UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 27, 2015

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number 1-8022

CSX CORPORATION

(Exact name of registrant as specified in its charter)

Virginia		**62-1051971**
(State or other jurisdiction of incorporation or organization)		*(I.R.S. Employer Identification No.)*
500 Water Street, 15th Floor, Jacksonville, FL	**32202**	**(904) 359-3200**
(Address of principal executive offices)	*(Zip Code)*	*(Telephone number, including area code)*

No Change

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes (X) No ( )

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes (X) No ( )

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

Large Accelerated Filer (X)	Accelerated Filer ( )
Non-accelerated Filer ( )	Smaller Reporting Company ( )

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ( ) No (X)

There were 987,981,408 shares of common stock outstanding on March 27, 2015 (the latest practicable date that is closest to the filing date).

CSX CORPORATION
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 27, 2015
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CSX CORPORATION

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENTS *(Unaudited)*
(Dollars in millions, except per share amounts)

	First Quarters	
	2015	2014
Revenue	**$ 3,027**	$ 3,012
Expense		
Labor and Fringe	**879**	814
Materials, Supplies and Other	**627**	629
Fuel	**270**	446
Depreciation	**295**	283
Equipment and Other Rents	**113**	101
Total Expense	**2,184**	2,273
Operating Income	**843**	739
Interest Expense	**(134)**	(140)
Other Income - Net	**2**	7
Earnings Before Income Taxes	**711**	606
Income Tax Expense	**(269)**	(208)
Net Earnings	**$ 442**	$ 398
Per Common Share (Note 2)		
Net Earnings Per Share, Basic	**$ 0.45**	$ 0.40
Net Earnings Per Share, Assuming Dilution	**$ 0.45**	$ 0.40
Average Shares Outstanding *(In millions)*	**991**	1,008
Average Shares Outstanding, Assuming Dilution *(In millions)*	**992**	1,008
Cash Dividends Paid Per Common Share	**$ 0.16**	$ 0.15

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS *(Unaudited)*
(Dollars in millions, except per share amounts)

	First Quarters	
	2015	2014
Total Comprehensive Earnings (Note 10)	**$ 440**	$ 414

See accompanying notes to consolidated financial statements.

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CSX CORPORATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

	(Unaudited) **March 27, 2015**	December 26, 2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents	**$ 561**	$ 669
Short-term Investments	**257**	292
Accounts Receivable - Net (Note 1)	**1,103**	1,129
Materials and Supplies	**291**	273
Deferred Income Taxes	**146**	141
Other Current Assets	**99**	68
Total Current Assets	**2,457**	2,572
Properties	**39,824**	39,343
Accumulated Depreciation	**(10,952)**	(10,759)
Properties - Net	**28,872**	28,584
Investment in Conrail	**778**	779
Affiliates and Other Companies	**575**	577
Other Long-term Assets	**479**	541
Total Assets	**$ 33,161**	$ 33,053
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	**$ 858**	$ 845
Labor and Fringe Benefits Payable	**410**	613
Casualty, Environmental and Other Reserves (Note 4)	**141**	142
Current Maturities of Long-term Debt (Note 7)	**228**	228
Income and Other Taxes Payable	**288**	163
Other Current Liabilities	**113**	116
Total Current Liabilities	**2,038**	2,107
Casualty, Environmental and Other Reserves (Note 4)	**286**	276
Long-term Debt (Note 7)	**9,513**	9,514
Deferred Income Taxes	**8,886**	8,858
Other Long-term Liabilities	**1,100**	1,122
Total Liabilities	**21,823**	21,877
Shareholders' Equity:		
Common Stock $1 Par Value	**988**	992
Other Capital	**100**	92
Retained Earnings	**10,895**	10,734
Accumulated Other Comprehensive Loss (Note 10)	**(668)**	(666)
Noncontrolling Interest	**23**	24
Total Shareholders' Equity	**11,338**	11,176
Total Liabilities and Shareholders' Equity	**$ 33,161**	$ 33,053

See accompanying notes to consolidated financial statements.

