

CSX CORP
Form 424B3
June 14, 2010

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-166186

PROSPECTUS

CSX CORPORATION

(as Issuer)

Offer to Exchange
Up to \$660,000,000 Principal Amount of
6.220% Senior Notes due 2040
for
a Like Principal Amount of
6.220% Senior Notes due 2040
which have been registered under the Securities Act of 1933

CSX Corporation (“CSX” or the “Issuer”) is offering to exchange registered 6.220% Senior Notes due 2040, or the “Exchange Notes”, for its outstanding unregistered 6.220% Senior Notes due 2040, or the “Original Notes”. The Original Notes and the Exchange Notes are sometimes referred to in this prospectus together as the “Notes”. The terms of the Exchange Notes are substantially identical to the terms of the Original Notes, except that the Exchange Notes are registered under the Securities Act of 1933, as amended (the “Securities Act”), and the transfer restrictions and registration rights and related special interest provisions applicable to the Original Notes do not apply to the Exchange Notes. The Original Notes may only be tendered in an amount equal to \$2,000 in principal amount or in integral multiples of \$1,000 in excess thereof. This offer is subject to certain customary conditions and will expire at 11:59 p.m., New York City time, on July 14, 2010, unless the Issuer extends it. The Exchange Notes will not trade on any established exchange.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Original Notes where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. CSX has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this prospectus available to any broker-dealer for use in connection with any such resale. See “Plan of Distribution”.

Please see “Risk Factors” beginning on page 6 for a discussion of certain factors you should consider in connection with this Exchange Offer.

Edgar Filing: CSX CORP - Form 424B3

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 14,2010.

Table of Contents

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. This prospectus is not an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction or under any circumstances in which the offer or sale is unlawful. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

TABLE OF CONTENTS

	Page
<u>Where You Can Find More Information</u>	<u>ii</u>
<u>Incorporation By Reference</u>	<u>ii</u>
<u>Forward-Looking Statements</u>	<u>ii</u>
<u>Summary</u>	<u>1</u>
<u>Risk Factors</u>	<u>6</u>
<u>Use Of Proceeds</u>	<u>7</u>
<u>Ratio Of Earnings To Fixed Charges</u>	<u>8</u>
<u>Selected Financial Data</u>	<u>9</u>
<u>Description Of Notes</u>	<u>11</u>
<u>The Exchange Offer</u>	<u>19</u>
<u>Book-Entry Notes</u>	<u>28</u>
<u>Material United States Federal Income Tax Considerations</u>	<u>32</u>
<u>Plan Of Distribution</u>	<u>32</u>
<u>Legal Matters</u>	<u>33</u>
<u>Experts</u>	<u>33</u>

Except as otherwise indicated, this prospectus speaks as of the date of this prospectus. Neither the delivery of the prospectus nor any sale of any Notes shall, under any circumstances, create any implication that there have been no changes in our affairs after the date of this prospectus.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-4 under the Securities Act with respect to this Exchange Offer. This prospectus does not contain all of the information contained in the registration statement and the exhibits to the registration statement. You should refer to the registration statement, including the exhibits, for further information about the Exchange Notes being offered hereby. Copies of our SEC filings, including the exhibits to the registration statement, are available through us or from the SEC through the SEC's website or at its facilities described below.

We are subject to the information requirements of the Exchange Act, and the rules and regulations thereunder, and accordingly, we file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. You may also read and copy these documents at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

You may request a copy of any filings referred to above, at no cost, by contacting CSX at the following address: Ellen M. Fitzsimmons, Senior Vice President – Law and Public Affairs, General Counsel and Corporate Secretary, CSX Corporation, 500 Water Street, 15th Floor, Jacksonville, Florida 32202, telephone number (904) 359-3200.

To obtain timely delivery of any copies of filings requested from us, please write or telephone us no later than July 7, 2010.

