

CSX TRANSPORTATION INC
Form S-3ASR
February 15, 2013
Table of Contents

As filed with the Securities and Exchange Commission on February 15, 2013

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CSX Corporation

(Exact Name of Registrant as Specified in Its Charter)

Commonwealth of Virginia
(State or Other Jurisdiction of

Incorporation or Organization)

62-1051971
(I.R.S. Employer

Identification Number)

CSX Capital Trust I

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

54-2039106
(I.R.S. Employer
Identification Number)

CSX Transportation, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Commonwealth of Virginia
(State or Other Jurisdiction of
Incorporation or Organization)

54-6000720
(I.R.S. Employer
Identification Number)

500 Water Street, 15th Floor

Jacksonville, Florida 32202

(904) 359-3200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Ellen M. Fitzsimmons

Executive Vice President Law and Public

Affairs, General Counsel and Corporate

Secretary

CSX Corporation

500 Water Street, 15th Floor

Jacksonville, Florida 32202

(904) 359-3200

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copy to:

Richard D. Truesdell, Jr.

Davis Polk & Wardwell LLP

450 Lexington Avenue

New York, NY 10017

(212) 450-4000

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered (1)	Proposed Maximum Offering Price Per Unit (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (1)
Debt Securities of CSX Corporation				
Debt Securities of CSX Transportation, Inc.				
Guarantees of Debt Securities of CSX Transportation, Inc. (2)				
Warrants				
Preferred Stock				
Trust Preferred Securities of CSX Capital Trust I				
Guarantees of Trust Preferred Securities of CSX Capital Trust I (2)				
Common Stock				
Depositary Shares				
Purchase Contracts				
Units				

- (1) An indeterminate amount of securities to be offered at indeterminate prices is being registered pursuant to this registration statement. Separate consideration may or may not be received for securities that are issuable upon exercise, conversion or exchange of other securities or that are issued in units or represented by depositary shares. The registrant is deferring payment of the registration fee pursuant to Rule 456(b) and is omitting this information in reliance on Rule 456(b) and Rule 457(r).
- (2) No separate consideration will be received for the guarantees of securities being registered. In accordance with Rule 457(n), no registration fee is payable with respect to such guarantees.

Table of Contents

PROSPECTUS

**DEBT SECURITIES, WARRANTS, PREFERRED STOCK, COMMON STOCK,
DEPOSITARY SHARES, PURCHASE CONTRACTS, UNITS, GUARANTEES OF
DEBT SECURITIES OF CSX TRANSPORTATION, INC., GUARANTEES OF
TRUST PREFERRED SECURITIES OF CSX CAPITAL TRUST I**

CSX Transportation, Inc.

DEBT SECURITIES

CSX Capital Trust I

TRUST PREFERRED SECURITIES

We may offer from time to time common stock, preferred stock, depositary shares, debt securities of CSX Corporation, debt securities of CSX Transportation, Inc., warrants, purchase contracts, units, guarantees of debt securities of CSX Transportation, Inc. and, in conjunction with CSX Capital Trust I, guaranteed trust preferred securities.

Specific terms of these securities will be provided in supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest.

Investing in these securities involves certain risks. See Risk Factors beginning on page 5 of this prospectus and beginning on page 6 of our annual report on Form 10-K for the year ended December 30, 2011, which is incorporated by reference herein.

We may offer securities through one or more underwriters or dealers, through agents or directly to purchasers. If required, the prospectus supplement for each offering of securities will describe the plan of distribution for that offering. For general information about the distribution of the securities offered, see Plan of Distribution in this prospectus.

Our common stock is listed on the New York Stock Exchange under the trading symbol CSX.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved 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 February 15, 2013

Table of Contents

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus, in any prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus or any prospectus supplement or in any such free writing prospectus is accurate as of any date other than their respective dates.

