and appropriate temporary housing until the transition to the new CEO has been completed. The cost of this housing will be borne by USEC.
- USEC will develop and implement a deferred compensation agreement acceptable to you for the purpose of allowing you to defer compensation in the form of restricted stock.
- Board of Director Compensation: During your service as Chairman and Chief Executive Officer you will not receive Board member compensation. The fees for the December 14, 2004 and December 18, 2004 Board meetings and the pro rata portion of the annual retainer, annual stock grant, annual option grant and incentive stock award received on April 29, 2004 and applicable to the period of your service as Chairman and Chief Executive Officer need not be repaid. Upon resumption of your role as the Non-Executive Chairman of the Board, we will take into account the payments above and adjust the resumption of your compensation as a Board member accordingly.
- Consulting Agreement: Your consulting agreement with the Company will be terminated effective December 14, 2004. Any payments for consulting for the period of time subsequent to December 14, 2004 will be offset against your salary. Following your return to the Non-Executive Chairman position, you and the Company may enter into a new consulting agreement.

Administrative aspects of your employment include:

- You will be Chairman and Chief Executive Officer until the election of a new CEO. It is anticipated that there will be a 2 month transition period following the election of a new CEO, during which time you will serve as Executive Chairman and continue to be compensated under this Agreement.
- For your service as Chairman and Chief Executive Officer and then as Executive Chairman you will receive no less than six months of salary and employee benefits.
- Your employment as Chairman and Chief Executive Officer or Executive Chairman will end no later than December 31, 2005.
- Should you elect to end your service as Chairman and Chief Executive Officer or as Executive Chairman of the Board, you will provide the Board with 30 days written notice.

Jim, the Board has full confidence in your leadership and is grateful that you are willing to provide leadership during an important time.

Please contact me if you have any questions regarding this letter. If you are in agreement with the terms of employment set forth above, please so indicate by signing below.

Yours sincerely,

/s/ John R. Hall

John R. Hall

Chairman, Compensation Committee USEC Board of Directors

I am in agreement with the terms of employment set forth above.

/s/ James R. Mellor

James R. Mellor

Chairman and Chief Executive Officer