INCORPORATION BY REFERENCE

We are incorporating by reference the information that we file with the SEC, which means that we are disclosing important information to you in those documents. The information incorporated by reference is an important part of this prospectus, and the information that we subsequently file with the SEC will automatically update and supersede information in this prospectus and in our other filings with the SEC. We incorporate by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), after the date of the initial registration statement and prior to effectiveness of the registration statement, and prior to the termination of the offering under this prospectus. We are not, however, incorporating by reference any documents or portions thereof, whether specifically listed below or filed in the future, that are not deemed "filed" with the SEC, including any information furnished pursuant to Item 2.02 or 7.01 of Form 8-K.

our Annual Report on Form 10-K for the fiscal year ended December 25, 2009;

our Quarterly Report on Form 10-Q for the fiscal quarter ended March 26, 2010; and

our Current Reports on Form 8-K filed with the Commission on February 22, 2010, March 8, 2010, March 10, 2010 and March 22, 2010.

Any statement contained in this prospectus, or in a document all or a portion of which is incorporated by reference in this prospectus, will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or supersedes the statement. Any such statement or document so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this

prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain “forward-looking” statements, which may contain, among others, statements regarding:

ii

Table of Contents

projections and estimates of earnings, revenues, volumes, rates, cost-savings, expenses, or other financial items;

expectations as to results of operations and operational initiatives;

expectations as to the effect of claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements on the Company's financial condition, results of operations or liquidity;

management's plans, strategies and objectives for future operations, proposed new services and other similar expressions concerning matters that are not historical facts, and management's expectations as to future performance and operations and the time by which objectives will be achieved; and

future economic, industry or market conditions or performance and their effect on the Company's financial condition, results of operations or liquidity.

Forward-looking statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "project", "estimate", "preliminary" and similar expressions. The Company cautions against placing undue reliance on forward-looking statements, which reflect its good faith beliefs with respect to future events and are based on information currently available to it as of the date the forward-looking statement is made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the timing when, or by which, such performance or results will be achieved.

Forward-looking statements are subject to a number of risks and uncertainties and actual performance or results could differ materially from those anticipated by any forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement. If the Company does update any forward-looking statement, no inference should be drawn that the Company will make additional updates with respect to that statement or any other forward-looking statements. The following important factors, in addition to those discussed elsewhere, may cause actual results to differ materially from those contemplated by any forward-looking statements:

legislative, regulatory or legal developments involving transportation, including rail or intermodal transportation, the environment, hazardous materials, taxation, including the outcome of tax claims and litigation, the potential enactment of initiatives to re-regulate the rail industry and the ultimate outcome of shipper and rate claims subject to adjudication;

the outcome of litigation and claims, including, but not limited to, those related to fuel surcharge, environmental contamination, personal injuries and occupational illnesses;

material changes in domestic or international economic, political or business conditions, including those affecting the transportation industry such as access to capital markets, ability to revise debt arrangements as contemplated, customer demand, customer acceptance of price increases, effects of adverse economic conditions affecting shippers and adverse economic conditions in the industries and geographic areas that consume and produce freight;

worsening conditions in the financial markets that may affect timely access to capital markets, as well as the cost of capital;

availability of insurance coverage at commercially reasonable rates or insufficient insurance coverage to cover claims or damages;

changes in fuel prices, surcharges for fuel and the availability of fuel;

Table of Contents

the impact of increased passenger activities in capacity-constrained areas or regulatory changes affecting when CSX's principal operating company, CSX Transportation, Inc., can transport freight or service routes;

natural events such as severe weather conditions, including floods, fire, hurricanes and earthquakes, a pandemic crisis affecting the health of the Company's employees, its shippers or the consumers of goods, or other unforeseen disruptions of the Company's operations, systems, property or equipment;

noncompliance with applicable laws or regulations;

the inherent risks associated with safety and security, including the availability and cost of insurance, the availability and vulnerability of information technology, adverse economic or operational effects from actual or threatened war or terrorist activities and any governmental response;

labor costs and labor difficulties, including stoppages affecting either the Company's operations or the customers' ability to deliver goods to the Company for shipment;

competition from other modes of freight transportation, such as trucking, and competition and consolidation within the transportation industry generally;

the Company's success in implementing its strategic plans and operational objectives and improving operating efficiency;

changes in operating conditions and costs or commodity concentrations; and

the inherent uncertainty associated with projecting full year 2010 economic and business conditions at an early point in the year and in the economic recovery.

Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are specified elsewhere in this prospectus, including the documents incorporated by reference, which are accessible on the SEC's website at www.sec.gov and the Company's website at www.csx.com. The information on our website is not incorporated by reference in, and does not form a part of, this prospectus.

