USG CORP Form 4 July 28, 2006

FORM 4

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

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

CHICAGO, IL 60606

1(b).

(Last)

(City)

1. Name and Address of Reporting Person * FOX DAVID W

(First)

(Street)

2. Issuer Name and Ticker or Trading Symbol

USG CORP [usg]

3. Date of Earliest Transaction (Month/Day/Year)

USG CORPORATION, 125 SOUTH 07/27/2006

FRANKLIN STREET DEPT 188

(Middle)

(Zip)

4. If Amendment, Date Original

Filed(Month/Day/Year)

3.

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

Issuer

below)

X_ Director

Applicable Line)

Officer (give title

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(State)

Code Disposed of (D) (Month/Day/Year) (Instr. 8)

TransactionAcquired (A) or (Instr. 3, 4 and 5)

4. Securities

Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)

5. Amount of

(Instr. 4)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

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Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person Form filed by More than One Reporting

(Check all applicable)

10% Owner

6. Ownership 7. Nature of

Indirect

Beneficial

Ownership

(Instr. 4)

Form: Direct

Indirect (I)

(D) or

D

Other (specify

Estimated average

burden hours per

Code V Amount (D) Common 07/27/2006 X stock

9,278 A \$ 40 18,556

Price

(A)

or

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number proof Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Right (right to buy)	\$ 40	07/27/2006		X	9,278	07/01/2006	07/27/2006	Common stock	9,278

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

FOX DAVID W USG CORPORATION 125 SOUTH FRANKLIN STREET DEPT 188 CHICAGO, IL 60606



Signatures

Robert J. Burrell, Attorney-In-Fact 07/28/2006

**Signature of Reporting Person Dat

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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