CSX CORP
Form 424B5
November 14, 2003
Table of Contents

PROSPECTUS SUPPLEMENT
(To Prospectus Dated March 11, 2003)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-103567

$400,000,000

$200,000,000 5.30% Notes Due 2014

$200,000,000 2.75% Notes Due 2006

The 2014 Notes will bear interest at the rate of 5.30% per year and will mature on February 15, 2014. The 2006 Notes will bear interest at the rate of 2.75% per year and will mature on February 15, 2006. Interest on the Notes is payable on February 15 and August 15 of each year, beginning on August 15, 2004. We may redeem some or all of the 2014 Notes at any time. The redemption prices are discussed under the caption Description of Notes Optional Redemption. The 2006 Notes cannot be redeemed before maturity.

The Notes will be senior obligations of our company and will rank equally with all of our other unsecured senior indebtedness.

The Notes are being offered for sale in the United States and to qualified institutional investors in Japan, Switzerland, the United Kingdom, Germany, The Netherlands, Norway and Hong Kong. CSX will not make application to list the Notes on any securities exchange or to include them in any automated quotation system.

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

	Per 2014 Note	2014 Note	Per 2006 Note	2006 Note	Total

	Note	Total		Total	
Public Offering Price	99.274%	$ 198,548,000	99.950%	$ 199,900,000	$ 398,448,000
Underwriting Discount	0.650%	$ 1,300,000	0.250%	$ 500,000	$ 1,800,000
Proceeds to CSX (before expenses)	98.624%	$ 197,248,000	99.700%	$ 199,400,000	$ 396,648,000

Interest on the Notes will accrue from November 17, 2003 to the date of delivery.

The underwriters expect to deliver the Notes, in book-entry form only, to purchasers on or about November 17, 2003.

Joint Bookrunners

Citigroup **Credit Suisse First Boston**

Tokyo-Mitsubishi International plc **Mizuho International plc**

JPMorgan **Scotia Capital**

Banc One Capital Markets, Inc. **BNY Capital Markets, Inc.**
PNC Capital Markets, Inc. **Wachovia Securities**

November 12, 2003

Table of Contents

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement.

Offers and sales of the Notes are subject to restrictions in Japan, Switzerland, the United Kingdom, Germany, The Netherlands, Spain, Norway and Hong Kong, which are discussed in Underwriting below. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Notes in certain other jurisdictions may also be restricted by law. In this prospectus supplement and the accompanying prospectus, unless otherwise specified or the context otherwise requires, references to dollars and $ are to United States dollars.

TABLE OF CONTENTS

	Page
Prospectus Supplement	
Special Note Regarding Forward-Looking Statements	S-3
Where You Can Find More Information	S-3
CSX Corporation	S-4
Use of Proceeds	S-5
Ratio of Earnings to Fixed Charges	S-5
Description of Notes	S-6
Material United States Federal Income Tax Considerations	S-12
Underwriting	S-16
Legal Matters	S-19
Prospectus	
About This Prospectus	2
Where You Can Find More Information	3
CSX Corporation	4
CSX Capital Trust I	5
Forward-Looking Statements	6
Ratio of Earnings to Fixed Charges	7
Use of Proceeds	7
Description of Debt Securities	8
Additional Terms of Subordinated Debt Securities	21
Description of Trust Preferred Securities	23
Description of the Guarantee	32
Relationship Among the Trust Preferred Securities, the Guarantee and the Subordinated Debt Securities Held by the Trust	35
Accounting Treatment	36
Description of Capital Stock	36
Description of Depositary Shares	41
Description of Securities Warrants	42
Plan of Distribution	43
Legal Opinions	44
Experts	44

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the Notes we are offering and certain other matters relating to CSX Corporation. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the Notes we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If the description of the Notes in the prospectus supplement differs from the description in the base prospectus, the description in the prospectus supplement supersedes the description in the base prospectus.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including documents incorporated by reference, contains forward-looking statements within the meaning of the Private Securities Litigation Reform 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 typically identified by words or phrases such as believe, expect, anticipate, project and similar expressions. Forward-looking statements speak only as of the date they are made. 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.

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. 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;
- 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 in our SEC reports, accessible on the SEC s website at *http://www.sec.gov* and our website at *http://www.csx.com.* You are cautioned not to place undue reliance on any forward-looking statements made by or on behalf of CSX.

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 *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 room. You may also read and copy these documents at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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, until CSX sells all of the Notes.

Annual Report on Form 10-K for the fiscal year ended December 27, 2002, filed with the SEC on February 26, 2003;

Table of Contents

Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2003, filed with the SEC on April 30, 2003;

Quarterly Report on Form 10-Q for the fiscal quarter ended June 27, 2003, filed with the SEC on July 30, 2003;

Quarterly Report on Form 10-Q for the fiscal quarter ended September 26, 2003, filed with the SEC on October 24, 2003; and

Current Reports on Form 8-K filed with the SEC on January 31, 2003, February 6, 2003, April 30, 2003, June 5, 2003, June 27, 2003, August 1, 2003, October 2, 2003, October 10, 2003, October 27, 2003 (excluding the information furnished under Item 9 therein, which is not incorporated by reference into this prospectus supplement) and November 10, 2003.

You may request a copy of any filings referred to above, at no cost, by contacting CSX at the following address: Ellen M. Fitzsimmons, Senior Vice President Law, General Counsel and Corporate Secretary, CSX Corporation, 500 Water Street, 14th Floor, Jacksonville, Florida 32202, telephone number (904) 366-4243.

CSX CORPORATION

CSX, incorporated in Virginia in 1978 and headquartered in Jacksonville, Florida, operates one of the largest rail networks in the United States, provides intermodal transportation services across the United States and in key markets in Canada and Mexico and also operates an international terminal services company.

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.

International Terminals

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 revenue and 6% of operating income in 2002. CSX World Terminals is headquartered in Charlotte, North Carolina.

Non-Transportation

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.

Table of Contents

USE OF PROCEEDS

CSX expects to use substantially all of the net proceeds from the sale of the Notes to reduce the amount of our outstanding commercial paper. At November 12, 2003, CSX had $900 million of commercial paper outstanding, the weighted average maturity of our outstanding commercial paper was approximately 80.11 days and the weighted average interest rate was approximately 1.13%. The balance, if any, of the net proceeds will be used for general corporate purposes, which may include capital expenditures, working capital requirements, implementation of work force reductions, improvements in productivity and other cost reductions at our major transportation units.

RATIO OF EARNINGS TO FIXED CHARGES

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

	For the Nine Months Ended		For the Fiscal Years Ended				
	September 26, 2003	September 27, 2002	Dec. 27, 2002	Dec. 28, 2001	Dec. 29, 2000	Dec. 31, 1999	Dec. 25, 1998
Ratio of earnings to fixed charges (a)(b)	1.2x	2.2x	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 and cumulative effects of accounting changes 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 certain periods include the effects of various gains and charges. These items are summarized as follows:

(1) A pretax loss of $108 million upon entering into one final settlement agreement and another conditional settlement agreement, which together resolve all material outstanding disputes with A.P. Moller-Maersk arising out of the 1999 sale of CSX s international container-shipping assets is included in the nine-month period ended September 26, 2003.

(2) A pretax loss of $232 million representing the charge recorded in conjunction with a change in estimate for casualty reserves to include an estimate of incurred but not reported claims for asbestos and other occupational injuries to be received over the next seven years is included in the nine-month period ended September 26, 2003.

(3) A pretax loss of $60 million for the proposed settlement of the Company s New Orleans Tank Car Fire litigation is included in the year ended December 28, 2001.

(4) A pretax loss of $360 million related to an impairment charge related to the sale of assets comprised of the international liner business of Sea-Land and certain container terminal facilities is included in the year ended December 31, 1999.

(5) 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.

(6) 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.

(7) 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:

Nine months ended September 26, 2003	2.1x
Fiscal year ended December 28, 2001	1.8x
Fiscal year ended December 31, 1999	1.5x
Fiscal year ended December 25, 1998	1.4x

Table of Contents

DESCRIPTION OF NOTES

Set forth below is a description of the specific terms of the Notes. The term Notes refers to both the 2014 Notes and the 2006 Notes. This description supplements, and should be read together with, the description of the general terms and provisions of the debt securities set forth in the accompanying base prospectus under the caption Description of Debt Securities. The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the description in the base prospectus and the senior indenture. If the description of the Notes in this prospectus supplement differs from the description of the debt securities in the base prospectus, the description in this prospectus supplement supersedes the description in the base prospectus. Capitalized terms used in this Description of Notes that are not defined in this prospectus supplement have the meanings given to them in the base prospectus or the senior indenture.

General

The 2014 Notes will initially be limited to $200,000,000 in aggregate principal amount and the 2006 Notes will initially be limited to $200,000,000 in aggregate principal amount. The Notes will be issued in fully registered form only, in denominations of $1,000 and integral multiples of $1,000. The 2014 Notes will mature on February 15, 2014 and the 2006 Notes will mature on February 15, 2006. The 2014 Notes and 2006 Notes will each be issued as a series of senior debt securities under the senior indenture referred to in the accompanying base prospectus. The senior indenture does not limit the amount of other debt that CSX may incur. CSX may, from time to time, without the consent of the holders of the Notes, issue other debt securities under the senior indenture in addition to the $400,000,000 aggregate principal amount of the Notes. CSX may also, from time to time, without the consent of the holders, issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as the 2014 Notes or 2006 Notes with the same CUSIP number as the Notes. Any additional debt securities having those similar terms, together with the 2014 Notes or 2006 Notes, as applicable, will constitute a single series of debt securities under the senior indenture.

The 2014 Notes and 2006 Notes will bear interest from November 17, 2003, at the respective annual rates set forth on the cover page of this prospectus supplement, payable semiannually on February 15 and August 15 of each year, commencing August 15, 2004, to the persons in whose names the Notes are registered at the close of business on the immediately preceding February 1 and August 1, respectively, whether or not that day is a business day. Interest on the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Notes will be unsecured obligations of CSX and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of CSX.

The Notes do not provide for any sinking fund.

For a description of the rights attaching to each series of debt securities under the senior indenture, see Description of Debt Securities in the accompanying base prospectus.

The provisions of the senior indenture described under Description of Debt Securities Discharge, Defeasance and Covenant Defeasance in the accompanying base prospectus apply to the Notes.

Limitation on Liens on Stock of CSXT

The senior indenture provides that neither CSX nor any of our subsidiaries may create or permit any lien of any kind upon any stock or indebtedness, whether owned on the date of the senior indenture or acquired later, of any principal subsidiary, to secure any obligation (other than the senior debt securities) of CSX, any subsidiary or any other person, unless all of the outstanding senior debt securities (and other outstanding debt securities issued from time to time pursuant to the senior indenture) will be directly secured equally and ratably with that obligation. This provision does not restrict any other property of CSX or our subsidiaries. The senior indenture defines obligation as indebtedness for money borrowed or indebtedness evidenced by a bond, note, debenture or other evidence of indebtedness; principal subsidiary as CSXT; and subsidiary as a corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by CSX or one or more subsidiaries, or by CSX and one or more subsidiaries. The senior indenture does not prohibit the sale by CSX or any subsidiary of any stock or indebtedness of any subsidiary, including any principal subsidiary.

Table of Contents

Optional Redemption

The 2006 Notes are not redeemable before their stated maturity date. The 2014 Notes will be redeemable, in whole or in part, at our option at any time. The redemption price for the 2014 Notes to be redeemed will equal the greater of the following amounts, plus, in each case, accrued interest to the redemption date:

- 100% of the principal amount of the 2014 Notes to be redeemed; or
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the 2014 Notes to be redeemed (not including any portion of any payments of interest accrued as of the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus 15 basis points.

The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

Adjusted Treasury Rate means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the 2014 Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or
- if that release (or any successor release) is not published during the week preceding the calculation date or does not contain those yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of the principal amount) equal to the Comparable Treasury Price for that redemption date.

The Adjusted Treasury Rate will be calculated on the third business day preceding the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the 2014 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of those 2014 Notes.

Comparable Treasury Price means, with respect to any redemption date, (A) the average of five Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of those Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all of those quotations.

Independent Investment Banker means Credit Suisse First Boston LLC and its successors, or if that firm is unwilling or unable to serve in that capacity, an independent investment and banking institution of national standing appointed by us.

Reference Treasury Dealer means:

Credit Suisse First Boston LLC and its successors; provided that, if Credit Suisse First Boston LLC ceases to be a primary U.S. Government securities dealer in New York City (Primary Treasury Dealer), we will substitute another Primary Treasury Dealer; and

up to four other Primary Treasury Dealers selected by us.

Table of Contents

Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding that redemption date.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each holder of the 2014 Notes to be redeemed. If we elect to partially redeem the 2014 Notes, the trustee will select in a fair and appropriate manner the 2014 Notes to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the 2014 Notes or portions of the 2014 Notes called for redemption.

Book-Entry Notes, Delivery and Form

The Notes will be represented by one or more permanent global Notes in definitive, fully registered form without interest coupons. Each beneficial interest in a global Note is referred to as a book-entry Note. Each global Note representing book-entry Notes will be deposited with the trustee, as custodian for, and registered in the name of, a nominee of The Depository Trust Company, as depositary, located in the Borough of Manhattan, The City of New York (the Depository).

The book-entry Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in the Depository. Investors may elect to hold interests in the book-entry Notes through either the Depository (in the United States) or Clearstream Banking, Société anonyme (Clearstream Luxembourg) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear) (in Europe) if they are participants of such systems, or indirectly through organizations that are participants in such systems. Clearstream Luxembourg and Euroclear will hold interests on behalf of their participants through customers securities accounts in Clearstream Luxembourg s and Euroclear s names on the books of their respective depositaries, which in turn will hold such interests in customers securities accounts in the depositaries names on the books of the Depository. Citibank, N.A. will act as depositary for Clearstream Luxembourg and JPMorgan Chase Bank will act as depositary for Euroclear (in such capacities, the U.S. Depositaries). The book-entry Notes will be held in denominations of $1,000 and integral multiples thereof. Except as set forth below, the global Notes may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

Clearstream Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream Luxembourg holds securities for its participating organizations (Clearstream Luxembourg Participants) and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg Participants through electronic book-entry changes in accounts of Clearstream Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries.

