

CSX CORP
Form S-3
March 03, 2003
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As filed with the Securities and Exchange Commission on March 3, 2003.

Registration Nos. 333- and 333- -01

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 charter)

Commonwealth of Virginia
(State or other jurisdiction)

of incorporation or organization)

62-1051971
(I.R.S. Employer

Identification No.)

CSX Capital Trust I
(Exact name of registrant)

as specified in certificate of trust)

Delaware
(State or other jurisdiction)

of incorporation or organization)

54-2039106
(I.R.S. Employer

Identification No.)

500 Water Street, 15th Floor

Jacksonville, Florida 32202

(904) 359-3200

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

Ellen M. Fitzsimmons

Senior Vice President Law

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 of process)

Copy to:

Karl M. Strait, Esq.

McGuireWoods LLP

One James Center, 901 East Cary Street

Richmond, Virginia 23219

(804) 775-1133

(804) 698-2184 (facsimile)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

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, as amended (the Securities Act), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

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. "

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. "

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)(2)	Amount of registration fee (3)
Senior and Subordinated Debt Securities (4)(5)				
Trust Preferred Securities, Related Guarantee and Agreement as to Expenses and Liabilities (6)				
Preferred Stock (7)				
Common Stock (7)(8)(9)				
Depositary Shares (7)(10)				
Warrants for Debt Securities, Preferred Stock and/or Common Stock (11)				
Total	\$1,300,000,000	100%	\$1,300,000,000	\$105,170

(Footnotes on next page)

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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(FOOTNOTES CONTINUED FROM PREVIOUS PAGE)

- (1) Not specified as to each class of securities to be registered pursuant to General Instruction II.D of Form S-3. Securities registered hereby may be offered for U.S. dollars or the equivalent thereof in foreign currencies, currency units or composite currencies. Securities registered hereby may be sold separately, together or in units with other securities registered hereby. Such amount represents the total of the aggregate maximum offering prices of any combination of the senior and subordinated debt securities, trust preferred securities (including the related guarantee and agreement as to expenses and liabilities), debt securities warrants, preferred stock, preferred stock warrants, common stock, common stock warrants and depositary shares.
- (2) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(o). The proposed maximum offering price will be determined from time to time by the registrants in connection with the issuance by the registrants of the securities registered hereunder.
- (3) In accordance with Rule 457(p), the filing fee has been reduced by offsetting the following prior fees against the total filing fee due for this Registration Statement: (1) \$82,829.07 in fees associated with unsold securities under CSX Corporation's registration statement No. 333-84016, initially filed with the SEC on March 8, 2002; and (2) \$9,064.90 in fees associated with unsold securities under CSX Corporation's registration statement No. 333-60134, initially filed with the SEC on May 3, 2001. Accordingly, a net filing fee of \$13,276.03 is due in connection with the filing of this registration statement.
- (4) If any debt securities are issued at an original issue discount, then such greater amount as may be sold for an aggregate initial offering price of up to the proposed maximum aggregate offering price set forth above.
- (5) In addition to any debt securities that may be issued directly under this registration statement, there is being registered hereunder such indeterminate amount of debt securities as may be issued upon conversion or exchange of other debt securities, trust preferred securities, preferred stock or depositary shares, for which no separate consideration will be received by CSX Corporation.
- (6) No separate consideration will be received by CSX Corporation for the guarantee or the agreement as to expenses and liabilities.
- (7) Such indeterminate number of shares of preferred stock and common stock, and such indeterminate number of depositary shares, as may be issued from time to time at indeterminate prices. In addition to any preferred stock, depositary shares and common stock that may be issued directly under this registration statement, there are being registered hereunder such indeterminate number of shares of preferred stock and common stock, and such indeterminate number of depositary shares, as may be issued upon conversion or exchange of debt securities, trust preferred securities, preferred stock or depositary shares, as the case may be, for which no separate consideration will be received by CSX Corporation.
- (8) The shares of common stock being registered hereunder shall include rights to purchase CSX Corporation's Series B Preferred Stock (the Rights). Prior to the occurrence of certain events, the Rights will not be exercisable or evidenced separately from common stock. Value attributable to the Rights, if any, will be reflected in the market price of the shares of common stock.
- (9) The aggregate amount of common stock registered hereunder is limited, solely for purposes of any at the market offerings, to that which is permissible under Rule 415(a)(4) of the Securities Act.
- (10) Depositary shares will represent fractional interests in shares of preferred stock registered hereby.