Table of Contents

SUMMARY

This summary highlights selected information from this prospectus and is therefore qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this prospectus. It may not contain all the information that is important to you. We urge you to read carefully this entire prospectus including the “Risk Factors” section and the consolidated financial statements and related notes incorporated by reference herein. As used in this prospectus, unless otherwise indicated, “CSX”, “the Company”, “we”, “our” and “us” are used interchangeably to refer to CSX Corporation or to CSX Corporation and its consolidated subsidiaries, as appropriate to the context.

CSX Corporation

CSX, based in Jacksonville, Florida, is one of the nation’s leading transportation companies. CSX’s rail and intermodal businesses provide rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers.

CSX’s principal operating company, CSX Transportation, Inc. (“CSXT”), operates a rail network of approximately 21,000 miles and serves major population centers in 23 states, the District of Columbia and the Canadian provinces of Ontario and Quebec.

In addition to CSXT, CSX’s rail business includes Total Distribution Services, Inc. (“TDSI”), Transflo Terminal Services, Inc. (“Transflo”), CSX Technology, Inc. (“CSX Technology”) and other subsidiaries. TDSI serves the automotive industry with distribution centers and storage locations, while Transflo provides logistical solutions for transferring products from rail to trucks. CSX Technology and other subsidiaries provide support services for CSX. CSX Intermodal Inc is a stand-alone, integrated intermodal transportation provider linking customers to railroads via trucks and terminals.

CSX’s other holdings include CSX Real Property, Inc., a subsidiary responsible for CSX’s real estate sales, leasing, acquisition and management and development activities.

Our principal executive offices are located at 500 Water Street, 15th Floor, Jacksonville, Florida 32202, and our telephone number is (904) 359-3200. Our website home page on the Internet is www.csx.com. We make our website content available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this prospectus.

Table of Contents

Summary of the Terms of the Exchange Offer

Background

On March 24, 2010, we completed private offers to exchange certain of our outstanding debt securities for \$660,000,000 aggregate principal amount of the Original Notes. In connection with the private offers to exchange, we entered into a registration rights agreement (the “Registration rights Agreement”) in which we agreed, among other things, to complete an exchange offer (the “Exchange Offer”).

The Exchange Offer

We are offering to exchange our Exchange Notes which have been registered under the Securities Act for a like principal amount of our outstanding, unregistered Original Notes. Original Notes may only be tendered in an amount equal to \$2,000 in principal amount or in integral multiples of \$1,000 in excess thereof. See “The Exchange Offer—Terms of the Exchange”.

Resale of Exchange Notes

Based upon the position of the staff of the SEC as described in previous no-action letters, we believe that Exchange Notes issued pursuant to the Exchange Offer in exchange for Original Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you will acknowledge that:

you are acquiring the Exchange Notes in the ordinary course of your business;

you have not participated in, do not intend to participate in, and have no arrangement or understanding with any person to participate in a distribution of the Exchange Notes; and

you are not our “affiliate” as defined under Rule 405 of the Securities Act.

We do not intend to apply for listing of the Exchange Notes on any securities exchange or to seek approval for quotation through an automated quotation system. Accordingly, there can be no assurance that an active market will develop upon completion of the Exchange Offer or, if developed, that such market will be sustained or as to the liquidity of any market.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Original Notes, where such Original Notes were acquired by such broker-dealer as a result of market-making

activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of Exchange Notes during the 180 days after the expiration of this Exchange Offer. See “Plan of Distribution”.

Consequences If You Do Not Exchange
Your Original Notes

Original Notes that are not tendered in the Exchange Offer or are not accepted for exchange will continue to bear legends restricting their transfer. You will not be able to offer or sell such Original Notes unless:

you are able to rely on an exemption from the requirements of the Securities Act; or

the Original Notes are registered under the Securities Act.

Table of Contents

After the Exchange Offer is closed, we will no longer have an obligation to register the Original Notes, except under limited circumstances. To the extent that Original Notes are tendered and accepted in the Exchange Offer, the trading market for any remaining Original Notes will be adversely affected. See “Risk Factors—If you fail to exchange your Original Notes, they will continue to be restricted securities and may become less liquid”.