In this prospectus, except as the context may otherwise require, the terms CSX, the Company, we, us, and our refer to CSX Corporation, a Virginia corporation, together with its subsidiaries; the term CSXT refers to CSX Transportation, Inc., a Virginia corporation; and references to the Trust refer to CSX Capital Trust I, a Delaware statutory trust.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1995, AS AMENDED (RSA 421-B), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Table of Contents

TABLE OF CONTENTS

	Page
<u>CSX Corporation / CSX Transportation, Inc.</u>	1
<u>CSX Capital Trust I</u>	1
<u>Where You Can Find More Information</u>	3
<u>Special Note On Forward-Looking Statements</u>	3
<u>Risk Factors</u>	5
<u>Use of Proceeds</u>	5
<u>Ratio of Earnings to Fixed Charges</u>	5
<u>Description of Debt Securities</u>	6
<u>Description of Trust Preferred Securities And The Guarantee Of The Trust Preferred Securities</u>	21
<u>Description of Capital Stock</u>	34
<u>Description of Depositary Shares</u>	37
<u>Description of Securities Warrants</u>	37
<u>Description of Purchase Contracts</u>	38
<u>Description of Units</u>	39
<u>Plan of Distribution</u>	40
<u>Validity of Securities</u>	42
<u>Experts</u>	42

Table of Contents

CSX CORPORATION / CSX TRANSPORTATION, INC.

CSX, based in Jacksonville, Florida, is one of the nation's leading transportation companies. The Company provides rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers.

The Company's annual average number of employees was approximately 32,000 in 2012, which includes approximately 27,000 union employees. Most of the Company's employees provide or support transportation services.

CSX's principal operating subsidiary, CSXT, provides an important link to the transportation supply chain through its approximately 21,000 route mile rail network, which serves major population centers in 23 states east of the Mississippi River, the District of Columbia and the Canadian provinces of Ontario and Quebec. It has access to over 70 ocean, river and lake port terminals along the Atlantic and Gulf Coasts, the Mississippi River, the Great Lakes and the St. Lawrence Seaway. The Company's intermodal business links customers to railroads via trucks and terminals. CSXT also serves thousands of production and distribution facilities through track connections to approximately 240 short-line and regional railroads.

In addition to CSXT, the Company's subsidiaries include CSX Intermodal Terminals, Inc. (CSX Intermodal Terminals), Total Distribution Services, Inc. (TDSI), Transflo Terminal Services, Inc. (Transflo), CSX Technology, Inc. (CSX Technology) and other subsidiaries. CSX Intermodal Terminals owns and operates a system of intermodal terminals, predominantly in the eastern United States and also performs drayage services (the pickup and delivery of intermodal shipments) for certain CSXT customers and trucking dispatch operations. TDSI serves the automotive industry with distribution centers and storage locations. Transflo connects non-rail served customers to the many benefits of rail by transferring products from rail to trucks. Today, the biggest Transflo markets are chemicals and agriculture, for example minerals and ethanol. CSX Technology and other subsidiaries provide support services for the Company.

CSX's other holdings include CSX Real Property, Inc., a subsidiary responsible for the Company's real estate sales, leasing, acquisition and management and development activities. These activities are classified in other income because they are not considered by the Company to be operating activities. Results of these activities fluctuate with the timing of non-operating real estate sales.

CSX CAPITAL TRUST I

CSX Capital Trust I, which is referred to in this prospectus as the Trust, is a statutory trust formed under Delaware law by us, as sponsor for the Trust, and BNY Mellon Trust of Delaware, as successor to Chase Bank USA, National Association (formerly known as Chase Manhattan Bank USA, National Association), who will serve as trustee in the State of Delaware for the purpose of complying with the provisions of the Delaware Statutory Trust Act. The Trust was established pursuant to a trust agreement dated as of May 1, 2001 and a certificate of trust filed with the Secretary of State of the State of Delaware on May 1, 2001, as amended by the certificate of amendment filed with the Secretary of State of the State of Delaware on February 5, 2013. The trust agreement for the Trust will be amended and restated substantially in the form included as an exhibit to the registration statement, effective when securities of the Trust are initially issued. The amended and restated trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act).

The amended and restated trust agreement will state the terms and conditions for the Trust to issue and sell its trust preferred securities and its trust common securities (together, the trust securities). Under the amended and restated trust agreement, the Trust will exist for the exclusive purposes of:

issuing two classes of trust securities, trust preferred securities and trust common securities, which together shall represent undivided beneficial interests in the assets of the Trust;

investing the gross proceeds of the trust securities in our subordinated debt securities;

Table of Contents

making distributions; and

engaging in only those other activities necessary, advisable or incidental to the purposes listed above.

We will purchase all of the trust common securities of the Trust. The trust common securities will have terms substantially identical to, and will rank equal in priority of payment with, the trust preferred securities. However, if an event of default under our subordinated indenture pursuant to which the subordinated debt securities held by the Trust were issued occurs, then cash distributions and liquidation, redemption and other amounts payable on the trust common securities will rank lower in priority of payment than the trust preferred securities.

We will guarantee the trust preferred securities as described later in this prospectus and in the applicable prospectus supplement.

Pursuant to an agreement as to expenses and liabilities that we will enter into as required under the amended and restated trust agreement, we will pay all indebtedness, expenses, fees and liabilities of the Trust, except that the Trust shall pay for its own obligations to pay to holders of trust preferred securities the amounts due such holders pursuant to the terms of such securities.

Subordinated debt securities of CSX will be the sole assets of the Trust, and our payments under those subordinated debt securities and the agreement as to expenses and liabilities will be the sole revenue of the Trust. No separate financial statements of the Trust are included in this prospectus. CSX considers that those financial statements would not be material to holders of the trust preferred securities because the Trust has no independent operations and the purpose of the Trust is as described above. The Trust is not required to file annual, quarterly or special reports with the Securities and Exchange Commission (the "SEC").

Our, CSXT's and the Trust's principal executive offices are located at 500 Water Street, 15th Floor, Jacksonville, Florida, and our and their telephone number is (904) 359-3200. We maintain a website at www.csx.com where general information about us is available. We are not incorporating the contents of the website into this prospectus.

About this Prospectus

This prospectus is part of a registration statement that CSX Corporation, CSX Transportation, Inc., and CSX Capital Trust I filed with the SEC utilizing a "shelf" registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus in one or more offerings. The exhibits to the registration statement of which this prospectus forms a part and the documents incorporated herein by reference contain the full text of certain contracts and other important documents summarized in this prospectus. Since these summaries may not contain all the information relating to the securities, you should review the full text of those documents.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information."

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at <http://www.sec.gov>, from which interested persons can electronically access our SEC filings, including the registration statement and the exhibits and schedules thereto.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and all documents we file pursuant to Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, on or after the date of this prospectus and prior to the termination of the offering under this prospectus and any prospectus supplement (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- (a) Annual Report on Form 10-K for the year ended December 30, 2011, filed with the SEC on February 21, 2012;
- (b) The information responsive to Part III of Form 10-K for the fiscal year ended December 30, 2011, provided in our Definitive Proxy Statement on Schedule 14A filed with the SEC in two parts on March 26, 2012;
- (c) Quarterly Reports on Form 10-Q for the quarterly periods ended March 30, 2012, June 29, 2012 and September 28, 2012, filed with the SEC on April 19, 2012, July 19, 2012 and October 16, 2012, respectively; and
- (d) Current Reports on Form 8-K filed with the SEC on January 23, 2012 (only with respect to item 5.02) (as amended by the Form 8-K/A filed with the SEC on February 10, 2012), February 28, 2012, May 11, 2012 and October 22, 2012.
- (e) The description of our common stock contained in our Registration Statement on Form 8-B (File No. 1-8022) filed with the SEC on September 25, 1980.

You may request a copy of any filings referred to above, at no cost, by contacting CSX in writing or by telephone at: Ellen M. Fitzsimmons, Executive 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.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This prospectus, including the documents incorporated by reference herein, contains forward-looking statements. In some cases, you can identify these statements by forward-looking words such as may, might, will, should, expects, plans, anticipates, believes, estimates, pr continue, the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including those factors discussed under the caption entitled Risk Factors in our Annual Report on Form 10-K for the year ended December 30, 2011.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person

Table of Contents

assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We are under no duty to update any of these forward-looking statements after the date of this prospectus to conform our prior statements to actual results or revised expectations.

Table of Contents**RISK FACTORS**

Investing in the securities covered by this prospectus involves risk. Before making an investment decision, you should carefully consider the risks described under Risk Factors, if any, in the applicable prospectus supplement and in our then most recent Annual Report on Form 10-K, and in any updates to those risk factors in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, together with all of the other information we include or incorporate by reference in this prospectus. These risks could materially affect our business, results of operations or financial condition and cause the value of our securities to decline. You could lose all or part of your investment.