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- (11) Warrants to purchase debt securities, preferred stock and/or common stock will represent rights to purchase debt securities, preferred stock and/or common stock, respectively, registered hereby.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, March 3, 2003

PROSPECTUS

\$1,300,000,000

[CSX LOGO HERE]

500 Water Street, 15th Floor

Jacksonville, Florida 32202

(904) 359-3200

**DEBT SECURITIES, TRUST PREFERRED SECURITIES (AND RELATED
GUARANTEE AND AGREEMENT AS TO EXPENSES AND LIABILITIES),
COMMON STOCK, PREFERRED STOCK, DEPOSITARY SHARES AND
SECURITIES WARRANTS**

We may sell from time to time, in one or more offerings:

debt securities

trust preferred securities, related guarantee and agreement as to expenses and liabilities

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common stock
preferred stock
depository shares
warrants for debt securities, common stock or preferred stock

The total offering price of these securities, in the aggregate, will not exceed \$1,300,000,000. We will provide specific terms of these securities in supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest.

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.

This prospectus is dated _____, 2003.

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement that CSX Corporation filed with the Securities and Exchange Commission. Under the shelf registration statement, CSX may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$1,300,000,000. For further information about our business and the securities, you should refer to the registration statement and its exhibits. The exhibits to the registration statement and the documents we incorporate 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 that you may find important in deciding whether to purchase the securities CSX may offer, you should review the full text of those documents. The registration statement can be obtained from the SEC as indicated under the heading Where You Can Find More Information.

This prospectus provides you with a general description of the securities CSX may offer. Each time CSX sells securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. Any material United States federal income tax considerations will also be discussed in the applicable prospectus supplement. 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.

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WHERE YOU CAN FIND MORE INFORMATION

CSX files 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 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. 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.

The SEC allows CSX 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. CSX incorporates by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), until CSX sells all of the securities.

Annual Report on Form 10-K for the fiscal year ended December 27, 2002;

Current Report on Form 8-K filed with the SEC on January 31, 2003;

Current Report on Form 8-K filed with the SEC on February 6, 2003; and

The description of CSX common stock contained in our Registration Statement on Form 8-B (File No. 1-8022) filed with the SEC on September 25, 1980; and the description of the Rights (described below) contained in our Registration Statement on Form 8-A (File No. 1-8022) filed with the SEC on May 29, 1998 and Form 8-A/A (File No. 1-8022) filed with the SEC on June 28, 2000.

You may request a copy of any filings referred to above, at no cost, by contacting CSX at the following address: Stephen R. Larson, Vice President - General Counsel and Corporate Secretary, CSX Corporation, 500 Water Street, 14th Floor, Jacksonville, Florida 32202, telephone number (904) 359-1904.

You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement. CSX has not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. CSX will not make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, as well as information CSX previously filed with the SEC and incorporated by reference in this prospectus, is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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CSX CORPORATION

CSX, incorporated in Virginia in 1978 and headquartered in Jacksonville, Florida, operates one of the largest rail networks in the United States and also provides intermodal transportation services across the United States and key markets in Canada and Mexico. Our marine operations include an international terminal services company. On December 16, 2002 we entered into an agreement to convey most of our interest in our domestic container shipping company, CSX Lines LLC, for cash and securities of a new venture, named Horizon Lines, LLC. That transaction closed February 27, 2003.

Surface Transportation

CSX Transportation Inc. (CSXT). CSXT is the largest rail network in the eastern United States, providing rail freight transportation over a network of more than 23,000 route miles in 23 states, the District of Columbia and two Canadian provinces. Headquartered in Jacksonville, Florida, CSXT accounted for 74% of CSX's operating revenue and 76% of operating income in 2002.