Expiration Date	The Exchange Offer will expire at 11:59 p.m., New York City time, on July 14, 2010, unless we extend the Exchange Offer. See “The Exchange Offer—Expiration Date; Extensions; Amendments”.
Issuance of Exchange Notes	We will issue Exchange Notes in exchange for Original Notes tendered and accepted in the Exchange Offer promptly following the Expiration Date (unless amended as described in this prospectus). See “The Exchange Offer—Terms of the Exchange”.
Certain Conditions to the Exchange Offer	The Exchange Offer is subject to certain customary conditions, which we may amend or waive. The Exchange Offer is not conditioned upon any minimum principal amount of outstanding notes being tendered. See “The Exchange Offer—Conditions to the Exchange Offer”.
Special Procedures for Beneficial Holders	If you beneficially own Original Notes which are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender in the Exchange Offer, you should contact the registered holder promptly and instruct such person to tender on your behalf. If you wish to tender in the Exchange Offer on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your Original Notes, either arrange to have the Original Notes registered in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take a considerable amount of time. See “The Exchange Offer—Procedures for Tendering”.
Withdrawal Rights	You may withdraw your tender of Original Notes at any time before the exchange offer expires. See “The Exchange Offer—Withdrawal of Tenders”.
Accounting Treatment	We will not recognize any gain or loss for accounting purposes upon the completion of the Exchange Offer. The payment to bondholders for the Exchange Offer will increase deferred financing costs but payments made to other third parties will be expensed as incurred in accordance with generally accepted accounting principles. See “The

Exchange Offer—Accounting Treatment”.

U.S. Federal Income Tax Consequences	The exchange pursuant to the Exchange Offer generally will not be a taxable event for U.S. federal income tax purposes. See “Material United States Federal Income Tax Considerations”.
Use of Proceeds	We will not receive any proceeds from the exchange or the issuance of Exchange Notes in connection with the Exchange Offer.
Exchange Agent	The Bank of New York Mellon Trust Company, N.A. is serving as exchange agent in connection with the Exchange Offer.

3

Table of Contents

Summary of the Terms of the Exchange Notes

The following summary contains basic information about the Notes, and is not intended to be complete. For a more complete understanding of the Notes, please refer to the section entitled “Description of Notes” in this prospectus. Other than the restrictions on transfer and registration rights and special interest provisions, the Exchange Notes will have the same financial terms and covenants as the Original Notes, which are as follows:

Issuer	CSX Corporation, a Virginia corporation.
Securities Offered	\$660,000,000 aggregate principal amount of 6.220% senior notes due April 30, 2040.
Maturity Date	April 30, 2040.
Interest	The Notes will bear interest at the rate of 6.220% from the most recent date to which interest on the Original Notes has been paid or, if no interest has been paid on the Original Notes, from March 24, 2010. Interest is payable semiannually on April 30 and October 30 of each year, beginning on October 30, 2010.
Ranking	The Notes will be our direct, unsecured and unsubordinated obligations and will rank equally in right of payment with all of our other existing and future unsecured and unsubordinated indebtedness. The Notes will be effectively subordinated to existing and future indebtedness and other liabilities of our subsidiaries and to any of our existing and future secured indebtedness.
Optional Redemption	We may redeem the Notes at any time at our option, in whole or in part, at a redemption price equal to 100% of the principal amount plus a “make-whole” premium. See “Description of Notes—Optional Redemption”.
Certain Covenants	The indenture governing the Notes (the “Indenture”) contains covenants restricting our ability, with certain exceptions, to: <p style="margin-left: 40px;">incur debt secured by liens on any principal subsidiary; and</p> <p style="margin-left: 40px;">consolidate with, merge into or transfer our assets substantially as an entirety to, another person.</p> <p>See “Description of Notes—Limitation on Liens on Stock of CSXT” and “Description of Notes—Consolidation, Merger and Sale of Assets”.</p>

Events of Default	For a discussion of events that will permit acceleration of the payment of the principal of and accrued interest on the Notes, see “Description of Notes—Events of Default”.
Listing	We do not intend to list the Notes on any securities exchange.
Use of Proceeds	We will not receive any proceeds from the Exchange Offer. See “Use of Proceeds”.
Book-Entry Depository	The Depository Trust Company (“DTC”)
Trustee, registrar and transfer agent	The Bank of New York Mellon Trust Company, N.A.