USE OF PROCEEDS

Unless otherwise indicated in a prospectus supplement, the net proceeds from the sale of the securities will be used for general corporate purposes, which may include the reduction or refinancing of outstanding indebtedness, capital expenditures, working capital requirements, improvements in productivity and other cost reductions, redemptions and repurchases of certain outstanding securities, acquisitions and other business opportunities. CSX has not specifically allocated the proceeds to these purposes as of the date of this prospectus. The precise amount and timing of the application of the proceeds from the sale of securities will depend upon funding requirements and the availability and cost of other funds at the time of the sale of securities. Allocation of the proceeds of a particular series of securities, or the principal reasons for the offering, if no allocation has been made, will be described in the applicable prospectus supplement.

RATIO OF EARNINGS TO FIXED CHARGES

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

	For the Nine Months		For the Fiscal Years Ended			
	Ended September 28, 2012	Dec. 30, 2011	Dec. 31, 2010	Dec. 25, 2009	Dec. 26, 2008	Dec. 28, 2007
Ratio of Earnings to Fixed Charges(a)(b)	5.9x	5.9x	5.3x	3.9x	5.0x	5.1x

(a) 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.

(b) Effective in the second quarter of 2010, CSX changed the accounting policy for rail grinding costs from a capitalization method, under which the cost of rail grinding was capitalized and then depreciated, to a direct expense method, under which rail grinding costs are expensed as incurred. This represents a change from an acceptable method under GAAP to a preferable method, and is consistent with recent changes in industry practice. The ratios computed in the above table reflect the retrospective application of this change in accounting principle to each of the periods presented. Application of this change does not affect the computation of the ratios presented, other than the ratio for the fiscal period ended December 26, 2008, which changed from 5.1 to 5.0.

Table of Contents

DESCRIPTION OF DEBT SECURITIES

For purposes of the Description of Debt Securities, the term CSX refers to CSX Corporation.

DEBT SECURITIES OF CSX CORPORATION

CSX may issue debt securities either separately, or together with, or upon the conversion of or in exchange for, other securities. The debt securities will be either senior obligations or subordinated obligations of CSX. Senior debt securities may be issued under a senior indenture dated as of August 1, 1990 between CSX and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., formerly The Chase Manhattan Bank), as trustee, as currently supplemented and amended and as further supplemented and amended from time to time (the senior indenture). Subordinated debt securities may be issued under a subordinated indenture to be entered into between CSX and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., formerly The Chase Manhattan Bank), as trustee, as may be supplemented and amended from time to time (the subordinated indenture). A copy of the senior indenture and a copy of the form of the subordinated indenture have been incorporated by reference in, or included as exhibits to, the registration statement of which this prospectus is a part. The senior indenture and the subordinated indenture, together with any other indenture CSX may enter into in connection with the issuance of debt securities, as applicable, are sometimes referred to collectively as the indentures. The trustee under the senior indenture and the trustee under the subordinated indenture, together with the trustee under any other indenture CSX may enter into in connection with the issuance of debt securities, as applicable, are sometimes referred to collectively as the trustees.

The discussion of the material provisions of the senior indenture and the subordinated indenture and the debt securities set forth below and the discussion of the material terms of a particular series of debt securities set forth in the applicable prospectus supplement are subject to and are qualified in their entirety by reference to all of the provisions of the applicable indenture, which provisions (including defined terms) are incorporated in this description of debt securities by reference. The senior indenture and the subordinated indenture are each subject to and governed by the Trust Indenture Act.

The debt securities may be issued from time to time in one or more series of senior debt securities and one or more series of subordinated debt securities. Neither the senior indenture nor the subordinated indenture limits the aggregate principal amount of debt securities that may be issued under it. Unless otherwise provided in the terms of a series of debt securities, a series of debt securities may be reopened for issuances of additional debt securities of that series without notice to or consent of any holder of outstanding debt securities. The terms of each series of debt securities will be established by supplemental indenture or by or pursuant to a resolution of our Board of Directors and set forth in, or determined in the manner provided for in, an officer's certificate.

The following description of debt securities summarizes certain general terms and provisions of the series of senior or subordinated debt securities to which any prospectus supplement may relate. The particular terms of each series of debt securities offered by a prospectus supplement or prospectus supplements will be described in the prospectus supplement or prospectus supplements relating to that series. The prospectus supplement or prospectus supplements will also indicate whether the general terms and provisions described in this prospectus do not apply to a particular series of debt securities.

Unless otherwise indicated, currency amounts in this prospectus and any prospectus supplement are stated in United States dollars.