As a professional depositary, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Luxembourg Participant either directly or indirectly. Distributions with respect to Notes held beneficially through Clearstream

Luxembourg will be credited to cash accounts of Clearstream Luxembourg Participants in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream Luxembourg.

Table of Contents

Euroclear advises that it was created in 1968 to hold securities for participants of Euroclear (Euroclear Participants) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the Cooperative). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly. The Euroclear Operator was launched on December 31, 2000, and replaced Morgan Guaranty Trust Company of New York as the operator of and banker to the Euroclear system. The Euroclear Operator has capital of approximately EUR 1 billion. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants. Distributions with respect to each series of Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depositary for Euroclear.

So long as the Depository, or its nominee, is the registered owner or holder of a global Note, the Depository or the nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by that global Note for all purposes under the senior indenture and the Notes. No beneficial owner of an interest in a global Note will be able to transfer that interest except in accordance with the Depository s applicable procedures, in addition to those provided for under the senior indenture.

CSX has been advised by the Depository that upon the issuance of global Notes representing book-entry Notes, and the deposit of those global Notes with the Depository, the Dispository will immediately credit, on its book-entry registration and transfer system, the respective principal amounts of the book-entry Notes represented by those global Notes to the accounts of participants. The accounts to be credited shall be designated by the underwriters.

Payments of principal of and any premium and interest on book-entry Notes will be made to the Depository or its nominee, as the case may be, as the registered owner of those Notes. Those payments to the Depository or its nominee, as the case may be, will be made in immediately available funds at the offices of JPMorgan Chase Bank, as paying agent, in the Borough of Manhattan, The City of New York, provided that, in the case of payments of principal and any premium, the global Notes are presented to the paying agent in time for the paying agent to make those payments in immediately available funds in accordance with its normal procedures. None of CSX, the underwriters, the trustee or any agent of CSX, the underwriters or the trustee will have any responsibility or liability for any aspect of the Depository s records or any participant s records relating to or payments made on account of book-entry Notes or for maintaining, supervising or reviewing any of the Dispository s records or any participant s records relating to book-entry Notes.

CSX expects that the Depository or its nominee upon receipt of any payment of principal of or any premium or interest in respect of a global Note, will immediately credit, on its book-entry registration and transfer system, accounts of participants with payments in amounts proportionate to their respective beneficial interests in the

Table of Contents

principal amount of the global Notes as shown on the records of the Depository or its nominee. CSX also expects that payments by participants to owners of beneficial interests in book-entry Notes held through those participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in street name, and will be the responsibility of those participants.

CSX expects that the Depository will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account or accounts the depositary interests in a global Note are credited and only in respect of the portion of the aggregate principal amount of the Notes as to which that participant or participants has or have given that direction. However, if there is an event of default under the Notes, the Depository will exchange the applicable global Note for definitive Notes in registered form, which it will distribute to its participants.

CSX understands that the Depository is a limited purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code, and a Clearing Agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among participants through electronic book-entry changes in accounts of its participants and certain other organizations, thereby eliminating the need for physical movement of securities certificates. The Depository s participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations, and certain other organizations, some of whom (or their representatives) own interests in the depositary. Indirect access to the Depository s book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (indirect participants).

Although the Depository is expected to follow the foregoing procedures in order to facilitate transfers of interests in a global Note among participants of the Depository, it is under no obligation to perform or continue to perform those procedures and those procedures may be discontinued at any time. Neither CSX, the underwriters nor the trustee will have any responsibility for the performance by the Depository or its respective participants or indirect participants of its respective obligations under the rules and procedures governing their operations.

The global Notes representing book-entry Notes may not be transferred except as a whole by a nominee of the Depository to the Depository or to another nominee of the Depository, or by the Depository or the nominee to a successor of the Depository or a nominee of the successor.

The global Notes representing book-entry Notes are exchangeable for definitive Notes in registered form, of like tenor and of an equal aggregate principal amount, only if:

- the Depository notifies CSX that it is unwilling or unable to continue as Depository for the global Note or if at any time the Depository ceases to be a Clearing Agency registered under the Exchange Act and a successor depositary is not appointed by CSX within 90 days;
- CSX in its sole discretion determines that the book-entry Notes will be exchangeable for definitive Notes in registered form; or
- any event has happened and is continuing which, after notice or lapse of time, or both, would become an event of default with respect to the Notes.

Any global Note representing book-entry Notes that is exchangeable pursuant to the preceding sentence will be exchangeable in whole for definitive Notes in registered form, of like tenor and of an equal aggregate principal amount, in denominations of U.S. $1,000 and integral multiples of U.S. $1,000. Upon the exchange of a global Note for definitive Notes, that global Note will be canceled by the trustee and the definitive Notes will be registered in the names and in the authorized denominations as the Depository, pursuant to instructions from its

Table of Contents

participants, any indirect participants or otherwise, instruct the trustee. The trustee will deliver those Notes to the persons in whose names those Notes are registered and will recognize those persons as the holders of those Notes.

Except as provided above, owners of book-entry Notes will not be entitled to receive physical delivery of Notes in definitive form and will not be considered the holders of those Notes for any purpose under the senior indenture, and no global Note representing book-entry Notes will be exchangeable, except for another global Note of like denomination and tenor to be registered in the name of the Depository or its nominee. Accordingly, each person owning a book-entry Note must rely on the procedures of the Depository and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under that global Note or the senior indenture. The senior indenture provides that the Depository, as a holder, may appoint agents and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action that a holder is entitled to give or take under the senior indenture. CSX understands that under existing industry practices, if CSX requests any action of holders or an owner of a book-entry Note desires to give or take any action a holder is entitled to give or take under the senior indenture, the Depository would authorize the participants owning the relevant book-entry Notes to give or take that action, and those participants would authorize beneficial owners owning through those participants to give or take that action or would otherwise act upon the instructions of beneficial owners owning through them.

Clearance and Settlement Procedures

Initial settlement for the Notes will be made in immediately available funds. Transfers between participants in the Depository will be effected in the ordinary way in accordance with the Depository s rules and will be settled in same-day funds. Secondary market trading between Clearstream Luxembourg Participants and/or Euroclear Participants will be effected in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the Depository on the one hand, and directly or indirectly through Clearstream Luxembourg Participants or Euroclear Participants, on the other, will be effected in the Depository in accordance with the Depository s rules on behalf of the relevant European international clearing system by its U.S. Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering or receiving Notes in the Depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the Depository. Clearstream Luxembourg Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of book-entry Notes received in Clearstream Luxembourg or Euroclear as a result of a transaction with a Depository participant will be made during subsequent securities settlement processing and dated the business day following the Depository settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear or Clearstream Luxembourg Participants on such business day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of Notes by or through a Clearstream Luxembourg Participant or a Euroclear Participant to a Depository participant will be received with value on the Depository settlement date but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the business day following settlement in the Depository.

Although the Depository, Clearstream Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of Notes among participants of the Depository, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

Table of Contents

European Union Directive on Taxation of Savings Income

The European Union has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that member states will be required from a date not earlier than January 1, 2005 to provide to the tax authorities of other member states details of payments of interest and other similar income paid by a person to an individual in another member state, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

This discussion of material United States federal income tax considerations applies to you if you are the beneficial owner of the Notes and if you acquire the Notes at their original offering price for cash and hold the Notes as a capital asset, generally, for investment, under Section 1221 of the Internal Revenue Code of 1986, as amended (the Code). This discussion does not, however, address any federal estate, gift or alternative minimum taxes or state, local or foreign tax laws. In addition, it does not address all of the rules which may affect the United States federal income tax treatment of your investment in the Notes. For example, special rules not discussed here may apply to you if you are:

- a partnership;
- a United States Holder (as defined below) whose functional currency is not the U.S. dollar;
- a broker-dealer, a dealer in securities or currencies, or a financial institution;
- an S corporation;
- an insurance company;
- a regulated investment company;
- a tax-exempt organization;
- subject to the alternative minimum tax provisions of the Code;
- holding the Notes as part of a hedge, straddle or other risk reduction or constructive sale transaction; or
- a nonresident alien or foreign corporation subject to United States federal income tax on a net basis with respect to income or gain derived from a Note because such income or gain is effectively connected with the conduct of a United States trade or business.

This discussion only describes certain United States federal income tax consequences that may apply to you based on current United States federal tax law, including the Code, Treasury regulations and administrative and judicial interpretations thereof, any of which may change, possibly retroactively, and which may be subject to differing interpretations.

This summary may not cover your particular circumstances because it does not consider foreign, state or local tax laws, may not address certain United States federal income tax considerations relevant to your particular circumstances or status, and does not describe future changes in United States federal income tax laws. Please consult your own tax advisor with respect to the tax consequences of purchasing, owning and disposing of the Notes in light of your own particular circumstances rather than relying on this general description.

Table of Contents

United States Holders

If you are a United States Holder, as defined below, this section applies to you. Otherwise, the next section, Non-United States Holders, applies to you.

Definition of United States Holder. You are a United States Holder if you are the beneficial owner of the Notes and you are:

- an individual who is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the substantial presence test under Section 7701(b) of the Code;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) that is created or organized in the United States or under the laws of the United States or of any political subdivision of the United States;
- an estate, the income of which is subject to United States federal income tax regardless of its source; or
- a trust, if a United States court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial decisions of the trust, or if the trust was in existence on August 20, 1996 and has validly elected to continue to be treated as a United States person.

Taxation of Stated Interest. You must generally pay United States federal income tax on the interest on the Notes:

- when it accrues, if you use the accrual method of accounting for United States federal income tax purposes; or
- when you receive it, if you use the cash method of accounting for United States federal income tax purposes.

Sale or Other Taxable Disposition of the Notes. You must recognize taxable gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a Note. The amount of your gain or loss equals the difference, if any, between the amount you receive for the Note (in cash or other property, valued at fair market value), less the amount attributable to accrued but unpaid interest on the Note (which amount generally will be taxable as ordinary interest income to the extent you have not previously included it in gross income), minus your adjusted tax basis in the Note. Your initial tax basis in a Note generally equals the price you paid for the Note.

Your gain or loss will generally be a long-term capital gain or loss if you have held the Note for more than one year. Otherwise, it will be a short-term capital gain or loss.

Under current United States federal income tax law, long-term capital gains of certain non-corporate taxpayers (including individuals) may be taxed at preferential rates. The deductibility of capital losses is subject to significant limitations under the Code.

Backup Withholding and Information Reporting. You may be subject to a backup withholding tax (at a current rate of 28%) and to information reporting when you receive interest payments on the Notes or proceeds upon the sale or other taxable disposition of a Note. Certain holders (including, among others, corporations and certain tax-exempt organizations) are generally not subject to backup withholding. In addition, the backup withholding tax will generally not apply to you if you provide your taxpayer identification number (TIN) in the prescribed manner unless:

the IRS notifies us or our agent that the TIN you provided is incorrect;

Table of Contents

you fail to report interest and dividend payments that you receive on your tax return and the IRS notifies us or our agent that withholding is required; or

you fail to certify under penalties of perjury that you are not subject to backup withholding.

If the backup withholding tax does apply to you, you may use the amounts withheld as a refund or credit against your United States federal income tax liability as long as you provide certain information to the IRS.

Non-United States Holders

Definition of Non-United States Holder. A Non-United States Holder is any beneficial owner of Notes other than a United States Holder. Please note that if you are subject to United States federal income tax on a net basis on income or gain with respect to a Note because such income or gain is effectively connected with the conduct of a United States trade or business and, if an income tax treaty applies, the interest is attributable to a United States permanent establishment of the Non-United States Holder, this disclosure does not cover the United States federal tax rules that apply to you.

Portfolio Interest Exemption. You will generally not have to pay United States federal income tax on interest paid on the Notes because of the portfolio interest exemption if either:

you represent that you are not a United States person for United States federal income tax purposes and you provide your name and address to us or our paying agent on a properly executed IRS Form W-8BEN (or a suitable substitute form) signed under penalties of perjury; or

a securities clearing organization, bank, or other financial institution that holds customers securities in the ordinary course of its business holds the Note on your behalf, certifies to us or our agent under penalties of perjury that it has received IRS Form W-8BEN (or a suitable substitute form) from you or from another qualifying financial institution intermediary, and provides a copy to us or our agent.

However, you will not qualify for the portfolio interest exemption described above if:

you own, actually or constructively, 10% or more of the total combined voting power of all classes of our capital stock that are entitled to vote;

you are a controlled foreign corporation with respect to which we are a related person within the meaning of Section 864(d)(4) of the Code;

you are a bank receiving interest described in Section 881(c)(3)(A) of the Code; or

you do not meet the certification requirements under Code Section 871(h) or 881(c) and related Treasury regulations.

Withholding Tax if the Interest is not Portfolio Interest. If you do not claim, or do not qualify for, the benefit of the portfolio interest exemption, you may be subject to a 30% withholding tax on interest payments made on the Notes. However, you may be able to claim the benefit of a reduced withholding tax rate under an applicable income tax treaty. The required information for claiming treaty benefits is generally submitted, under current regulations, on IRS Form W-8BEN.

Sale or Other Disposition of the Notes. You will generally not be subject to United States federal income tax or withholding tax on gain recognized on a sale, redemption, retirement, or other disposition of a Note. You may, however, be subject to tax on such gain if:

you are an individual who was present in the United States for 183 days or more in the taxable year of the disposition, in which case you may have to pay United States federal income tax on such gain; or

you are an individual who is a former citizen or resident of the United States, your loss of citizenship or residency occurred within the last ten years (and, if you are a former resident, on or after February 6,

Table of Contents

1995), and it had as one of its principal purposes the avoidance of United States tax, in which case you may be taxed on the net gain derived from the sale under the graduated United States federal income tax rates that are applicable to United States citizens and resident aliens, and you may be subject to withholding under certain circumstances.

You generally will not be subject to withholding tax on payments of principal of the Notes.

Backup Withholding and Information Reporting. When required, we will report annually to the Internal Revenue Service and to you the amount of interest paid to, and the tax withheld, if any, with respect to you. In addition, if a Note is held by a Non-United States Holder through a United States, or United States related, broker or financial institution, backup withholding (at a current rate of 28%) and information reporting may apply if the Non-United States Holder fails to provide evidence of Non-United States status. Non-United States Holders should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations and the availability of, and procedure for obtaining, an exemption, if available.