CSX Intermodal Inc. (CSXI). CSXI is the nation's only transcontinental intermodal transportation service provider, operating a network of dedicated intermodal facilities across North America. The CSXI network runs approximately 450 dedicated trains between our 45 terminals weekly. CSXI accounted for 14% of CSX's operating revenue and 13% of operating income in 2002. CSXI's headquarters are located in Jacksonville, Florida.

Marine Services

CSX Lines LLC. During 2002, CSX Lines operated a domestic container-shipping business consisting of a fleet of 17 vessels and 21,500 containers serving the trade between the continental United States and Alaska, Hawaii/ Guam and Puerto Rico. CSX Lines accounted for 9% of CSX's operating revenue and 3% of operating income in 2002. CSX Lines was headquartered in Charlotte, North Carolina. On February 27, 2003, CSX Corporation announced that it had completed the conveyance of CSX Lines from CSX to a venture formed by The Carlyle Group, a global private equity firm, and changed the name of CSX Lines to Horizon Lines, LLC. CSX received \$300 million, consisting of \$240 million in cash and \$60 million of securities issued by the venture, in that transaction.

CSX World Terminals LLC. CSX World Terminals operates container-freight terminal facilities in Asia, Europe, Australia, Latin America and the United States. CSX World Terminals accounted for 3% of CSX's operating revenues and 6% of operating income in 2002. CSX World Terminals is headquartered in Charlotte, North Carolina.

Non-Transportation

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Our non-transportation holdings include: the AAA Five-Diamond hotel, The Greenbrier, in White Sulphur Springs, West Virginia; and CSX Real Property Inc., which is responsible for sales, leasing and development of CSX-owned properties and is headquartered in Jacksonville, Florida.

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 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 agreement for the Trust will be amended and restated substantially in the form filed as an exhibit to the registration statement, effective when securities of the Trust are initially issued. The amended trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939. The Trust exists for the exclusive purposes of:

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

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

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making distributions; and

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

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 SEC.

The principal place of business of the Trust will be c/o CSX Corporation, 500 Water Street, 15th Floor, Jacksonville, Florida 32202, telephone number (904) 359-3200.

FORWARD-LOOKING STATEMENTS

This prospectus, including documents incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act with respect to, among other items:

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

statements of management's plans, strategies and objectives for future operations, and management's expectations as to future performance and operations and the time by which objectives will be achieved;

statements concerning proposed new products and services; and

statements regarding future economic, industry or market conditions or performance.

Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from those anticipated by these forward-looking statements. Forward-looking statements are typically identified by words or phrases such as believe, expect, anticipate, project, and similar expressions.

Factors that may cause actual results to differ materially from those contemplated by these forward-looking statements include, among others:

our success in implementing our financial and operational initiatives;

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changes in domestic or international economic or business conditions, including those affecting the rail industry (such as the impact of industry competition, conditions, performance and consolidation);

legislative or regulatory changes; and

the outcome of claims and litigation involving or affecting us.

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 and in our Annual Report on Form 10-K and our other SEC reports, accessible on the SEC's website at www.sec.gov and our website at www.csx.com.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise any forward-looking statement. If we do update any forward-looking statement, no inference should be drawn that we will make additional updates with respect to that statement or any other forward-looking statements.

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

	For the Fiscal Years Ended				
	Dec. 27, 2002	Dec. 28, 2001	Dec. 29, 2000	Dec. 31, 1999	Dec. 25, 1998
Ratio of earnings to fixed charges (a) (b)	2.3x	1.7x	1.4x	1.1x	1.7x