General

The prospectus supplement for a particular series of debt securities will describe the specific terms of that series, including (where applicable):

the title of the debt securities;

any limit on the aggregate principal amount of the debt securities;

the price or prices (expressed as a percentage of the aggregate principal amount of the debt securities) at which the debt securities will be issued;

Table of Contents

the date or dates on which the debt securities will mature;

our right, if any, to defer payment of interest and the maximum length of this deferral period;

the rate or rates per annum at which the debt securities will bear interest, if any, or the formula pursuant to which the rate or rates will be determined, and the date or dates from which interest will accrue;

the interest payment dates on which interest on the debt securities will be payable and the regular record date for any interest payable on any registered debt securities on any interest payment date;

whether the debt securities are to be issuable as registered debt securities or bearer debt securities or both, whether any of the debt securities are to be issuable initially in temporary global form and whether any of the debt securities are to be issuable in permanent global form;

the person to whom any interest on any registered debt securities of the series will be payable, if other than the person in whose name that debt security (or one or more predecessor debt securities) is registered at the close of business on the regular record date for that interest, the manner in which, or the person to whom, any interest on any bearer debt security of the series will be payable, if otherwise than upon presentation and surrender of the applicable coupons, and the extent to which, or the manner in which, any interest payable on a temporary global debt security on an interest payment date will be paid if other than in the manner provided in the relevant indenture and the extent to which, or the manner in which, any interest payable on a permanent global debt security on an interest payment date will be paid;

each office or agency where, subject to the terms of the relevant indenture as described below under **Payment and Paying Agents**, the principal of and any premium and interest on the debt securities will be payable and each office or agency where, subject to the terms of the relevant indenture as described below under **Form, Exchange, Registration and Transfer**, the debt securities may be presented for registration of transfer or exchange;

the period or periods within which and the price or prices at which the debt securities may, pursuant to any optional redemption provisions, be redeemed, in whole or in part, at our option and the other detailed terms and conditions of any optional redemption provisions;

the obligation, if any, of CSX to redeem or purchase the debt securities pursuant to any sinking fund or analogous provisions or at the option of the holder of the debt securities and the period or periods within which and the price or prices at which the debt securities will be redeemed or purchased, in whole or in part, pursuant to that obligation, and the other detailed terms and conditions of that obligation;

the denominations in which any registered debt securities will be issuable, if other than denominations of \$2,000 and any integral multiple of \$1,000, and the denomination or denominations in which bearer debt securities will be issuable, if other than denominations of \$5,000;

the currency or currencies, including currency units, in which payment of principal of and any premium and interest on the debt securities will be payable if other than U.S. dollars and the ability, if any, of CSX or the holders of the debt securities to have payments made in any currency other than those in which the debt securities are stated to be payable;

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whether the amount of payments of principal of, premium, if any, and interest, if any, on the debt securities may be determined with reference to an index and the manner in which those amounts will be determined;

the portion of the principal amount of the debt securities that will be payable upon acceleration if other than the full principal amount;

any listing on a securities exchange or quotation system;

the application of, and any limitations on or modifications to, the terms of the indenture described below under Discharge, Defeasance and Covenant Defeasance;

Table of Contents

the terms, if any, upon which the debt securities may be convertible into or exchangeable for other securities;

any material United States federal income tax consequences;

whether the debt securities will be senior debt securities or subordinated debt securities and the ranking of the debt securities relative to other outstanding indebtedness;

if the debt securities are subordinated, the aggregate amount of outstanding indebtedness, as of a recent date, that is senior to the subordinated securities, and any limitations on the issuance of additional senior indebtedness; and

any other relevant terms of the debt securities, including covenants and event of default provisions, not inconsistent with the provisions of the relevant indenture.

The prospectus supplement will also describe any special provisions for the payment of additional amounts relating to specified taxes, assessments or other governmental charges in respect of the debt securities of that series and whether CSX has the option to redeem the affected debt securities rather than pay those additional amounts.

As used in this prospectus and any prospectus supplement relating to the offering of any debt securities, references to the principal of and premium, if any, and interest, if any, on the debt securities will be deemed to include mention of the payment of additional amounts, if any, required by the terms of the debt securities.

If the purchase price of any debt securities is payable in a currency other than U.S. dollars or if principal of, or premium, if any, or interest, if any, on any of the debt securities is payable in any currency other than U.S. dollars, the specific terms and other information with respect to those debt securities and that currency will be specified in the related prospectus supplement.