Table of Contents

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated November 12, 2003, we have agreed to sell to the underwriters named below, for whom Citigroup Global Markets Inc. and Credit Suisse First Boston LLC are acting as representatives, the following respective principal amounts of the Notes:

Underwriter	Principal Amount of 2014 Notes
Citigroup Global Markets Inc.	$66,000,000
Credit Suisse First Boston LLC	66,000,000
Toyko-Mitsubishi International plc	16,000,000
Mizuho International plc	12,000,000
J.P. Morgan Securities Inc.	8,000,000
Scotia Capital (USA) Inc.	8,000,000
Banc One Capital Markets, Inc.	6,000,000
BNY Capital Markets, Inc.	6,000,000
PNC Capital Markets, Inc.	6,000,000
Wachovia Capital Markets, LLC	6,000,000
Total	$200,000,000

Underwriter	Principal Amount of 2006 Notes
Citigroup Global Markets Inc.	$66,000,000
Credit Suisse First Boston LLC	66,000,000
Toyko-Mitsubishi International plc	16,000,000
Mizuho International plc	12,000,000
J.P. Morgan Securities Inc.	8,000,000
Scotia Capital (USA) Inc.	8,000,000
Banc One Capital Markets, Inc.	6,000,000
BNY Capital Markets, Inc.	6,000,000
PNC Capital Markets, Inc.	6,000,000
Wachovia Capital Markets, LLC	6,000,000
Total	$200,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the Notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the Notes if they purchase any of the Notes.

The underwriters propose to offer the 2014 Notes and 2006 Notes initially at the respective public offering prices on the cover page of this prospectus supplement and to selling group members at that price less a selling concession of 0.400% of the principal amount of the 2014 Notes and 0.175% of the principal amount of the 2006 Notes. The underwriters and the selling group members may allow a discount on sales to other

broker/dealers of 0.250% of the principal amount of the 2014 Notes and 0.250% of the principal amount of the 2006 Notes. After the initial public offering, the representatives may change the public offering price and concession and discount to broker/dealers.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the Notes).

	Paid by CSX
Per 2014 Note	0.650%
Per 2006 Note	0.250%

Table of Contents

We estimate that out-of-pocket total expenses for this offering will be approximately $225,000.

The Notes are a new issue of securities with no established trading market. One or more of the underwriters intend to make a secondary market for the Notes. However, they are not obligated to do so and may discontinue making a secondary market for the Notes at any time without notice. No assurance can be given as to how liquid the trading market for the Notes will be.

The Notes are offered for sale in the United States, and to qualified institutional buyers in Japan, Switzerland, the United Kingdom, Germany, The Netherlands, Norway and Hong Kong. All sales of the Notes in the United States will be made through U.S. registered broker/dealers.

Each underwriter has represented and agreed that it has not offered or sold, and it will not offer or sell, directly or indirectly, any of the Notes in or to residents of Japan or to any persons for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and in compliance with, Japan s Securities and Exchange Law, and any other applicable laws, regulations and guidelines of Japan.

Each underwriter has represented and agreed that it:

(1) acknowledges that CSX has not taken, and will not take, any action that would permit a public offering of the Notes or the distribution of this prospectus supplement and the accompanying prospectus or any other offering or publicity material relating to the Notes in Germany; and

(2) has not offered or sold, and that it will not offer or sell, directly or indirectly, any of the Notes in Germany other than to persons who, as part of their profession, trade or business, acquire or sell securities for their own or a third party s account or otherwise in accordance with the restrictions set forth in the German Securities Selling Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*).

Each underwriter has represented and agreed that it has not offered or sold, and that it will not offer or sell, directly or indirectly, any of the Notes in The Netherlands other than to persons who trade or invest in securities in the conduct of a profession or business (which include banks, stockbrokers, insurance companies, pension funds, other institutional investors and finance companies and treasury departments of large enterprises) or otherwise in compliance with any other applicable laws or regulations of The Netherlands.

Each underwriter has represented and agreed that:

(1) it has not offered or sold and, prior to the expiry of the period of six months from the issue date of the Notes, will not offer or sell any Notes, directly or indirectly, to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);

(2) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and

Markets Act 2000, or FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to CSX; and

(3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each of the underwriters has represented and agreed that:

(1) it has not offered or sold and will not offer or sell and has not permitted to be offered or sold, directly or indirectly, in Hong Kong, by means of any document, any Notes, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and

Table of Contents

(2) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Each of the underwriters has represented and agreed that it has not offered or sold, and that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this prospectus supplement or the accompanying prospectus or any other offering material relating to the Notes, in or from any jurisdiction outside the United States except under circumstances that will, to the best knowledge and belief of such underwriter, result in compliance with the applicable laws and regulations thereof and which will not impose any obligations on CSX except as set forth in the underwriting agreement. In addition, the Notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Ley 24/1988 de 28 de julio, del mercado de valores*, as amended) and Royal Decree 291/1992, on Issues and Public Offerings of Securities (*Real Decreto 291/1992, de 27 de marzo, sobre emisiones y ofertas públicas de valores*) as amended. This prospectus supplement and the accompanying prospectus have not been, and will not be, verified or registered in the administrative registries of the National Stock Exchange Commission (*Comisión Nacional del Mercado de Valores*) in Spain, and therefore a public offer for subscription of the Notes shall not be promoted in Spain.

Each of Mizuho International plc and Tokyo-Mitsubishi International plc has represented and agreed that it has not offered or sold, and it will not offer or sell, directly or indirectly, any of the Notes in or to residents of the United States.

Purchasers of the Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the relevant issue price set forth on the cover page of this prospectus supplement.

We have agreed to indemnify the underwriters against liabilities under the Securities Act of 1933, or contribute to payments which the underwriters may be required to make in that respect.

The underwriters have performed investment banking and advisory services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business. Certain of the underwriters or their affiliates engage in commercial lending activities with us and are lenders under CSX s bank credit facilities. J.P. Morgan Securities Inc. is an affiliate of the trustee.

The representatives will make the Notes available for distribution on the Internet through a proprietary Web site and/or a third-party system operated by Market Axess Inc., an Internet-based communications technology provider. Market Axess Inc. is providing the system as a conduit for communications between the representatives and their customers and is not a party to any transactions. We do not believe that Market Axess Inc. will function as an underwriter or agent of the issuer, nor do we believe that Market Axess Inc. will act as a broker for any customer of the representatives. Market Axess Inc., a registered broker-dealer, will receive compensation from the representatives based on transactions the underwriters conduct through the system. The representatives will make securities available to their customers through the Internet distributions, whether made through a proprietary or third party system, on the same terms as distributions made through other channels.

In connection with the offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Table of Contents

Over-allotment involves sales by the underwriters of Notes in excess of the principal amount of the Notes the underwriters are obligated to purchase, which creates a syndicate short position.

Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover syndicate short positions. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the Notes originally sold by the syndicate member are purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

UK Stabilisation

In connection with the issue of the 2014 Notes, Credit Suisse First Boston LLC may over-allot or effect transactions for a limited period with a view to supporting the market price of the 2014 Notes at a level higher than that which might otherwise prevail. However, there may be no obligation on Credit Suisse First Boston LLC (or any agent of Credit Suisse First Boston LLC) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

In connection with the issue of the 2006 Notes, Citigroup Global Markets Inc. may over-allot or effect transactions for a limited period with a view to supporting the market price of the 2006 Notes at a level higher than that which might otherwise prevail. However, there may be no obligation on Citigroup Global Markets Inc. (or any agent of Citigroup Global Markets Inc.) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Notes will be passed upon for CSX by McGuireWoods LLP, Richmond, Virginia, and for the underwriters by Shearman & Sterling LLP, New York, New York. Robert L. Burrus, Jr., a partner of McGuireWoods LLP, is a member of the board of directors of CSX. In addition, from time to time, Shearman & Sterling LLP has provided, and may continue to provide, legal services to us for which it has received, and may receive, customary fees and expenses.

Table of Contents

PROSPECTUS

$1,300,000,000

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
- common stock
- preferred stock
- depositary 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 March 11, 2003.

Table of Contents

TABLE OF CONTENTS

About This Prospectus	2
Where You Can Find More Information	3
CSX Corporation	4
CSX Capital Trust I	5
Forward-Looking Statements	6
Ratio of Earnings to Fixed Charges	7
Use of Proceeds	7
Description of Debt Securities	8
Additional Terms of Subordinated Debt Securities	21
Description of the Trust Preferred Securities	23
Description of the Guarantee	32
Relationship Among the Trust Preferred Securities, the Guarantee and the Subordinated Debt Securities Held by the Trust	35
Accounting Treatment	36
Description of Capital Stock	36
Description of Depositary Shares	41
Description of Securities Warrants	42
Plan of Distribution	43
Legal Opinions	44
Experts	44

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 .

2

Table of Contents

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.

Table of Contents

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

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.

Table of Contents

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;
- 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.

Table of Contents

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;
- 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.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

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

	For the Fiscal 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
Fiscal year ended December 25, 1998	1.4x

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.

7

Table of Contents

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;

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;

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;

Table of Contents

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 ;

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.

Table of Contents

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

Table of Contents

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

Table of Contents

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.

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

Table of Contents

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 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.

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 depositary 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 depositary for that global debt security to a nominee of the depositary or by a nominee of the depositary to the depositary or another nominee of the depositary or by the depositary or any nominee to a successor of the depositary or a nominee of the successor.

The specific terms of the depositary arrangement with respect to a series of global debt securities and certain limitations and restrictions relating to a series of global bearer debt securities will be described in the prospectus supplement relating to that series.

Redemption and Repurchase

The debt securities of any series may be redeemable at our option, may be subject to mandatory redemption pursuant to a sinking fund or otherwise, or may be subject to repurchase by us at the option of the holders, in each case upon the terms, at the times and at the prices set forth in the applicable prospectus supplement.

Conversion and Exchange

The terms, if any, on which debt securities of any series are convertible into or exchangeable for our common stock, preferred stock, depositary shares or other debt securities will be set forth in the applicable prospectus supplement. Those terms may include provisions for conversion or exchange, either mandatory, at the option of the holders or at our option.

Table of Contents

Certain Covenants and Agreements of CSX

The indentures do not limit the amount of indebtedness or lease obligations that may be incurred by CSX and our subsidiaries. The indentures do not contain provisions that would give holders of the debt securities the right to require CSX to repurchase their debt securities in the event of a decline in the credit rating of our debt securities resulting from a takeover, recapitalization or similar restructuring.

Covenant in the Senior Indenture Limitation on Liens on Stock of Our Principal Subsidiaries.

The following covenant will be applicable to senior debt securities but not to subordinated debt securities. The senior indenture provides that CSX may not, nor may it permit any subsidiary to, create, assume, incur or suffer to exist any mortgage, pledge, lien, encumbrance, charge or security interest of any kind upon any stock or indebtedness, whether owned on the date of the senior indenture or acquired later, of any principal subsidiary, to secure any obligation (other than the senior debt securities) of CSX, any subsidiary or any other person, unless all of the outstanding senior debt securities (and other outstanding debt securities issued from time to time pursuant to the senior indenture) will be directly secured equally and ratably with that obligation. This provision does not restrict any other property of CSX or our subsidiaries. The senior indenture defines obligation as indebtedness for money borrowed or indebtedness evidenced by a bond, note, debenture or other evidence of indebtedness; principal subsidiary as CSXT; and subsidiary as a corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by CSX or one or more subsidiaries, or by CSX and one or more subsidiaries. The indentures do not prohibit the sale by CSX or any subsidiary of any stock or indebtedness of any subsidiary, including any principal subsidiary.

Provision in Both Indentures Consolidation, Merger and Sale of Assets.

The following provision will be applicable to both senior debt securities and subordinated debt securities. Each indenture provides that CSX may, without the consent of the holders of any of the outstanding debt securities of a series, consolidate with, merge into or transfer our assets substantially as an entirety to any corporation organized under the laws of any domestic or foreign jurisdiction, provided that

- the successor corporation assumes, by a supplemental indenture, CSX s obligations on the debt securities of each series and under the indenture,
- after giving effect to the transaction, no event of default, and no event which, after notice or lapse of time, or both, would become an event of default will have occurred and be continuing, and
- CSX delivers to the relevant trustee an officer s certificate and an opinion of counsel each stating that the transaction and supplemental indenture, if any, comply with the applicable article of the indenture and that all conditions precedent in the indenture relating to the transaction have been complied with.

Events of Default

An event of default with respect to the debt securities of any series is defined in the relevant indenture as being a:

failure to pay principal of or any premium on any of the debt securities of that series when due;

failure to pay any interest on any debt security of that series when due, continued for 30 days;

Table of Contents

failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;

failure to perform any other covenant of CSX in the relevant indenture (other than a covenant included in that indenture solely for the benefit of series of debt securities other than that series) continued for 90 days after written notice as provided in the indenture;

certain events of bankruptcy, insolvency or reorganization of CSX; or

any other event of default provided with respect to debt securities of that series.

No event of default with respect to any particular series of debt securities necessarily constitutes an event of default with respect to any other series of debt securities. Each indenture provides that the trustee may withhold notice to the holders of the debt securities of any series of the occurrence of a default with respect to the debt securities of that series (except a default in payment of principal, premium, if any, interest, if any, or sinking fund payments, if any) if the trustee considers it in the interest of the holders to do so.

Subject to the provisions of the Trust Indenture Act requiring each trustee, during an event of default under the relevant indenture, to act with the requisite standard of care, and to the provisions of the relevant indenture relating to the duties of the trustee in case an event of default occurs and is continuing, a trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders of debt securities of any series or any related coupons unless those holders offer to the trustee reasonable indemnity. Subject to the provisions for the indemnification of the relevant trustee, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the relevant trustee, or exercising any trust or power conferred on the trustee, with respect to debt securities of that series.

If an event of default with respect to debt securities of any series at the time outstanding occurs and is continuing, either the relevant trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal of all those outstanding debt securities to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made but before a judgment or decree for payment of money due has been obtained by the relevant trustee, the holders of a majority in aggregate principal amount of outstanding debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due (other than those due as a result of acceleration) have been made and all events of default have been cured or waived.

No holder of any debt securities of any series or any related coupons will have any right to institute any proceeding with respect to the relevant indenture or for any remedy under the indenture, unless that holder has previously given to the relevant trustee written notice of a continuing event of default with respect to debt securities of that series, the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series have made written request, and offered reasonable indemnity, to the relevant trustee to institute the proceeding as trustee, and the trustee has not received from the holders of a majority in aggregate principal amount of the outstanding debt securities of that series a direction inconsistent with that request and has failed to institute the proceeding within 60 days. However, these limitations do not apply to a suit instituted by a holder of an outstanding debt security of that series for enforcement of payment of the principal of, or any premium or interest on, that debt security on or after the respective due dates expressed in that debt security.

CSX is required to furnish to the relevant trustee annually a statement as to performance or fulfillment of covenants, agreements or conditions in the relevant indenture and as to the absence of default.

Table of Contents

Meetings, Modification and Waiver

Each indenture contains provisions permitting CSX and the relevant trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of each series issued under that indenture and affected by a modification or amendment (voting as one class), to modify or amend any of the provisions of that indenture or of those debt securities or the rights of the holders of those debt securities under that indenture, provided that no modification or amendment will, without the consent of each holder of each outstanding debt security affected by that modification or amendment:

- change the stated maturity of the principal of, or any installment of principal of or interest on, any debt security, or reduce the principal amount of or the rate of interest on or any premium payable upon the redemption of any debt security, or change any obligation of CSX to pay additional amounts (except as contemplated and permitted by the indenture), or reduce the amount of the principal of an original issue discount security that would be due and payable upon a declaration of acceleration of the maturity of that security or change the coin or currency in which any debt security or any premium or interest on any debt security is payable, or impair the right to institute suit for the enforcement of any payment on or after the stated maturity of any debt security (or, in the case of redemption, on or after the redemption date),

- reduce the percentage in principal amount of the debt securities, the consent of the holders of which is required for any modification or amendment or the consent of whose holders is required for any waiver (of compliance with certain provisions of the indenture or certain defaults under the indenture and their consequences) or reduce the requirements for a quorum or voting at a meeting of holders of the debt securities,

- change any obligation of CSX to maintain an office or agency in the places and for the purposes required by the indenture,

- solely in the case of the subordinated indenture, modify any of the provisions of the subordinated indenture relating to subordination of the subordinated debt securities or the definition of senior indebtedness in a manner adverse to the holders of the subordinated debt securities, or

- modify any of the above provisions (except as permitted by the indenture).

Each indenture also contains provisions permitting CSX and the relevant trustee, without the consent of the holders of the debt securities issued under the indenture, to modify or amend the indenture in order, among other things:

- to add any additional events of default or add to the covenants of CSX for the benefit of the holders of all or any series of debt securities issued under the indenture;

- to establish the form or terms of debt securities of any series;

- to cure any ambiguity, to correct or supplement any provision in the indenture which may be inconsistent with any other provision in the indenture, or to make any other provisions with respect to matters or questions arising under the indenture which will not adversely affect the interests of the holders of any debt securities issued under the indenture in any material respect; or

to change or eliminate any of the provisions of the indenture, provided that the change or elimination will become effective only when there is no debt security outstanding of any series issued under the indenture created prior to the execution of the supplemental indenture which is entitled to the benefit of that provision.

Table of Contents

The holders of at least a majority in aggregate principal amount of the outstanding debt securities of a series may, on behalf of the holders of all the debt securities of that series, waive, insofar as that series is concerned, compliance by CSX with certain restrictive provisions of the indenture, including the covenant described above under Certain Covenants and Agreements of CSX Covenant in the Senior Indenture Limitation on Liens on Stock of Our Principal Subsidiaries. The holders of not less than a majority in aggregate principal amount of the outstanding debt securities of a series may, on behalf of all holders of debt securities of that series and any related coupons, waive any past default under the indenture with respect to debt securities of that series, except a default (a) in the payment of principal of or any premium or interest on any debt security of that series or (b) in respect of a covenant or provision of the indenture which cannot be modified or amended without the consent of the holder of each outstanding debt security of the series affected.

Each indenture provides that in determining whether the holders of the requisite principal amount of the outstanding debt securities have given any request, demand, authorization, direction, notice, consent or waiver under that indenture or are present at a meeting of holders of debt securities for quorum purposes,

(1) the principal amount of an original issue discount debt security that will be deemed to be outstanding will be the amount of the principal that would be due and payable as of the date of the determination upon acceleration of the maturity thereof,

(2) the principal amount of a debt security denominated in a foreign currency or currency unit will be the U.S. dollar equivalent, determined as of the date of original issuance of that debt security, of the principal amount of that debt security or, in the case of an original issue discount debt security, the U.S. dollar equivalent, determined as of the date of original issuance of that debt security, of the amount determined as provided in (1) above and

(3) any debt security owned by CSX or any other obligor on that debt security or any affiliate of CSX or other obligor will be deemed not to be outstanding.

Each indenture contains provisions for convening meetings of the holders of debt securities of any or all series. A meeting may be called at any time by the relevant trustee, and also, upon request, by CSX or the holders of at least 10% in aggregate principal amount of the outstanding debt securities of that series, in each case upon notice given in accordance with Notices below and the provisions of the relevant indenture. Except for any consent which must be given by the holder of each outstanding debt security that would be affected as described above, any resolution presented at a meeting, or adjourned meeting duly reconvened, at which a quorum (as described below) is present may be adopted by the affirmative vote of the holders of a majority in principal amount of the outstanding debt securities of that series; provided, however, that, except for any consent which must be given by the holder of each outstanding debt security that would be affected, as described above, any resolution with respect to any consent, waiver, request, demand, notice, authorization, direction or other action which may be given by the holders of not less than a specified percentage in principal amount of the outstanding debt securities of a series may be adopted at a meeting, or an adjourned meeting duly reconvened, at which a quorum is present only by the affirmative vote of the holders of not less than the specified percentage in principal amount of the outstanding debt securities of that series.

Any resolution passed or decision taken at any meeting of holders of debt securities of any series duly held in accordance with the relevant indenture will be binding on all holders of debt securities of that series and the related coupons. The quorum required for any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in principal amount of the outstanding debt securities of a series; provided, however, that if any action is to be taken at that meeting with respect to a consent, waiver, request, demand, notice, authorization, direction or other action which may be given by the holders of not less than a specified percentage in principal amount of

17

Table of Contents

the outstanding debt securities of a series, the persons holding or representing that specified percentage in principal amount of the outstanding debt securities of the series will constitute a quorum.

Notices

Except as otherwise provided in the indenture, notices to holders of bearer debt securities will be given by publication at least twice in a daily newspaper of general circulation in The City of New York and in any other city or cities as may be specified in those debt securities. Notices to holders of registered debt securities will be given by mail to the addresses of those holders as they appear in the security register.

Title

Title to any bearer debt securities (including bearer debt securities in temporary global form and in permanent global form) and any related coupons will pass by delivery. CSX, the trustee and any agent of CSX or the trustee may treat the bearer of any bearer debt security and the bearer of any coupon and the registered owner of any registered debt security as the absolute owner (whether or not that debt security or coupon is overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.

Replacement of Debt Securities

Any mutilated debt security or a debt security with a mutilated coupon will be replaced by CSX at the expense of the holder upon surrender of that debt security to the relevant trustee. Debt securities or coupons that become destroyed, lost or stolen will be replaced by CSX at the expense of the holder upon delivery to the relevant trustee of evidence of the destruction, loss or theft satisfactory to CSX and the relevant trustee; in the case of any coupon which becomes destroyed, lost or stolen, that coupon will be replaced by issuance of a new debt security in exchange for the debt security to which the coupon appertains. In the case of a destroyed, lost or stolen debt security or coupon, an indemnity satisfactory to the trustee and CSX may be required at the expense of the holder of that debt security or coupon before a replacement debt security will be issued.

Discharge, Defeasance and Covenant Defeasance

Upon the direction of CSX, either indenture will generally cease to be of further effect with respect to any series of debt securities issued under that indenture specified by CSX (subject to the survival of certain provisions of that indenture) when

CSX has delivered to the relevant trustee for cancellation all debt securities issued under that indenture or

all debt securities issued under that indenture not previously delivered to the relevant trustee for cancellation have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year, and CSX has deposited with the relevant trustee as trust funds the entire amount sufficient to pay and discharge at stated maturity or upon redemption the entire indebtedness on all debt securities issued under that indenture

(and if, in either case, CSX has paid or caused to be paid all other sums payable under the relevant indenture with respect to the debt securities of that series by CSX and CSX has delivered an officer s certificate and an opinion of counsel each stating that the requisite conditions have been complied with).

Table of Contents

In addition, unless otherwise provided in an applicable prospectus supplement, CSX may elect with respect to any series of debt securities either

(1) to defease and be discharged from any and all obligations with respect to those debt securities (except as otherwise provided in the relevant indenture) (defeasance) or

(2) to be released from our obligations with respect to those debt securities described above under Certain Covenants and Agreements of CSX Covenant in the Senior Indenture Limitation on Liens on Stock of Our Principal Subsidiaries (which covenant appears only in the senior indenture) and certain other restrictive covenants in the relevant indenture and, if indicated in the applicable prospectus supplement, our obligations with respect to any other covenant applicable to the debt securities of that series (covenant defeasance).

If we exercise our defeasance option with respect to any series of debt securities, payment of those debt securities may not be accelerated because of an event of default. If we exercise our covenant defeasance option with respect to any series of debt securities, payment of those debt securities may not be accelerated because of an event of default related to the covenants noted under clause (2) of the immediately preceding paragraph. We may exercise our defeasance option with respect to those debt securities even though we may have previously exercised our covenant defeasance option.

If CSX effects covenant defeasance with respect to any debt securities and those debt securities are declared due and payable because of the occurrence of any event of default other than an event of default with respect to the covenant described above under Certain Covenants and Agreements of CSX Covenant in the Senior Indenture Limitation on Liens on Stock of Our Principal Subsidiaries (which covenant appears only in the senior indenture and which would no longer be applicable to those debt securities after the covenant defeasance) or with respect to any other covenant as to which there has been covenant defeasance, the amount of monies and/or government obligations deposited with the applicable trustee to effect the covenant defeasance may not be sufficient to pay amounts due on those debt securities at the time of any acceleration resulting from the event of default. However, we would remain liable to make payment of those amounts due at the time of acceleration.

We may exercise our defeasance option or our covenant defeasance option with respect to any series of debt securities, only if

(1) CSX irrevocably deposits in trust with the trustee cash and/or U.S. government obligations for the payment of principal, premium, if any, and interest with respect to those debt securities to maturity or redemption, as the case may be, and we deliver to the relevant trustee a certificate from a nationally recognized firm of independent public accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. government obligations plus any deposited money without investment will provide cash at the times and in the amounts as will be sufficient to pay the principal, premium, if any, and interest when due with respect to all those debt securities to maturity or redemption, as the case may be,

(2) no event of default with respect to the debt securities of that series has occurred and is continuing

on the date of the deposit or

with respect to certain bankruptcy defaults, at any time during the period ending on the 123rd day after the date of the deposit,

(3) the defeasance or covenant defeasance does not result in the trust arising from that deposit to constitute, unless it is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended,

Table of Contents

(4) the defeasance or covenant defeasance does not result in a breach or violation of, or constitute a default under, the relevant indenture or any other agreement or instrument to which we are a party or by which we are bound,

(5) CSX delivers to the trustee an opinion of counsel to the effect that the holders of the debt securities will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance or covenant defeasance had not occurred, and

(6) CSX delivers to the trustee an officer s certificate and an opinion of counsel, each stating that all conditions precedent to the defeasance and discharge of the debt securities as contemplated by the indenture have been complied with.

The opinion of counsel, with respect to defeasance, referred to in clause (5) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the relevant indenture.

The trustee must hold in trust cash or U.S. government obligations deposited with it as described above and must apply the deposited cash and the proceeds from deposited U.S. government obligations to the payment of principal, premium, if any, and interest with respect to the debt securities.

The applicable prospectus supplement may further describe the provisions, if any, permitting or restricting defeasance or covenant defeasance with respect to the debt securities of a particular series.

Governing Law

The indentures and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

Concerning the Trustees

The Trust Indenture Act of 1939 contains limitations on the rights of a trustee, should it become a creditor of CSX, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of those claims, as security or otherwise. Each trustee is permitted to engage in other transactions with CSX and our subsidiaries from time to time, provided that if the trustee acquires any conflicting interest it must eliminate the conflict upon the occurrence of an event of default under the relevant indenture, or else resign.

CSX and certain of our subsidiaries may from time to time maintain lines of credit, and have other customary banking and commercial relationships, with JPMorgan Chase Bank, the senior trustee and the subordinated trustee, and its affiliates. JPMorgan Chase Bank acts as trustee under the senior indenture and another indenture pursuant to which we issued our Series A Medium-Term Notes, Series B Medium-Term Notes, Series C Medium Term Notes, 7.25% Debentures due 2004, 9.00% Debentures due 2006, 7.45% Debentures due 2007, 6.25% Notes due 2008, 4.875% Notes due 2009, 6.75% Notes due 2011,

6.30% Notes due 2012, 7.90% Debentures due 2017, Zero Coupon Convertible Debentures due October 30, 2021, 8.625% Debentures due 2022, 8.10% Debentures due 2022, 7.95% Debentures due 2027, 7.25% Debentures due 2027 and 8.30% Debentures due 2032.

Table of Contents

ADDITIONAL TERMS OF SUBORDINATED DEBT SECURITIES

Additional Covenants Applicable to Subordinated Debt Securities

Under the subordinated indenture, or under one or more supplemental indentures to the subordinated indenture, we will:

- maintain 100% ownership of the common securities of any trust to which subordinated debt securities have been issued while those subordinated debt securities remain outstanding; and
- pay to any trust to which subordinated debt securities have been issued any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority on that trust, so that the net amounts received and retained by that trust (after paying any taxes, duties, assessments or other governmental charges) will be not less than that trust would have received had no such taxes, duties, assessments or other governmental charges been imposed.

Option to Extend Interest Payment Period

If so indicated in the prospectus supplement, we can defer interest payments by extending the interest payment period for the number of consecutive extension periods specified in the applicable prospectus supplement. Other details regarding the extension period will also be specified in the applicable prospectus supplement. No extension period may extend beyond the maturity of the applicable subordinated debt securities. At the end of the extension period(s), we will pay all interest then accrued and unpaid, together with interest compounded quarterly at the rate for the applicable subordinated debt securities, to the extent permitted by applicable law.

During any extension period, we will not make distributions related to our capital stock, including dividends, redemptions, repurchases, liquidation payments, or guarantee payments. Also, we will not make any payments, redeem or repurchase any debt securities of equal or junior rank to the subordinated debt securities or make any guarantee payments on any such debt securities. We may, however, make the following types of distributions:

- dividends paid in common stock;
- dividends in connection with the implementation of a shareholder rights plan;
- payments to a trust holding securities of the same series under a guarantee; or
- repurchases, redemptions or other acquisitions of shares of our capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants.

Subordination

The payment of the principal of, premium, if any, and interest, if any, on the subordinated debt securities will be subordinated, to the extent and in the manner set forth in the subordinated indenture, in right of payment to the prior payment in full of all senior indebtedness which may at any time and from time to time be outstanding. Unless otherwise provided in the applicable prospectus supplement with respect to an issue of subordinated debt securities, in the event of any distribution of our assets upon any dissolution, winding up, liquidation, reorganization or other similar proceedings of CSX,

all senior indebtedness will first be paid in full, or that payment will be provided for, before any payment on account of the principal of, or premium, if any, or interest, if any, on the subordinated debt securities is made, and

Table of Contents

if any payment or distribution of our assets is received by the subordinated trustee or the holders of any of the subordinated debt securities before all senior indebtedness is paid in full, that payment or distribution will be paid over to the holders of senior indebtedness or on their behalf for application to the payment of all senior indebtedness remaining unpaid until all senior indebtedness has been paid in full or that payment provided for, after giving effect to any concurrent payment or distribution to the holders of senior indebtedness.

Subject to the payment in full of all senior indebtedness upon any distribution of our assets, the holders of the subordinated debt securities will be subrogated to the rights of the holders of the senior indebtedness to the extent of payments made to the holders of senior indebtedness out of the distributive share of the subordinated debt securities.

By reason of subordination of the subordinated debt securities, if there is any distribution of our assets upon dissolution, winding up, liquidation, reorganization or other similar proceedings of CSX,

holders of senior indebtedness will be entitled to be paid in full before payments may be made on the subordinated debt securities and the holders of subordinated debt securities will be required to pay over their share of that distribution to the holders of senior indebtedness until all senior indebtedness is paid in full, and

creditors of CSX who are neither holders of subordinated debt securities nor holders of senior indebtedness may recover less, ratably, than holders of senior indebtedness and may recover more, ratably, than the holders of the subordinated debt securities.

Furthermore, subordination may result in a reduction or elimination of payments to the holders of subordinated debt securities. The subordinated indenture provides that the subordination provisions in the subordinated indenture will not apply to any money and securities held in trust pursuant to the discharge, defeasance and covenant defeasance provisions of the subordinated indenture (see Discharge, Defeasance and Covenant Defeasance above).

The subordinated indenture also provides that no payment on account of the principal of, or premium, if any, sinking funds, if any, or interest, if any, on the subordinated debt securities will be made unless full payment of amounts then due for the principal of, premium, if any, sinking funds, if any, and interest, if any, on senior indebtedness has been made or duly provided for.

Senior indebtedness means, with respect to any series of subordinated debt securities, the principal, premium, interest and any other payment in respect of any of the following:

(1) any liability of CSX

for borrowed money or under any reimbursement obligation relating to a letter of credit, or

evidenced by a bond, note, debenture or similar instrument, or

for obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, or

for the payment of money relating to a capitalized lease obligation, or

for the payment of money under any swap agreement;

(2) any liability of others described in the preceding clause (1) that CSX has guaranteed or that is otherwise our legal liability; and

(3) any deferral, renewal, extension or refunding of any liability of the types referred to in clauses (1) and (2) above,

Table of Contents

unless, in the instrument creating or evidencing any liability referred to in clause (1) or (2) above or any deferral, renewal, extension or refunding referred to in clause (3) above or pursuant to which the same is outstanding, it is expressly provided that the liability, deferral, renewal, extension or refunding is subordinate in right of payment to all other indebtedness of CSX or is not senior or prior in right of payment to the subordinated debt securities or ranks *pari passu* with or subordinate to the subordinated debt securities in right of payment; and *provided that* the subordinated debt securities will not constitute senior indebtedness. Swap agreements are defined as any financial agreement designed to manage our exposure to fluctuations in interest rates, currency exchange rates or commodity prices, including without limitation swap agreements, option agreements, cap agreements, floor agreements, collar agreements and forward purchase agreements.

Senior indebtedness will be entitled to the benefits of the subordination provisions in the subordinated indenture irrespective of the amendment, modification or waiver of any term of the senior indebtedness. We may not amend the subordinated indenture to change the subordination of any outstanding subordinated debt securities without the consent of each holder of senior indebtedness that the amendment would adversely affect.

If this prospectus is being delivered in connection with the offering of a series of subordinated debt securities, the accompanying prospectus supplement or the information incorporated by reference in this prospectus will set forth the approximate amount of senior indebtedness outstanding as of a recent date. The subordinated indenture does not limit the amount of senior indebtedness that we may issue.

DESCRIPTION OF THE TRUST PREFERRED SECURITIES

The following is a summary of the principal terms of the trust preferred securities. The form of amended trust agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, or is incorporated by reference. The terms of the trust preferred securities will include those stated in the amended trust agreement and those made part of the amended trust agreement by the Trust Indenture Act.

General

The Trust will exist until terminated as provided in its amended trust agreement. Except under certain circumstances, CSX will be entitled to appoint, remove, or replace trustees, who will conduct the business and affairs of the Trust. The trustees of the Trust will consist of:

- two employees, officers or affiliates of CSX as administrative trustees;
- a financial institution unaffiliated with CSX that will act as property trustee and as indenture trustee for purposes of the Trust Indenture Act, under the terms set forth in a prospectus supplement; and
- one trustee with its principal place of business or who resides in the State of Delaware and who will act under the terms set forth in a prospectus supplement.

The amended trust agreement will authorize the administrative trustees to issue, on behalf of the Trust, two classes of trust securities, trust preferred securities and trust common securities, each of which will have the terms described in this prospectus and in the applicable prospectus supplement. CSX will own all of the trust common securities. The trust common securities will rank equally in right of payment, and payments will be made on the trust common securities, proportionately with the trust preferred securities. However, if an event of default occurs and is continuing under the amended trust agreement, the rights of the holders of the trust common securities to payment of distributions and payments upon liquidation, redemption and otherwise, will be subordinated to the rights of the holders

Table of Contents

of the trust preferred securities. CSX will acquire, directly or indirectly, trust common securities in a total liquidation amount of approximately 3% of the total capital of the Trust.

The proceeds from the sale of the trust preferred securities will be used by the Trust to purchase our subordinated debt securities. These subordinated debt securities will be held in trust by the property trustee for the benefit of the holders of the trust securities. CSX will guarantee the payments of distributions and payments on redemption or liquidation with respect to the trust preferred securities, but only to the extent the Trust has funds available to make those payments and has not made the payments. See Description of the Guarantee.

The assets of the Trust available for distribution to the holders of trust preferred securities will be limited to payments from us under the subordinated debt securities held by the Trust. If we fail to make a payment on the subordinated debt securities, the Trust will not have sufficient funds to make related payments, including distributions, on its trust preferred securities.

The guarantee, when taken together with our obligations under the subordinated debt securities, the subordinated indenture and the amended trust agreement, will provide a full and unconditional guarantee of amounts due on the trust preferred securities issued by the Trust.

The trust preferred securities will have the terms, including distributions, redemption, voting, liquidation rights and other preferred, deferred or other special rights or restrictions that will be described in the amended trust agreement or made part of the amended trust agreement by the Trust Indenture Act or the Delaware Statutory Trust Act. The terms of the trust preferred securities will mirror the terms of the subordinated debt securities held by the Trust. In other words, the distribution rate and the distribution payment dates and other payment dates for the trust preferred securities will correspond to the interest rate and interest payment dates and other payment dates on the subordinated debt securities. Holders of trust preferred securities have no preemptive or similar rights.

Provisions of a Particular Series

The Trust may issue only one series of trust preferred securities. The applicable prospectus supplement will set forth the principal terms of the trust preferred securities that will be offered, including:

- the name of the trust preferred securities;
- the liquidation amount and number of trust preferred securities issued;
- the annual distribution rate(s) or method of determining such rate(s), the payment date(s) and the record dates used to determine the holders who are to receive distributions;
- the date from which distributions will be cumulative;

the optional redemption provisions, if any, including the prices, time periods and other terms and conditions on which the trust preferred securities will be purchased or redeemed, in whole or in part;

the terms and conditions, if any, upon which the subordinated debt securities and the related guarantee may be distributed to holders of those trust preferred securities;

any securities exchange on which the trust preferred securities will be listed;

whether the trust preferred securities are to be issued in book-entry form and represented by one or more global certificates, and if so, the depositary for those global certificates and the specific terms of the depositary arrangements; and

Table of Contents

any other relevant rights, preferences, privileges, limitations or restrictions of the trust preferred securities.

The interest rate and interest and other payment dates of each series of subordinated debt securities issued to a trust will correspond to the rate at which distributions will be paid and the distribution and other payment dates of the trust preferred securities of that trust.

Extensions

CSX has the right under the subordinated indenture to defer payments of interest on the subordinated debt securities by extending the interest payment period from time to time on the subordinated debt securities. The administrative trustees will give the holders of the trust preferred securities notice of any extension period upon their receipt of notice from us. If distributions are deferred, the deferred distributions and accrued interest will be paid to holders of record of the trust preferred securities as they appear on the books and records of the Trust on the record date next following the termination of such deferral period. See Additional Terms of Subordinated Debt Securities Option To Extend Interest Payment Period.

Distributions

Distributions on the trust preferred securities will be made on the dates payable to the extent that the Trust has funds available for the payment of distributions in the property account held by the property trustee. The Trust s funds available for distribution to the holders of the trust securities will be limited to payments received from us on the subordinated debt securities. CSX has guaranteed the payment of distributions out of monies held by the Trust to the extent set forth under Description of the Guarantee.

Distributions on the trust preferred securities will be payable to the holders named on the securities register of the Trust at the close of business on the record dates, which, as long as the trust preferred securities remain in book-entry only form, will be one business day prior to the relevant payment dates. Distributions will be paid through the property trustee who will hold amounts received in respect of the subordinated debt securities in the property account for the benefit of the holders of the trust securities. In the event that the trust preferred securities do not continue to remain in book- entry only form, the relevant record dates will conform to the rules of any securities exchange on which the trust preferred securities are listed and, if none, the administrative trustees will have the right to select relevant record dates, which will be more than 14 days but less than 60 days prior to the relevant payment dates. In the event that any date on which distributions are to be made on the trust preferred securities is not a business day, then payment of the distributions payable on that date will be made on the next succeeding day which is a business day and without any interest or other payment in respect of that delay, except that, if that business day is in the next succeeding calendar year, the payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on the record date.

Mandatory Redemption of Trust Preferred Securities

The trust preferred securities have no stated maturity date, but will be redeemed upon the maturity of the subordinated debt securities or to the extent the subordinated debt securities are redeemed prior to maturity. The subordinated debt securities will mature on the date specified in the applicable prospectus supplement and may be redeemed at any time, in whole but not in part, in certain circumstances upon the occurrence of a Tax Event or an Investment Company Event as described under Special Event

Redemption.

Table of Contents

Upon the maturity of the subordinated debt securities, the proceeds of their repayment will simultaneously be applied to redeem all the outstanding trust securities at the applicable redemption price. Upon the redemption of the subordinated debt securities, either at our option or as a result of a Tax Event or an Investment Company Event, the proceeds from the redemption will simultaneously be applied to redeem trust securities having a total liquidation amount equal to the total principal amount of the subordinated debt securities so redeemed at the redemption price; provided, that holders of trust securities will be given not less than 20 nor more than 60 days notice of the redemption. In the event that fewer than all of the outstanding trust securities are to be redeemed, the trust securities will be redeemed proportionately.

Special Event Redemption

Both a Tax Event and an Investment Company Event constitute Special Events for purposes of the redemption provisions described in the preceding paragraph.

A Tax Event means that the administrative trustees have received an opinion of independent tax counsel experienced in those matters to the effect that, as a result of any amendment to, change or announced proposed change in:

- the laws or regulations of the United States or any of its political subdivisions or taxing authorities, or
- any official administrative pronouncement, action or judicial decision interpreting or applying those laws or regulations,

which amendment or change becomes effective or proposed change, pronouncement, action or decision is announced on or after the date the trust preferred securities are issued and sold, there is more than an insubstantial risk that:

- the Trust is or within 90 days would be subject to U.S. federal income tax with respect to income accrued or received on the subordinated debt securities,
- interest payable to the Trust on the subordinated debt securities is not or within 90 days would not be deductible, in whole or in part, by CSX for U.S. federal income tax purposes, or
- the Trust is or within 90 days would be subject to a material amount of other taxes, duties or other governmental charges.

An Investment Company Event means that the administrative trustees have received an opinion of a nationally recognized independent counsel to the effect that, as a result of an amendment to or change in the Investment Company Act or regulations thereunder on or after the date the trust preferred securities are issued and sold, there is more than an insubstantial risk that the Trust is or will be considered an investment company and be required to be registered under the Investment Company Act.

Redemption Procedures

The Trust may not redeem fewer than all the outstanding trust securities unless all accrued and unpaid distributions have been paid on all trust securities for all distribution periods terminating on or before the date of redemption. In the event that fewer than all of the outstanding trust securities are to be redeemed, the trust securities will be redeemed proportionately.

If the Trust gives a notice of redemption in respect of the trust securities (which notice will be irrevocable), then, by 12:00 noon, New York City time, on the redemption date, and if CSX has paid to the property trustee a sufficient amount of cash in connection with the related redemption or maturity of

Table of Contents

the subordinated debt securities, the property trustee will irrevocably deposit with the depositary funds sufficient to pay the applicable redemption price and will give the depositary irrevocable instructions and authority to pay the redemption price to the holders of the trust preferred securities, and the paying agent will pay the applicable redemption price to the holders of the trust common securities by check. If notice of redemption has been given and funds deposited as required, then, immediately prior to the close of business on the date of the deposit, distributions will cease to accrue and all rights of holders of trust preferred securities called for redemption will cease, except the right of the holders of the trust preferred securities to receive the redemption price but without interest on the redemption price. In the event that any date fixed for redemption of trust preferred securities is not a business day, then payment of the redemption price payable on that date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of any such delay, except that, if that business day falls in the next calendar year, payment will be made on the immediately preceding business day. In the event that payment of the redemption price in respect of trust preferred securities is improperly withheld or refused and not paid either by the Trust or by CSX under the guarantee, distributions on the trust preferred securities will continue to accrue at the then applicable rate from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price.

Subject to the foregoing and applicable law, including, without limitation, U.S. federal securities laws, we or our subsidiaries may at any time, and from time to time, purchase outstanding trust preferred securities by tender, in the open market or by private agreement.

Conversion or Exchange Rights

The terms on which the trust preferred securities are convertible into or exchangeable for common stock or our other securities will be contained in the applicable prospectus supplement. Those terms will include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at our option, and may include provisions under which the number of shares of common stock or our other securities to be received by the holders of trust preferred securities would be subject to adjustment.

Distribution of the Subordinated Debt Securities

CSX will have the right at any time to dissolve the Trust and, after satisfaction of the liabilities of creditors of the Trust as provided by applicable law, to cause subordinated debt securities to be distributed to the holders of the trust preferred securities in a total stated principal amount equal to the total stated liquidation amount of the trust preferred securities then outstanding. Prior to any such dissolution, we will obtain any required regulatory approvals. The right to dissolve the Trust and distribute the subordinated debt securities will be conditioned on our receipt of an opinion rendered by an independent tax counsel that the distribution would not result in the recognition of gain or loss for federal income tax purposes by the holders.

Liquidation Distribution upon Dissolution

The amended trust agreement will state that the Trust will be dissolved:

upon our bankruptcy;

upon the filing of a certificate of dissolution or its equivalent with respect to CSX;

upon the filing of a certificate of cancellation with respect to the Trust after obtaining the consent of at least a majority in liquidation amount of the trust preferred securities, voting together as a single class;

Table of Contents

90 days after the revocation of our charter, but only if the charter is not reinstated during that 90-day period;

upon the distribution of the related subordinated debt securities directly to the holders of the trust securities;

upon the redemption of all of the trust securities; or

upon entry of a court order for the dissolution of CSX or the Trust.

In the event of a dissolution, after the Trust pays all amounts owed to creditors, the holders of the trust preferred securities will be entitled to receive:

cash equal to the total liquidation amount of each trust preferred security specified in an accompanying prospectus supplement, plus accumulated and unpaid distributions to the date of payment; or

subordinated debt securities in a total principal amount equal to the total liquidation amount of the trust preferred securities.

If the Trust cannot pay the full amount due on its trust securities because insufficient assets are available for payment, then the amounts payable by the Trust on its trust securities will be paid proportionately. However, if an event of default under the related amended trust agreement occurs, the total amounts due on the trust preferred securities will be paid before any distribution on the trust common securities. Under certain circumstances involving the dissolution of the Trust, subject to obtaining any required regulatory approval, subordinated debt securities will be distributed to the holders of the trust securities in liquidation of the Trust.

Trust Enforcement Events

An event of default under the subordinated indenture relating to the subordinated debt securities will be an event of default under the amended trust agreement (a Trust Enforcement Event). See Description of Debt Securities Events of Default.

In addition, the voluntary or involuntary dissolution, winding up or termination of the Trust is also a Trust Enforcement Event, except in connection with:

the distribution of the subordinated debt securities to holders of the trust securities of the Trust,

the redemption of all of the trust securities of the Trust, and

mergers, consolidations or amalgamations permitted by the amended trust agreement of the Trust.

Under the amended trust agreement, the holder of the trust common securities will be deemed to have waived any Trust Enforcement Event with respect to the trust common securities until all Trust Enforcement Events with respect to the trust preferred securities have been cured, waived or otherwise eliminated. Until all Trust Enforcement Events with respect to the trust preferred securities have been so cured, waived, or otherwise eliminated, the property trustee will be deemed to be acting solely on behalf of the holders of the trust preferred securities and only the holders of the trust preferred securities will have the right to direct the property trustee with respect to certain matters under the amended trust agreement and the subordinated indenture. In the event that any Trust Enforcement Event with respect to the trust preferred securities is waived by the holders of the trust preferred securities as provided in the amended trust agreement, under the amended trust agreement the holders of trust common securities have agreed that the waiver also constitutes a waiver of the Trust

Table of Contents

Enforcement Event with respect to the trust common securities for all purposes under the amended trust agreement without any further act, vote or consent of the holders of trust common securities.

CSX and the administrative trustees must file annually with the property trustee a certificate evidencing compliance with all the applicable conditions and covenants under the amended trust agreement.

Upon the occurrence of a Trust Enforcement Event the property trustee, as the sole holder of the subordinated debt securities, will have the right under the subordinated indenture to declare the principal of, interest and premium, if any, on the subordinated debt securities to be immediately due and payable.

If a property trustee fails to enforce its rights under the amended trust agreement or the subordinated indenture to the fullest extent permitted by law and subject to the terms of the amended trust agreement and the subordinated indenture, any holder of trust preferred securities may sue us, or seek other remedies, to enforce the property trustee s rights under the amended trust agreement or the subordinated indenture without first instituting a legal proceeding against the property trustee or any other person. If a Trust Enforcement Event occurs and is continuing as a result of our failure to pay principal of or interest or premium, if any, on the subordinated debt securities when payable, then a holder of the trust preferred securities may directly sue us or seek other remedies, to collect its proportionate share of payments owed. See Relationship Among the Trust Preferred Securities, the Guarantee and the Subordinated Debt Securities Held by the Trust.

Removal and Replacement of Trustees

Only the holders of trust common securities have the right to remove or replace the trustees of the Trust, except that while an event of default in respect of the subordinated debt securities has occurred or is continuing, the holders of a majority of the trust preferred securities will have this right. The resignation or removal of any trustee and the appointment of a successor trustee will be effective only on the acceptance of appointment by the successor trustee in accordance with the provisions of the amended trust agreement.

Mergers, Consolidations or Amalgamations of the Trust

The Trust may not consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other corporation or other body (each, a Merger Event), except as described below. The Trust may, with the consent of a majority of its administrative trustees and without the consent of the holders of its trust securities, consolidate, amalgamate, merge with or into, or be replaced by another trust, provided that:

the successor entity either

assumes all of the obligations of the Trust relating to its trust securities, or

substitutes other securities for the trust securities that are substantially similar to the trust securities, so long as the successor securities rank the same as the trust securities for distributions and payments upon liquidation, redemption and otherwise;

CSX acknowledges a trustee of the successor entity, who has the same powers and duties as the property trustee of the Trust, as the holder of the subordinated debt securities;

the trust preferred securities are listed, or any successor securities will be listed, upon notice of issuance, on the same securities exchange or other organization that the trust preferred securities are then listed;

Table of Contents

the Merger Event does not cause the trust preferred securities or successor securities to be downgraded by any nationally recognized rating agency;

the Merger Event does not adversely affect the rights, preferences and privileges of the holders of the trust securities or successor securities in any material way, other than with respect to any dilution of the holders interest in the new entity;

the successor entity has a purpose identical to that of the Trust;

prior to the Merger Event, CSX has received an opinion of counsel from a nationally recognized law firm stating that

the Merger Event does not adversely affect the rights of the holders of the trust preferred securities or any successor securities in any material way, other than with respect to any dilution of the holders interest in the new entity, and

following the Merger Event, neither the Trust nor the successor entity will be required to register as an investment company under the Investment Company Act; and

CSX guarantees the obligations of the successor entity under the successor securities in the same manner as in the guarantee.

In addition, unless all of the holders of the trust preferred securities and trust common securities approve otherwise, the Trust will not consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if, in the opinion of a nationally recognized tax counsel experienced in such matters, the transaction would cause the Trust or the successor entity to be classified other than as a grantor trust for U.S. federal income tax purposes.

Voting Rights; Amendment of Trust Agreement

The holders of trust preferred securities have no voting rights except as discussed under Mergers, Consolidations or Amalgamations of the Trust and Description of the Guarantee Amendments , and as otherwise required by law and the amended trust agreement.

The amended trust agreement may be amended if approved by a majority of the administrative trustees of the Trust. However, if any proposed amendment provides for, or the administrative trustees otherwise propose to effect,

any action that would adversely affect the powers, preferences or special rights of the trust securities, whether by way of amendment to the amended trust agreement or otherwise, or

the dissolution, winding up or termination of the Trust other than under the terms of its amended trust agreement,

then the holders of the trust preferred securities as a single class will be entitled to vote on the amendment or proposal. In that case, the amendment or proposal will only be effective if approved by at least a majority in liquidation amount of the trust preferred securities affected by the amendment or proposal.

No amendment may be made to an amended trust agreement if that amendment would:

cause the Trust to be characterized as other than a grantor trust for U.S. federal income tax purposes;

reduce or otherwise adversely affect the powers of the property trustee; or

Table of Contents

cause the Trust to be deemed to be an investment company which is required to be registered under the Investment Company Act.

The holders of a majority of the total liquidation amount of the trust preferred securities have the right to:

direct the time, method and place of conducting any proceeding for any remedy available to the property trustee; or

direct the exercise of any power conferred upon the property trustee under the amended trust agreement, including the right to direct the property trustee, as the holder of the subordinated debt securities, to:

exercise the remedies available under the subordinated indenture with respect to the subordinated debt securities,

waive any event of default under the subordinated indenture that is waivable, or

cancel an acceleration of the principal of the subordinated debt securities.

In addition, before taking any of the foregoing actions, the property trustee must obtain an opinion of counsel stating that, as a result of that action, the Trust will continue to be classified as a grantor trust for U.S. federal income tax purposes.

As described in the form of amended trust agreement, holders of trust preferred securities may vote on a change at a meeting or by written consent.

If a vote by the holders of trust preferred securities is taken or a consent is obtained, any trust preferred securities owned by CSX or any of our affiliates will, for purposes of the vote or consent, be treated as if they were not outstanding, which will have the following consequences:

we and any of our affiliates will not be able to vote on or consent to matters requiring the vote or consent of holders of trust preferred securities; and

any trust preferred securities owned by CSX or any of our affiliates will not be counted in determining whether the required percentage of votes or consents has been obtained.

Information Concerning the Property Trustee

JPMorgan Chase Bank will be the property trustee. JPMorgan Chase Bank will also be the guarantee trustee, the subordinated indenture trustee and the senior indenture trustee. CSX and certain of our affiliates may from time to time maintain deposit accounts and other banking relationships with JPMorgan Chase Bank. JPMorgan Chase Bank also serves as trustee under other

indentures pursuant to which securities of CSX are outstanding. See Description of Debt Securities Concerning the Trustees.

For matters relating to compliance with the Trust Indenture Act, the property trustee will have all of the duties and responsibilities of an indenture trustee under the Trust Indenture Act. The property trustee, other than during the occurrence and continuance of a Trust Enforcement Event, undertakes to perform only the duties that are specifically described in the amended trust agreement and, upon a Trust Enforcement Event, must use the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the property trustee is under no obligation to exercise any of the powers given it by the applicable amended trust agreement at the request of any holder of trust preferred securities unless it is offered reasonable security or indemnity against the costs, expenses and liabilities that it might incur.

Table of Contents

Information Concerning the Delaware Trustee

Chase Manhattan Bank USA, National Association, will serve as trustee of the Trust in the State of Delaware for the purpose of complying with the provisions of the Delaware Statutory Trust Act. It is an affiliate of JPMorgan Chase Bank which will serve as property trustee and in the other capacities described above under Information Concerning the Property Trustee.

Information Concerning the Administrative Trustees

The administrative trustees are authorized and directed to conduct the affairs of and to operate the Trust in a way that:

- will not cause it to be deemed to be an investment company required to be registered under the Investment Company Act;
- will cause it to be classified as a grantor trust for U.S. federal income tax purposes; and
- will cause the subordinated debt securities it holds to be treated as indebtedness of CSX for U.S. federal income tax purposes.

CSX and the administrative trustees are authorized to take any action, so long as it is not inconsistent with applicable law or the certificate of trust or amended trust agreement, that we and the administrative trustees determine to be necessary or desirable for those purposes.

DESCRIPTION OF THE GUARANTEE

CSX will execute the guarantee from time to time for the benefit of the holders of the trust preferred securities.

JPMorgan Chase Bank will act as guarantee trustee under the guarantee. The guarantee trustee will hold the guarantee for the benefit of the holders of the trust preferred securities.

The following description of the guarantee is only a summary. The form of guarantee is an exhibit to the registration statement.

General

CSX will irrevocably and unconditionally agree under the guarantee to pay the guarantee payments that are defined below, to the extent specified in the guarantee, to the holders of the trust preferred securities, to the extent that the guarantee payments are not paid by or on behalf of the Trust. We are required to pay the guarantee payments to the extent specified in the guarantee regardless of any defense, right of set-off or counterclaim that we may have or may assert against any person.

The following payments and distributions on the trust preferred securities of the Trust are guarantee payments:

any accrued and unpaid distributions required to be paid on the trust preferred securities of the Trust, but only to the extent that the Trust has funds legally and immediately available for those distributions;

the redemption price for any trust preferred securities that the Trust calls for redemption, including all accrued and unpaid distributions to the redemption date, but only to the extent that the Trust has funds legally and immediately available for the payment; and

Table of Contents

upon a dissolution, winding-up or termination of the Trust, other than in connection with the distribution of subordinated debt securities to the holders of trust securities of the Trust or the redemption of all the trust preferred securities of the Trust, the lesser of:

the sum of the liquidation amount and all accrued and unpaid distributions on the trust preferred securities of the Trust to the payment date, to the extent that the Trust has funds legally and immediately available for the payment; and

the amount of assets of the Trust remaining available for distribution to holders of the trust preferred securities of the Trust in liquidation of the Trust.

We may satisfy our obligation to make a guarantee payment by making that payment directly to the holders of the related trust preferred securities or by causing the Trust to make the payment to those holders.

The guarantee will be a full and unconditional guarantee, subject to certain subordination provisions, of the guarantee payments with respect to the trust preferred securities from the time of issuance of the trust preferred securities, except that the guarantee will only apply to the payment of distributions and other payments on the trust preferred securities when the Trust has sufficient funds legally and immediately available to make those distributions or other payments.

If CSX does not make the required payments on the subordinated debt securities that the property trustee holds under the Trust, the Trust will not make the related payments on the trust preferred securities.

Subordination

Our obligations under the guarantee will be unsecured obligations. Those obligations will rank:

subordinate and junior in right of payment to certain other liabilities of CSX, as described in the prospectus supplement;

equal in priority with subordinated debt securities and similar guarantees that CSX may issue or enter into in respect of the Trust or any similar financing vehicle sponsored by CSX; and

senior to our preferred and common stock.

CSX has no subordinated debt securities outstanding that will rank equal in priority with the guarantee. CSX has common stock outstanding that will rank junior to the guarantee.

The guarantee will be a guarantee of payment and not of collection. This means that the guaranteed party may institute a legal proceeding directly against us, as guarantor, to enforce its rights under the guarantee without first instituting a legal proceeding against any other person or entity.

The terms of the trust preferred securities will provide that each holder of the trust preferred securities, by accepting those trust preferred securities, agrees to the subordination provisions and other terms of the guarantee.

Amendments

CSX may amend the guarantee without the consent of any holder of the trust preferred securities to which the guarantee relates if the amendment does not materially and adversely affect the rights of those holders. We may otherwise amend the guarantee with the approval of the holders of at least 50% of the outstanding trust preferred securities to which the guarantee relates.

Table of Contents

Termination

The guarantee will terminate and be of no further effect when:

- the redemption price of the trust preferred securities to which the guarantee relates is fully paid;
- CSX distributes the related subordinated debt securities to the holders of those trust preferred securities; or
- the amounts payable upon liquidation of the related Trust are fully paid.

The guarantee will remain in effect or will be reinstated if at any time any holder of the related trust preferred securities must restore payment of any sums paid to that holder with respect to those trust preferred securities or under the guarantee.

Material Covenants

CSX will covenant that, so long as any trust preferred securities remain outstanding, if there is an event of default under the guarantee or under the subordinated indenture for the related subordinated debt securities or during an extension of the interest payment period for the related subordinated debt securities:

- we will not declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of CSX s capital stock; and
- we will not make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any CSX debt securities that rank equally with or junior to the subordinated debt securities issued to the Trust or make any guarantee payments with respect to any guarantee by CSX of the debt securities of any subsidiary of CSX if such guarantee ranks equally with or junior to the subordinated debt securities issued to the Trust.

We may, however, make the following types of distributions:

- dividends or distributions paid in common stock;
- dividends in connection with the implementation of a shareholder rights plan or the redemption or repurchase of any rights pursuant to such a plan;
- payments to a trust holding securities of the same series under a guarantee; and

purchases of common stock related to the issuance of common stock or rights under any of CSX s benefit plans.

Because we are a holding company that conducts all of our operations through our subsidiaries, our ability to meet our obligations under the guarantee is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. The Trust, as holder of the guarantee and the subordinated debt securities will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred shareholders.

Events of Default

An event of default will occur under the guarantee if we fail to perform any of our payment obligations under the guarantee. The holders of a majority of the trust preferred securities of any series may waive any such event of default and its consequences on behalf of all of the holders of the trust preferred securities of that series. The guarantee trustee is entitled to enforce the guarantee for the benefit of the holders of the trust preferred securities of a series if an event of default occurs under the

Table of Contents

related guarantee. The holders of a majority of the trust preferred securities to which the guarantee relates have the right to direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee with respect to the guarantee or to direct the exercise of any trust or power that the guarantee trustee holds under the guarantee. Any holder of the related trust preferred securities may institute a legal proceeding directly against us to enforce that holder s rights under the guarantee without first instituting a legal proceeding against the guarantee trustee or any other person or entity.

Concerning the Guarantee Trustee

JPMorgan Chase Bank will be the guarantee trustee. It will also serve as the property trustee, the subordinated indenture trustee and the senior indenture trustee. We and certain of our affiliates may from time to time maintain deposit accounts and other banking relationships with JPMorgan Chase Bank and its affiliates. JPMorgan Chase Bank also serves as trustee under another indenture pursuant to which securities of CSX are outstanding. See Description of Debt Securities Concerning the Trustees. The guarantee trustee will perform only those duties that are specifically set forth in each guarantee unless an event of default under the guarantee occurs and is continuing. In case an event of default occurs and is continuing, the guarantee trustee will exercise the same degree of care as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Subject to those provisions, the guarantee trustee is under no obligation to exercise any of its powers under any guarantee at the request of any holder of the related trust preferred securities unless that holder offers reasonable indemnity to the guarantee trustee against the costs, expenses and liabilities which it might incur as a result.

Agreement as to Expenses and Liabilities

CSX will enter into an agreement as to expenses and liabilities as required under the trust agreement. The agreement as to expenses and liabilities will provide that we will, with certain exceptions, irrevocably and unconditionally guarantee the full payment of any indebtedness, expenses or liabilities of the Trust to each person or entity to whom the Trust becomes indebted or liable. The exceptions are the obligations of the Trust to pay to the holders of the trust common securities or other similar interests in the Trust the amounts due to the holders under the terms of the trust common securities or the similar interests.

RELATIONSHIP AMONG THE TRUST PREFERRED SECURITIES, THE GUARANTEE AND THE SUBORDINATED DEBT SECURITIES HELD BY THE TRUST

CSX will guarantee payments of distributions and redemption and liquidation payments due on the trust preferred securities, to the extent the Trust has funds available for the payments, as described under Description of the Guarantee. No single document executed by us in connection with the issuance of the trust preferred securities will provide for our full, irrevocable and unconditional guarantee of the trust preferred securities. It is only the combined operation of our obligations under the guarantee, the amended trust agreement and the subordinated indenture that has the effect of providing a full, irrevocable and unconditional guarantee of the Trust s obligations under the trust preferred securities.

As long as we make payments of interest and other payments when due on the subordinated debt securities held by the Trust, those payments will be sufficient to cover the payment of distributions and redemption and liquidation payments due on the trust preferred securities issued by the Trust, primarily because:

the total principal amount of the subordinated debt securities will be equal to the sum of the total liquidation amount of the trust securities;

Table of Contents

- the interest rate and interest and other payment dates on the subordinated debt securities will match the distribution rate and distribution and other payment dates for the trust preferred securities;

- we will pay for any and all costs, expenses and liabilities of the Trust except its obligations under its trust preferred securities; and

- the amended trust agreement will provide that the Trust will not engage in any activity that is not consistent with the limited purposes of the Trust.

If, and to the extent that, we do not make payments on the subordinated debt securities, the Trust will not have funds available to make payments of distributions or other amounts due on its trust preferred securities. In those circumstances, you will not be able to rely upon the guarantee for payment of these amounts. Instead, you may directly sue us or seek other remedies to collect your proportionate share of payments owed. If you sue us to collect payment, then we will assume your rights as a holder of trust preferred securities under the amended trust agreement to the extent we make a payment to you in any such legal action.

ACCOUNTING TREATMENT

The Trust will be treated as a subsidiary of ours for financial reporting purposes. Accordingly, our consolidated financial statements will include the accounts of the Trust. The trust preferred securities, along with other trust preferred securities that we guarantee on an equivalent basis, will be presented as a separate line item in our consolidated balance sheets, and appropriate disclosures about the trust preferred securities, the guarantee and the subordinated debt securities will be included in the notes to the consolidated financial statements. We will record distributions that the Trust pays on the trust preferred securities as an expense in our consolidated statement of income.

DESCRIPTION OF CAPITAL STOCK

As of the date of this prospectus, the authorized capital stock of CSX is (i) 300,000,000 shares of common stock, par value $1.00 per share, and (ii) 25,000,000 shares of preferred stock, without par value, issuable in series, of which 3,000,000 shares of Series B Preferred Stock were reserved for issuance under the Shareholders Rights Plan. As of January 24, 2003, 214,686,566 shares of common stock were issued and outstanding, and no shares of preferred stock were outstanding.

The following summary of certain provisions of common stock, preferred stock, Series B Preferred Stock, the Amended and Restated Articles of Incorporation and the Bylaws of CSX do not purport to be complete and are qualified in their entirety by reference to the Amended and Restated Articles of Incorporation and the Bylaws, copies of which have been incorporated by reference or filed as exhibits to the registration statement.

Common Stock

CSX may issue shares of common stock, either separately, or together with, or upon the conversion of or in exchange for, other securities. If we offer common stock, the specific terms of the offering, including the number of shares offered and the initial public offering price, will be described in the applicable prospectus supplement.

CSX common stock is listed on the New York Stock Exchange under the symbol CSX. All outstanding shares of common stock are fully-paid and non-assessable. Any additional shares of

Table of Contents

common stock we issue will also be fully-paid and non-assessable. Holders of common stock are entitled to one vote per share on all matters voted on by shareholders, including elections of directors, and, except as otherwise required by law or provided by the express provisions of any series of preferred stock, the holders of those shares exclusively possess all voting power of CSX. If and when issued and except as otherwise provided by law, the holders of Series B Preferred Stock will be entitled to 100 votes per share (subject to adjustment in accordance with the Amended and Restated Articles of Incorporation) on all matters submitted to a vote of CSX shareholders, and the holders of Series B Preferred Stock and the holders of common stock and any other class of stock of CSX then having general voting rights will vote together as one class. See Preferred Stock and Series B Preferred Stock Reserved for Issuance below. There is no cumulative voting in the election of directors, and no holder of common stock is entitled as such, as a matter of right, to subscribe for or purchase any shares of common stock or preferred stock. Subject to the preferential rights of any outstanding series of preferred stock, the holders of common stock are entitled to receive ratably dividends as may be declared from time to time by our Board of Directors from funds legally available for that purpose. In the event of a liquidation, dissolution or winding up of CSX, holders of common stock are entitled to share ratably in all assets remaining after payment or provision for liabilities and amounts owing in respect of any outstanding preferred stock.

The transfer agent for CSX common stock is Computershare Investor Services (successor to Harris Trust Company), located in Chicago, Illinois.

Preferred Stock

CSX may issue shares of our preferred stock, in one or more series, either separately, or together with, or upon the conversion of or in exchange for, other securities.

The following description of preferred stock sets forth certain general terms and provisions of any series of preferred stock to which any prospectus supplement may relate. If we offer preferred stock, the terms of any particular series of preferred stock, including preferred stock to be represented by depositary shares, will be described in the applicable prospectus supplement, including (where applicable):

- the title of the series;
- the number of shares offered;
- the initial public offering price;
- the dividend rate or method of calculation of the dividend rate and the dividend payment dates or periods;
- the date from which dividends will accrue and whether dividends will be cumulative;
- any right to vote with holders of shares of any other series or class and any right to vote as a class;

the provisions for redemption or repurchase, if applicable, including any sinking fund provisions for the redemption or repurchase of shares;

the amount payable with respect to both the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of CSX;

any listing on any securities exchange;

the procedures for any auction or remarketing, if any;

the terms and conditions, if any, upon which the preferred stock will be convertible into or exchangeable for other securities;

Table of Contents

whether interests will be represented by depositary shares; and

any other specific terms of the offered preferred stock.

The form of articles of amendment relating to a series of offered preferred stock will be filed as an exhibit to or incorporated by reference in the registration statement. The terms of the preferred stock offered under any prospectus supplement may differ from the general terms set forth in this prospectus.

Preferred stock may be issued from time to time in one or more series. Subject to limitations prescribed by Virginia law and the Amended and Restated Articles of Incorporation, our Board of Directors, without further action by the shareholders, is authorized to designate and issue in series preferred stock and to fix as to any series:

the number of shares constituting that series;

the rate of dividend, the time of payment and, if cumulative, the dates from which dividends will be cumulative, and the extent of participation rights, if any;

any right to vote with holders of shares of any other series or class and any right to vote as a class, either generally or as a condition to specified corporate action;

the price at and the terms and conditions on which shares may be redeemed, including any sinking fund provisions for the redemption or purchase of shares;

the amount payable in the event of a liquidation; and

whether shares will have the privilege of conversion, and if so, the terms and conditions on which shares may be converted.

The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of common stock and, under certain circumstances, make it more difficult for a third party to gain control of CSX or remove present management and could have the effect of delaying or preventing a merger, tender offer or other attempted takeover of CSX. No holder of preferred stock will be entitled, as a matter of right, to subscribe for or purchase any shares of preferred stock or common stock.

Preferred stock will, when issued, be fully-paid and non-assessable. Unless otherwise specified in the applicable prospectus supplement, any series of offered preferred stock will rank, with respect to dividends and the distribution of assets, senior to Series B Preferred Stock, if issued, and common stock, and on a parity with shares of any other outstanding series of preferred stock. Therefore, the Rights (described below) and any preferred stock that may subsequently be issued may limit the rights of the holders of our common stock and preferred stock. In addition, under certain circumstance, preferred stock could also restrict dividend payments to our holders of common stock.

The transfer agent and registrar for a series of preferred stock will be named in the applicable prospectus supplement.

Series B Preferred Stock Reserved for Issuance

In connection with the issuance of the Rights (described under Shareholder Rights Plan below), our Board of Directors designated 3,000,000 shares of preferred stock as Series B Preferred Stock. No shares of Series B Preferred Stock are outstanding as of the date of this prospectus, and shares of Series B Preferred Stock will be issued only in connection with the exercise of Rights.

Table of Contents

Subject to the rights of the holders of shares of any other series of preferred stock ranking prior and superior to Series B Preferred Stock with respect to dividends, and in preference to common stock or any other junior series of preferred stock or other stock, each share of Series B Preferred Stock is generally entitled to receive, when, as and if declared by our Board of Directors out of funds legally available for that purpose, cumulative quarterly cash dividends equal to the greater of $1.00 per share or, subject to certain adjustments, 100 times the aggregate per share amount of all cash dividends and non-cash dividends paid on each share of CSX s common stock in the preceding quarter. Whenever quarterly dividends or other distributions payable to the holders of Series B Preferred Stock are in arrears, whether or not those dividends or other distributions have been declared, CSX cannot

declare or pay dividends or distributions to holders of common stock or any shares of stock junior to Series B Preferred Stock or

purchase or otherwise acquire shares of Series B Preferred Stock or any shares of stock junior to or on parity with Series B Preferred Stock.

Except as otherwise provided by law, holders of shares of Series B Preferred Stock are entitled to 100 votes for each share held, and the shares of Series B Preferred Stock and the shares of common stock of CSX will vote together as one class. In the event CSX declares or pays any dividend to holders of common stock payable in common stock, or affects the number of outstanding shares of common stock by reclassification or otherwise, the number of votes per share of Series B Preferred Stock will be adjusted to equalize the relative voting strength of the Series B Preferred Stock vis-a-vis the common stock to the relative voting strength immediately prior to that event.

Upon any involuntary or voluntary liquidation, dissolution or winding up of CSX, subject to the rights of any other capital stock prior in rank with respect to liquidation, dissolution or winding up, the holders of Series B Preferred Stock will be entitled to be paid out of the assets of CSX legally available for that purpose the greater of $100 per share, plus accumulated and unpaid dividends, or an amount per share equal to 100 times the aggregate amount to be distributed per share to the holders of common stock (subject to certain adjustments). In that liquidation, dissolution or winding up, Series B Preferred Stock will be paid prior to any distributions to the holders of common stock or any other stock ranking junior to Series B Preferred Stock. Holders of stock ranking on a parity (either as to dividends or liquidation, dissolution or winding up) with Series B Preferred Stock, will share ratably in any distribution with holders of Series B Preferred Stock in proportion to the total amounts to which the holders of all those shares are entitled upon liquidation, dissolution or winding up of CSX.

In the event that CSX enters into any consolidation, merger, combination or other transaction in which common stock is exchanged for or changed into other securities, cash or property, the holders of Series B Preferred Stock will be entitled to receive 100 times the per share consideration received in connection with that transaction by holders of common stock (subject to certain adjustments).

Shares of Series B Preferred Stock which have been acquired by CSX in any manner whatsoever will not be reissued as Series B Preferred Stock, but will be retired and cancelled in the manner provided by Virginia law and will constitute authorized but unissued preferred stock undesignated as to series. Shares of Series B Preferred Stock are not redeemable.

Shareholder Rights Plan

The following summary of certain provisions of CSX s Shareholder Rights Plan and the Rights Agreement, dated as of May 29, 1998 as amended by Amendment No. 1 dated as of June 27, 2000 (the Rights Agreement), between CSX and Computershare Investor Services, Inc. (successor to Harris Trust Company of New York) does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, including the form of Rights certificate attached to the Rights

Table of Contents

Agreement, and the articles of amendment for Series B Preferred Stock, both of which are incorporated by reference as exhibits to the registration statement.

The Rights Agreement contains provisions that could make it more difficult for a third party to gain control of CSX and that could have the effect of delaying or preventing a merger, tender offer or other takeover attempt of CSX. In May 1998, the Board of Directors of CSX declared a dividend of one preferred share purchase right (each, a Right) for each share of common stock outstanding as of June 8, 1998. Each Right entitles its holder to purchase from CSX, until the earliest of June 8, 2008, or the redemption or exchange of the Rights, one one-hundredth (1/100th) of a share of Series B Preferred Stock at an exercise price of $180 per Right, subject to certain adjustments or, under certain circumstances, to obtain additional shares of common stock of CSX in exchange for each Right. The Rights will not be exercisable or transferable apart from common stock of CSX until the earlier of 10 days following the public announcement that a person or affiliated group has acquired or obtained the right to acquire 10% or more of the outstanding common stock of CSX; or 10 days following the commencement or announcement of an intention to make a tender offer or exchange offer, the consummation of which would result in the ownership by a person or group of 10% or more of the outstanding common stock of CSX. Our Board of Directors may redeem the Rights at a price of one cent per Right at any time prior to the acquisition by a person of 10% or more of the outstanding common stock of CSX.

Virginia Stock Corporation Act; Anti-takeover Effects

The Virginia Stock Corporation Act contains provisions governing Affiliated Transactions. These provisions, with several exceptions discussed below, generally require approval of certain material transactions between a Virginia corporation and any beneficial holder of more than 10% of any class of its outstanding voting shares (an Interested Shareholder) by a majority of disinterested directors and by the holders of at least two-thirds of the remaining voting shares. Affiliated Transactions subject to this approval requirement include mergers, share exchanges, material dispositions of corporate assets not in the ordinary course of business, any dissolution of the corporation proposed by or on behalf of an Interested Shareholder, or any reclassification, including reverse stock splits, recapitalization or merger of the corporation with its subsidiaries, which increases the percentage of voting shares owned beneficially by an Interested Shareholder by more than 5%.

For three years following the time that an Interested Shareholder becomes an owner of 10% of the outstanding voting shares, a Virginia corporation cannot engage in an Affiliated Transaction with that Interested Shareholder without the approval of two-thirds of the voting shares other than those shares beneficially owned by the Interested Shareholder, and the approval of a majority of the Disinterested Directors. Disinterested Director means, with respect to a particular Interested Shareholder, a member of our Board of Directors who was

- a member on the date on which an Interested Shareholder became an Interested Shareholder, or
- recommended for election by, or was elected to fill a vacancy and received the affirmative vote of, a majority of the Disinterested Directors then on the Board.

After the expiration of the three-year period, the statute requires approval of Affiliated Transactions by two-thirds of the voting shares other than those beneficially owned by the Interested Shareholder.

The principal exceptions to the special voting requirements apply to transactions proposed after the three-year period has expired and require either that the transaction be approved by a majority of CSX s Disinterested Directors or that the transaction satisfy the fair-price requirements of the statute. In general, the fair-price requirement provides that in a two-step acquisition transaction, the Interested

Table of Contents

Shareholder must pay the shareholders in the second step either the same amount of cash or the same amount and type of consideration paid to acquire CSX s shares in the first step.

None of the limitations and special voting requirements described above applies to an Interested Shareholder whose acquisition of shares making that person an Interested Shareholder was approved by a majority of CSX s Disinterested Directors.

These provisions are designed to deter certain types of takeovers of Virginia corporations. The statute provides that, by affirmative vote of a majority of the voting shares other than shares owned by any Interested Shareholder, a corporation can adopt an amendment to its articles of incorporation or bylaws providing that the Affiliated Transactions provisions will not apply to the corporation. CSX has not opted out of the Affiliated Transactions provisions.

Virginia law also generally provides that shares of a Virginia corporation acquired in a transaction that would cause the acquiring person s voting strength to meet or exceed any of three thresholds (20%, 33-1/3% or 50%) have no voting rights with respect to those shares unless granted by a majority vote of shares not owned by the acquiring person or any officer or employee-director of the corporation. This provision empowers an acquiring person to require the Virginia corporation to hold a special meeting of shareholders to consider the matter within 50 days of its request. The Board of Directors of a Virginia corporation can opt out of this provision at any time before four days after receipt of a control share acquisition notice.

DESCRIPTION OF DEPOSITARY SHARES

CSX may offer depositary shares (either separately or together with other securities) representing fractional interests in shares of our preferred stock of any series. In connection with the issuance of any depositary shares, CSX will enter into a deposit agreement with a bank or trust company, as depositary, which will be named in the applicable prospectus supplement. Depositary shares will be evidenced by depositary receipts issued pursuant to the related deposit agreement. Immediately following the issuance by CSX of the preferred stock related to the depositary shares, we will deposit the shares of preferred stock with the relevant preferred stock depositary and will cause the preferred stock depositary to issue, on our behalf, the related depositary receipts. Subject to the terms of the deposit agreement, each owner of a depositary receipt will be entitled, in proportion to the fraction of a share of preferred stock represented by the related depositary share, to all the rights, preferences and privileges of, and will be subject to all of the limitations and restrictions on, the preferred stock represented by the depositary receipt (including, if applicable, dividend, voting, conversion, exchange, redemption and liquidation rights).

The form of deposit agreement, together with the form of related depositary receipt, that will be entered into with respect to a particular offering of depositary shares will be filed as an exhibit to or incorporated by reference in the registration statement.

The applicable prospectus supplement will describe the terms of the depositary shares and the related deposit agreement for a particular issue of depositary shares, which terms may include the following if applicable to those depositary shares:

- the terms of the series of preferred stock deposited by CSX under the related deposit agreement;

the number of depositary shares and the fraction of one share of preferred stock represented by one depositary share;

whether the depositary shares will be listed on any securities exchange;

Table of Contents

whether the depositary shares will be sold with any other securities and, if so, the amount and terms of those securities; and

any other specific terms of the depositary shares and the related deposit agreement.

DESCRIPTION OF SECURITIES WARRANTS

CSX may issue, either separately or together with other securities, securities warrants for the purchase of debt securities, preferred stock or common stock. Each securities warrant will entitle the holder to purchase the principal amount of debt securities or number of shares of preferred stock or common stock, as the case may be, at the exercise price and in the manner specified in the prospectus supplement relating to those securities warrants. Securities warrants may be exercised at any time up to the date and time specified in the applicable prospectus supplement.

Securities warrants will be issued under one or more warrant agreements to be entered into between CSX and a bank or trust company, as warrant agent. The material terms and provisions of the warrant agreement for a particular issue of securities warrants will be set forth in the applicable prospectus supplement. The form of securities warrant agreement, including the form of certificates representing the securities warrants, that will be entered into with respect to a particular offering of securities warrants will be filed as an exhibit to or incorporated by reference in the registration statement.

The applicable prospectus supplement will describe the terms of the securities warrants for a particular issue of securities warrants, which terms may include the following if applicable to those securities warrants:

the title and aggregate number of the securities warrants;

the designation, aggregate principal amount, currency, currencies or currency units and terms of the debt securities purchasable upon exercise of the securities warrants; the price, or the manner of determining the price, at which the debt securities may be purchased upon exercise of the securities warrants;

the designation, number of shares and terms of the series of preferred stock purchasable upon exercise of the securities warrants; the price, or the manner of determining the price, at which the preferred stock may be purchased upon exercise of the securities warrants;

the number of shares of common stock that may be purchased upon exercise of each securities warrant; the price, or the manner of determining the price, at which the shares may be purchased upon the exercise of the securities warrants;

if other than cash, the property and manner in which the exercise price of the securities warrants may be paid; and any minimum number of securities warrants that may be exercisable at any one time;

the time or times at which, or period or periods during which, the securities warrants may be exercised and the expiration date of the securities warrants;

the terms of any right of CSX to redeem the securities warrants;

the terms of any right of CSX to accelerate the exercise of the securities warrants upon the occurrence of certain events;

whether the securities warrants will be sold with any other securities, and the date, if any, on and after which the securities warrants and the other securities will be separately transferable;

Table of Contents

whether the securities warrants will be issued in registered or bearer form;

a discussion of certain material Federal income tax, accounting and other special considerations, procedures and limitations relating to the securities warrants; and

any other terms of the securities warrants.

PLAN OF DISTRIBUTION

CSX may sell securities to one or more underwriters for public offering and sale by them or may sell securities to institutional investors directly or through agents who solicit or receive offers on our behalf or through dealers or through a combination of any of these methods of sale. The prospectus supplement with respect to particular securities will set forth the terms of the offering of those securities, including the following:

the name or names of any underwriters, dealers or agents;

the public offering or purchase price and the proceeds to CSX from that sale;

the expenses of the offering;

any discounts and commissions to be allowed or paid to the underwriters, dealers or agents;

all other items constituting underwriting compensation and the discounts and commissions to be allowed or paid to dealers, if any; and

the securities exchanges, if any, on which the securities will be listed.

Underwriters may offer and sell the securities at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. We also may offer and sell securities in exchange for one or more of our outstanding issues of debt. We may, from time to time, authorize agents acting on a best or reasonable efforts basis as our agents to solicit or receive offers to purchase the securities upon the terms and conditions as are set forth in the applicable prospectus supplement. In connection with the sale of securities, underwriters or agents may be deemed to have received compensation from CSX in the form of underwriting discounts or commissions and may also receive commissions from purchasers of securities for whom they may act as agent. Underwriters may sell securities to or through dealers, and dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent.

Underwriters, dealers and agents who participate in the distribution of securities and their controlling persons may be entitled, under agreements that may be entered into with CSX, to indemnification by us against certain liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments that the underwriters, dealers or agents and their controlling

persons may be required to make in respect of those liabilities.

If so indicated in the applicable prospectus supplement, we may authorize underwriters or other persons acting as our agents to solicit offers by certain institutions to purchase securities from us pursuant to contracts providing for payment and delivery on a future date. Institutions with which those contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases those institutions must be approved by us. The obligations of any institutional purchaser under those contracts will not be subject to any conditions except

- the purchase by that institution of the securities covered by the contract will not at the time of delivery be prohibited under the laws of the jurisdiction to which that institution is subject, and

Table of Contents

if the securities are being sold to underwriters, we will have sold to the underwriters the total principal amount of the securities less the principal amount covered by delayed delivery contracts.

Each series of offered securities other than common stock will be a new issue of securities with no established trading market. Any underwriters to whom offered securities are sold by CSX for public offering and sale may make a market in such offered securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any offered securities.

Any underwriter may engage in stabilizing and syndicate covering transactions in accordance with Rule 104 under the Exchange Act. Rule 104 permits stabilizing bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. The underwriters may over-allot offered securities, thereby creating a short position in the underwriters account. Syndicate covering transactions involve purchases of offered securities in the open market after the distribution has been completed to cover syndicate short positions. Stabilizing and syndicate covering transactions may cause the price of the offered securities to be higher than it would otherwise be in the absence of such transactions. These transactions, if commenced, may be discontinued at any time.

Certain of the underwriters, dealers or agents and their affiliates may engage in transactions with and perform services for CSX in the ordinary course of business.

LEGAL OPINIONS

McGuireWoods LLP, Richmond, Virginia will issue an opinion concerning the validity of the offered securities for CSX. Robert L. Burrus, Jr., a partner of McGuireWoods LLP, is a director of CSX. Certain matters relating to the formation of the Trust and the issuance of the trust preferred securities under Delaware law and the trust agreements will be passed upon by Richards, Layton & Finger, P.A., special Delaware counsel to the Trust and CSX. Any underwriter, dealer or agent will be advised about other issues relating to any offering by its own legal counsel.

EXPERTS

Ernst & Young LLP, independent auditors, have audited CSX s consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 27, 2002, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement. Our consolidated financial statements are incorporated by reference in reliance on Ernst & Young LLP s report, given on their authority as experts in accounting and auditing.

The consolidated financial statements of Conrail Inc. as of December 31, 2002 and 2001 and for each of the three years in the period ended December 31, 2002, included as an exhibit in CSX s Annual Report on Form 10-K for the fiscal year ended December 27, 2002, have been audited by Ernst & Young LLP and KPMG LLP, independent auditors, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement, and are incorporated by reference in this prospectus in reliance upon such report given on the authority of said firms as experts in accounting and auditing.

44

Table of Contents