

USG CORP
Form 8-K
November 07, 2008

**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): November 3, 2008

USG Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of
Incorporation)

1-8864

(Commission File Number)

36-3329400

(IRS Employer Identification No.)

550 West Adams Street, Chicago, Illinois

(Address of Principal Executive Offices)

60661-3676

(Zip Code)

Registrant's telephone number, including area code: **(312) 436-4000**

(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))

Section 2 Financial Information

Item 2.05 Costs Associated with Exit or Disposal Activities.

As a result of continued adverse market conditions, the Registrant has initiated additional programs to reduce costs that include a workforce reduction plan that is expected to reduce the Registrant's and its subsidiaries' worldwide salaried positions by approximately 20%, or approximately 900 positions.

The workforce reduction plan is being communicated to salaried employees beginning on November 3, 2008. The first step in the plan is to offer voluntary severance benefits. After the number of participants in the voluntary separation program is determined, we expect to implement an involuntary separation program that will account for most of the position reductions. Employees who are separated, either voluntarily or involuntarily, will receive separation benefits that include a lump sum payment based on earnings and length of service, an allowance to continue medical, dental and vision coverage and outplacement services. It is expected that all affected employees will be informed, and that the separation plan will be substantially completed, by the end of January 2009.

The Registrant will record charges for termination benefits related to the workforce reduction plan in the current and future fiscal quarters in accordance with FASB Statement of Financial Accounting Standards No. 146, Accounting for Costs Associated with Exit or Disposal Activities. The Registrant estimates that these charges will aggregate \$35 million to \$45 million and that cash expenditures will be incurred in the current and future fiscal quarters in the full amount of the charges.

SIGNATURE

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

USG CORPORATION
Registrant

Date: November 7, 2008

By: Richard H. Fleming

Richard H. Fleming
Executive Vice President
and Chief Financial Officer