Debt securities of a series may also be issued under the relevant indenture upon the exercise of warrants issued by CSX. See Description of Securities Warrants.

The senior and subordinated indentures do not contain any provisions that may afford the holders of debt securities of any series protection in the event of a highly leveraged transaction or other transaction that may occur in connection with a takeover attempt resulting in a decline in the credit rating of the debt securities. Those provisions, if applicable to the debt securities of any series, will be described in the related prospectus supplement.

Form, Exchange, Registration and Transfer

Unless otherwise indicated in the applicable prospectus supplement, each series of debt securities will be issued in registered form only, without coupons. The senior and subordinated indentures, however, provide that CSX may also issue debt securities in bearer form only, or in both registered and bearer form. Bearer debt securities will not be offered, sold, resold or delivered in connection with their original issuance in the United States or to any United States person other than to offices located outside the United States of certain United States financial institutions. Purchasers of bearer debt securities will be subject to certification procedures and may be affected by certain limitations under United States tax laws. Those procedures and limitations will be described in the prospectus supplement relating to the offering of the bearer debt securities. Unless otherwise indicated in an applicable prospectus supplement or prospectus supplements, bearer debt securities will have interest coupons attached. The senior and subordinated indentures also provide that debt securities of a series may be issuable in temporary or permanent global form. See Global Debt Securities.

At the option of the holder, subject to the terms of the relevant indenture, registered debt securities of any series will be exchangeable for other registered debt securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. In addition, if debt securities of any series are issuable as both registered debt securities and bearer debt securities, at the option of the holder, subject to the terms of the relevant indenture, bearer debt securities (with all unmatured coupons, except as provided below, and with all matured coupons in default) of that series will be exchangeable for registered debt securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Bearer debt securities surrendered in exchange for registered debt securities between a regular record date or a special record date and the relevant date for payment of interest will be surrendered without the coupon relating to that date for payment of

interest and interest will not be

Table of Contents

payable in respect of the registered debt security issued in exchange for that bearer debt security, but will be payable only to the holder of the coupon relating to that date when due in accordance with the terms of the relevant indenture. Registered debt securities, including registered debt securities received in exchange for bearer debt securities, may not be exchanged for bearer debt securities. Each bearer debt security and coupon will bear a legend to the following effect:

Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

Debt securities may be presented for exchange as provided above, and registered debt securities may be presented for registration of transfer (with the form of transfer duly executed), at the office of the security registrar or at the office of any transfer agent designated by CSX for that purpose with respect to any series of debt securities and referred to in an applicable prospectus supplement, without a service charge and upon payment of any taxes and other governmental charges as described in the relevant indenture. The transfer or exchange will be effected upon the records of the security registrar or the transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. CSX has appointed the trustee as security registrar. If a prospectus supplement refers to any transfer agent (in addition to the security registrar) initially designated by CSX with respect to any series of debt securities, CSX may at any time rescind the designation of that transfer agent or approve a change in the location through which that transfer agent acts, except that, if debt securities of a series are issuable solely as registered debt securities, CSX will be required to maintain a transfer agent in each place of payment for that series and, if debt securities of a series are issuable as bearer debt securities, CSX will be required to maintain (in addition to the security registrar) a transfer agent in a place of payment for that series located outside the United States and its possessions. CSX may at any time designate additional transfer agents with respect to any series of debt securities.

In the event of any partial redemption, CSX will not be required to

issue, register the transfer of or exchange any debt security during a period beginning at the opening of business 15 days before any selection for redemption of debt securities of like tenor and of the series of which that debt security is a part, and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all holders of debt securities of like tenor and of the series to be redeemed;

register the transfer of or exchange any registered debt security so selected for redemption, in whole or in part, except the unredeemed portion of any debt security being redeemed in part; or

exchange any bearer debt security so selected for redemption, except to exchange that bearer debt security for a registered debt security of that series and like tenor which is immediately surrendered for redemption.