- (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) Pretax earnings for the fiscal years ended December 28, 2001, December 31, 1999 and December 25, 1998 include the effects of various non-recurring gains and charges. These items are summarized as follows:
- (1) A pretax loss of \$60 million for the proposed settlement of CSX's New Orleans Tank Car Fire litigation included in the year ended December 28, 2001.
 - (2) A pretax loss of \$360 million related to an impairment charge related to the sale of assets comprised of the international liner business of SL Service, Inc. (formerly Sea-Land Service, Inc.), a wholly-owned subsidiary of CSX, and certain container terminal facilities is included in the year ended December 31, 1999.
 - (3) A pretax gain of \$27 million from the sale of CSX's investment in Grand Teton Lodge Company, a wholly-owned subsidiary located in Jackson Hole, Wyoming is included in the year ended December 31, 1999.
 - (4) A pretax gain of \$154 million primarily from the conveyance of CSX's barge subsidiary to a joint venture is included for the year ended December 25, 1998.
 - (5) A restructuring credit of \$30 million to reverse a charge taken in 1995 related to a restructuring plan is included for the year ended December 25, 1998.

Excluding these items, the ratio of earnings to fixed charges for each of the periods indicated below would have been:

Fiscal year ended December 28, 2001	1.8x
Fiscal year ended December 31, 1999	1.5x

USE OF PROCEEDS

CSX will use the net proceeds from the sale of the securities for general corporate purposes, which may include reduction or refinancing of outstanding indebtedness, capital expenditures, working capital requirements, implementation of work force reductions, improvements in productivity and other cost reductions at our major surface transportation and marine services units, and redemptions and repurchases of certain outstanding securities. CSX has not specifically allocated the proceeds to those purposes as of the date of this prospectus. The precise amount and timing of the application of proceeds from the sale of securities will depend upon the funding requirements of CSX and the availability and cost of other funds at the time of the sale. 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.

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DESCRIPTION OF DEBT SECURITIES

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 unsecured obligations or subordinated unsecured obligations of CSX. Senior debt securities will be issued under a senior indenture dated as of August 1, 1990 between CSX and JPMorgan Chase Bank, formerly The Chase Manhattan Bank, as trustee, as currently supplemented and amended and as further supplemented and amended from time to time. Subordinated debt securities will be issued under a subordinated indenture to be entered into between CSX and JPMorgan Chase Bank, as trustee, as further supplemented and amended from time to time. Copies of the senior indenture and a form of the subordinated indenture have been incorporated by reference in, or filed as exhibits to, the registration statement of which this prospectus is a part. The senior indenture and the subordinated indenture are sometimes referred to collectively as the indentures. The trustee under the senior indenture and the trustee under the subordinated indenture are sometimes referred to collectively as the trustees.

The summary of certain provisions of the indentures and the debt securities set forth below and the summary of certain terms of a particular series of debt securities set forth in the applicable prospectus supplement do not purport to be complete and are subject to and are qualified in their entirety by reference to all of the provisions of the indentures, which provisions of the indentures (including defined terms) are incorporated in this description of debt securities by reference.

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 indenture limits the aggregate principal amount of debt securities that may be issued under it and provides that debt securities of any series may be issued under that indenture up to an aggregate principal amount that may be authorized from time to time by CSX. The terms of each series of debt securities will be established by or pursuant to a resolution of our Board of Directors and set forth or determined in the manner provided in an officer's certificate or by a supplemental indenture. The following description of debt securities summarizes certain general terms and provisions of the series of 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.

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;

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

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

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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;

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 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 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 \$1,000 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;

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 limitation on the application of the terms of the indenture described below under **Discharge, Defeasance and Covenant Defeasance** ;

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

whether the debt securities will be senior debt securities or subordinated debt securities; and

any other terms of the debt securities not inconsistent with the provisions of the relevant indenture.

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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 indenture upon the exercise of debt warrants issued by CSX. See Description of Debt Warrants.

The 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 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 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 indentures also will 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 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 when due in accordance with the terms of the 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

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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

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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.

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.

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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 The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, the Luxembourg Stock Exchange or any other 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 London, Luxembourg or any other required city located outside the United States and its possessions, as the case may be, 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 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

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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.

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Global Debt Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depository identified in the prospectus supplement relating to that series. Global debt securities may be issued in either registered or bearer form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for individual certificates evidencing debt securities in definitive form, a global debt security may not be transferred except as a whole by the depository for that global debt security to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee