
**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): July 18, 2005

ADTRAN, INC.

(Exact Name Of Registrant As Specified In Charter)

Delaware
(State of Incorporation)

0-24612
(Commission File No.)

63-0918200
(I.R.S. Employer Identification No.)

901 Explorer Boulevard
Huntsville, Alabama 35806-2807
(Address of principal executive offices, including zip code)

(256) 963-8000
(Registrant's telephone number, including area code)

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 (see General Instruction A.2 below):

- 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))
-

Item 1.01. Entry into a Material Definitive Agreement.

The information in Item 5.02 below is incorporated herein by reference.

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

On July 18, 2005, ADTRAN, Inc. (the "Company") announced that Mark C. Smith, the Company's current Chairman of the Board and Chief Executive Officer, will retire as Chief Executive Officer of the Company effective on his 65th birthday on September 10, 2005. Mr. Smith will remain as the non-executive Chairman of the Board. The Company also announced that Howard A. Thraikill, the Company's President and Chief Operating Officer and a director of the Company, will retire from each of these positions effective September 10, 2005. In connection with his retirement, the Company has entered into a letter agreement with Mr. Thraikill that provides that he will remain employed by the Company through October 31, 2005. During this period, Mr. Thraikill will be available to the Company for advice and for special projects. A copy of the letter agreement is attached to this Form 8-K as Exhibit 10.1 and incorporated herein by reference. The Compensation Committee of the Board of Directors also approved the acceleration of the vesting of options held by Mr. Thraikill exercisable for 27,500 shares of the Company's common stock.

On July 18, 2005, the Board of Directors of the Company appointed Thomas R. Stanton as Chief Executive Officer of the Company, effective September 10, 2005, and Danny J. Windham as President, Chief Operating Officer and Secretary of the Company, effective September 10, 2005. Mr. Stanton, age 40, has been Senior Vice President and General Manager – Carrier Networks of the Company since 2001. Prior to that, he served as the Company's Vice President and General Manager – Carrier Networks from 1999-2001 and Vice President – Carrier Networks Marketing from 1995-1999. Prior to joining the Company, Mr. Stanton served as Vice President – Marketing & Engineering for Transcript International, Inc. and as Senior Director of Marketing for E.F. Johnson Company. Mr. Windham, age 45, has been Senior Vice President and General Manager – Enterprise Networks of the Company since 2001. Prior to that, Mr. Windham served as the Company's Vice President and General Manager – Enterprise Networks from 1999-2001, Vice President – Enterprise Networks Marketing from 1995-1999, Director of Marketing from 1994-1995 and Manager of Product Management from 1989-1994. Prior to joining the Company, Mr. Windham was the Vice President and Co-Founder of Processing Telecom Technologies, Inc.

The Board of Directors also elected Mr. Stanton as a member of the Board of Directors, effective September 10, 2005, to fill the vacancy created by Mr. Thraikill's retirement.

Item 9.01. Financial Statements and Exhibits.

The following exhibit is filed with this report.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 10.1 | – Letter Agreement dated July 18, 2005 between ADTRAN, Inc. and Howard A. Thraikill |

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.

ADTRAN, INC.
(Registrant)

Date: July 18, 2005

/s/ James E. Matthews

James E. Matthews
Senior Vice President - Finance,
Chief Financial Officer and
Treasurer

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 10.1 | – Letter Agreement dated July 18, 2005 between ADTRAN, Inc. and Howard A. Thrailkill |

[ADTRAN Letterhead]

July 18, 2005

Mr. Howard Thrailkill
Huntsville, AL 35801

Dear Howard:

This letter will confirm the agreement between you and ADTRAN, Inc. We have agreed to the following:

1. You have retired from your position as President, Chief Operating Officer and Board Member effective as of September 10, 2005. You will, however, remain employed by ADTRAN through October 31, 2005.
2. During the period from September 10, 2005 through October 31, 2005 (the "Employment Extension Period"), you will be available to ADTRAN for advice and for special projects as may be designated or requested by the Chairman of the Board, the Chief Executive Officer, or the President and Chief Operating Officer.
3. During the Employment Extension Period, you will be paid hourly based on your actual hours worked. During this period, you will be compensated at the rate of \$100.00 per hour.
4. During the Employment Extension Period, your previously-granted stock options will continue to vest on their normal vesting schedule.

Please indicate your agreement to these terms by signing a copy of this letter where indicated below.

Sincerely,

/s/ Mark C. Smith

Mark C. Smith
Chairman and Chief Executive Officer

Accepted and agreed:

/s/ Howard A. Thrailkill

Howard A. Thrailkill