Payment and Paying Agents

Unless otherwise indicated in an applicable prospectus supplement, principal of and any premium and interest on bearer debt securities will be payable, subject to any applicable laws and regulations, at the offices of paying agents outside the United States and its possessions that CSX may designate from time to time or, at the option of the holder, by check or by transfer to an account maintained by the payee with a financial institution located outside the United States and its possessions. Unless otherwise indicated in an applicable prospectus supplement, payment of interest on a bearer debt security on any interest payment date will be made only against surrender to the paying agent of the coupon relating to that interest payment date. No payment with respect to any bearer debt security will be made at any office or agency of CSX in the United States or its possessions or by check mailed to any address in the United States or its possessions or by transfer to any account maintained with a financial institution located in the United States or its possessions. However, payments of principal of and any premium and interest on bearer debt securities denominated and payable in U.S. dollars will be made at the office of the paying agent in the Borough of Manhattan, The City of New York, if (but only if) payment of the full amount in U.S. dollars at all offices or agencies outside the United States and its possessions is illegal or effectively precluded by exchange controls or other similar restrictions.

Table of Contents

Unless otherwise indicated in an applicable prospectus supplement, principal of and any premium and interest on registered debt securities will be payable, subject to any applicable laws and regulations, at the office of the paying agent or paying agents that CSX may designate from time to time, except that at our option payment of any interest may be made by check mailed to the address of the person entitled to that payment as that address appears in the security register. Unless otherwise indicated in an applicable prospectus supplement, payment of interest on a registered debt security on any interest payment date will be made to the person in whose name that registered debt security (or predecessor debt security) is registered at the close of business on the regular record date for that interest.

Unless otherwise indicated in an applicable prospectus supplement, the corporate trust office of the trustee in The City of New York will be designated as a paying agent for CSX for payments with respect to debt securities of each series which are issuable solely as registered debt securities and as a paying agent for payments with respect to debt securities of each series (subject to the limitations described above in the case of bearer debt securities) which are issuable solely as bearer debt securities or as both registered debt securities and bearer debt securities. Any paying agents outside the United States and its possessions and any other paying agents in the United States or its possessions initially designated by CSX for the debt securities of each series will be named in the applicable prospectus supplement. CSX may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that if debt securities of a series are issuable solely as registered debt securities, CSX will be required to maintain a paying agent in each place of payment for that series and, if debt securities of a series are issuable as bearer debt securities, CSX will be required to maintain

a paying agent in the Borough of Manhattan, The City of New York for payments with respect to any registered debt securities of the series (and for payments with respect to bearer debt securities of the series in the circumstances described above, but not otherwise) and

a paying agent in a place of payment located outside the United States and its possessions where debt securities of that series and any related coupons may be presented and surrendered for payment;

provided, however, that if the debt securities of that series are listed on a stock exchange located outside the United States and its possessions and that stock exchange requires CSX to do so, CSX will maintain a paying agent in a city located outside the United States and its possessions for the debt securities of that series.

All moneys paid by CSX to a paying agent for the payment of the principal of and any premium or interest on any debt security of any series which remain unclaimed at the end of two years after that principal, premium or interest has become due and payable will be repaid to CSX and the holder of that debt security or any related coupon will after that time look only to CSX for payment of that principal, premium or interest.

Ranking of Debt Securities; Holding Company Structure

The senior debt securities will be unsecured unsubordinated obligations of CSX and will rank on a parity in right of payment with all other unsecured and unsubordinated indebtedness of CSX. The subordinated debt securities will be unsecured obligations of CSX and will be subordinated in right of payment to all existing and future senior indebtedness (as defined below) of CSX. See Additional Terms of Subordinated Debt Securities Subordination.

The debt securities are obligations exclusively of CSX. CSX is a holding company, substantially all of whose consolidated assets are held by our subsidiaries. Accordingly, the cash flow of CSX and the consequent ability to service our debt, including the debt securities, are largely dependent upon the earnings of those subsidiaries.

Because CSX is a holding company, the debt securities issued by CSX will be effectively subordinated to all existing and future indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations of CSX's subsidiaries. Therefore, CSX's rights and the rights of our creditors, including the holders of the debt securities, to participate in the assets of any subsidiary upon the latter's liquidation or reorganization will be subject to the prior claims of that subsidiary's creditors, except to the extent that CSX may itself be a creditor with recognized claims against the subsidiary, in which case the claims of CSX would still be effectively subordinate to any security interest in, or mortgages or other liens on, the assets of that subsidiary and would be subordinate to any indebtedness of that subsidiary senior to that held by CSX. Although certain debt instruments to which CSX and our subsidiaries are parties impose limitations on the incurrence of additional indebtedness, both CSX and our subsidiaries retain the ability to incur substantial additional indebtedness and lease and letter of credit obligations.