Table of Contents

Governing law

State of New York.

Risk Factors

You should consider carefully all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the section entitled “Risk Factors” for an explanation of certain risks of participating in the Exchange Offer.

Table of Contents

RISK FACTORS

You should carefully consider the following risks relating to the Exchange Offer and the Notes, together with the risks and uncertainties discussed under “Forward-Looking Statements” and the other information included or incorporated by reference in this prospectus, including the information under the heading “Risk Factors” in our annual report on Form 10-K for the fiscal year ended December 25, 2009 and our quarterly report on Form 10-Q for the fiscal quarter ended March 26, 2010, before deciding whether to participate in the Exchange Offer. Additional risks and uncertainties not currently known to the Company, or that the Company currently does not deem material also may materially impair the Company’s financial condition, results of operations or liquidity.

Risks Relating to the Exchange Offer

If you fail to exchange your Original Notes, they will continue to be restricted securities and may become less liquid.

Original Notes that you do not tender or we do not accept will, following the Exchange Offer, continue to be restricted securities, and you may not offer to sell them except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities law. We will issue Exchange Notes in exchange for the Original Notes pursuant to the Exchange Offer only following the satisfaction of the procedures and conditions set forth in “The Exchange Offer—Procedures for Tendering”. These procedures and conditions include timely receipt by the Exchange Agent of such Original Notes (or a confirmation of book-entry transfer) and of a properly completed and duly executed letter of transmittal (or an agent’s message from DTC).

Because we anticipate that most holders of Original Notes will elect to exchange their Original Notes, we expect that the liquidity of the market for any Original Notes remaining after the completion of the Exchange Offer will be substantially limited. Any Original Notes tendered and exchanged in the Exchange Offer will reduce the aggregate principal amount of the Original Notes outstanding. Following the Exchange Offer, if you do not tender your Original Notes you generally will not have any further registration rights, and your Original Notes will continue to be subject to certain transfer restrictions. Accordingly, the liquidity of the market for the Original Notes could be adversely affected.

If an active trading market does not develop for the Exchange Notes, you may be unable to sell the Exchange Notes or to sell them at a price you deem sufficient.

The Exchange Notes are a new issue of securities for which there is currently no public trading market. We do not intend to list the Exchange Notes on any national securities exchange or automated quotation system. Accordingly, there can be no assurances that an active market will develop upon completion of the Exchange Offer or, if it develops, that such market will be sustained, or as to the liquidity of any market. If an active market does not develop or is not sustained, the market price and the liquidity of the Exchange Notes may be adversely affected. In addition, the liquidity of the trading market for the Exchange Notes, if it develops, and the market price quoted for the Exchange Notes, may be adversely affected by changes in the overall market for those securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally.

Table of Contents

USE OF PROCEEDS

This Exchange Offer is intended to satisfy our obligations under the Registration Rights Agreement entered into in connection with the issuance of the Original Notes. We will not receive any cash proceeds from the issuance of the Exchange Notes in the Exchange Offer.

In consideration for issuing the Exchange Notes as contemplated by this prospectus, we will receive the Original Notes in like principal amount. The Original Notes surrendered and exchanged for the Exchange Notes will be retired and canceled and cannot be reissued.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

CSX's consolidated ratio of earnings to fixed charges for each of the fiscal periods indicated is as follows:

	For the Fiscal		For the Fiscal Years Ended				
	Quarter Ended	Quarter Ended	Dec.	Dec.	Dec.	Dec.	Dec.
	Mar.	Mar.	25,	26,	28,	29,	30,
	26,	27,	2009	2008	2007	2006	2005
	2010	2009	2009	2008	2007	2006	2005
Ratio of earnings to fixed charges	4.3x	3.5x	3.9x	5.1x	5.1x	5.0x	3.0x

For purposes of computing the ratio of earnings to fixed charges, earnings represent earnings from operations before income taxes plus interest expense related to indebtedness, amortization of debt discount and the interest portion of fixed rent expense, less undistributed earnings of affiliates accounted for using the equity method. Fixed charges include interest on indebtedness (whether expensed or capitalized), amortization of debt discount and the interest portion of fixed rent expense.

Table of Contents

SELECTED FINANCIAL DATA