CSX CORPORATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENTS *(Unaudited)*
(Dollars in millions)

	Three Months	
	2015	2014
OPERATING ACTIVITIES		
Net Earnings	**$ 442**	$ 398
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities:		
Depreciation	**295**	283
Deferred Income Taxes	**6**	(1)
Gain on Property Dispositions	**—**	(1)
Other Operating Activities	**26**	(9)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	**19**	(46)
Other Current Assets	**(51)**	(41)
Accounts Payable	**24**	30
Income and Other Taxes Payable	**130**	159
Other Current Liabilities	**(201)**	(173)
Net Cash Provided by Operating Activities	**690**	599
INVESTING ACTIVITIES		
Property Additions	**(598)**	(475)
Purchase of Short-term Investments	**(105)**	(165)
Proceeds from Sales of Short-term Investments	**140**	409
Other Investing Activities	**63**	4
Net Cash Used in Investing Activities	**(500)**	(227)
FINANCING ACTIVITIES		
Long-term Debt Repaid (Note 7)	**—**	(209)
Dividends Paid	**(158)**	(151)
Shares Repurchased	**(127)**	(127)
Other Financing Activities	**(13)**	(2)
Net Cash Used in Financing Activities	**(298)**	(489)
Net Decrease in Cash and Cash Equivalents	**(108)**	(117)
CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents at Beginning of Period	**669**	592
Cash and Cash Equivalents at End of Period	**$ 561**	$ 475

See accompanying notes to consolidated financial statements.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. Nature of Operations and Significant Accounting Policies

Background

CSX Corporation ("CSX"), and together with its subsidiaries (the "Company"), based in Jacksonville, Florida, is one of the nation's leading transportation companies. The Company provides rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers.

CSX's principal operating subsidiary, CSX Transportation, Inc. ("CSXT"), provides an important link to the transportation supply chain through its approximately 21,000 route mile rail network, which serves major population centers in 23 states east of the Mississippi River, the District of Columbia and the Canadian provinces of Ontario and Quebec. The Company's intermodal business, also part of CSXT, links customers to railroads via trucks and terminals.

Other entities

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

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

Basis of Presentation

In the opinion of management, the accompanying consolidated financial statements contain all normal, recurring adjustments necessary to fairly present the following:

- Consolidated income statements for the three months ended March 27, 2015 and March 28, 2014;
- Consolidated comprehensive income statements for the three months ended March 27, 2015 and March 28, 2014;
- Consolidated balance sheets at March 27, 2015 and December 26, 2014; and
- Consolidated cash flow statements for the three months ended March 27, 2015 and March 28, 2014.

Pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"), certain information and disclosures normally included in the notes to the annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been omitted from these interim financial statements. CSX suggests that these financial statements be read in conjunction with the audited financial statements and the notes included in CSX's most recent annual report on Form 10-K and any subsequently filed current reports on Form 8-K.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. Nature of Operations and Significant Accounting Policies, *continued*

Fiscal Year

CSX follows a 52/53 week fiscal reporting calendar with the last day of each reporting period ending on a Friday:

- The first fiscal quarters of 2015 and 2014 consisted of 13 weeks ending on March 27, 2015 and March 28, 2014, respectively.
- Fiscal year 2015 and 2014 will each consist of 52 weeks ending on December 25, 2015 and December 26, 2014, respectively.

Except as otherwise specified, references to “first quarter(s)” or “three months” indicate CSX's fiscal periods ending March 27, 2015 and March 28, 2014, and references to "year-end" indicate the fiscal year ended December 26, 2014.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts on uncollectible amounts related to freight receivables, government reimbursement receivables, claims for damages and other various receivables. The allowance is based upon the credit worthiness of customers, historical experience, the age of the receivable and current market and economic conditions. Uncollectible amounts are charged against the allowance account. Allowance for doubtful accounts of $39 million and $41 million is included in the consolidated balance sheets as of the end of first quarter 2015 and December 2014, respectively.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update, Revenue from Contracts with Customers, which supersedes previous revenue recognition guidance. The new standard requires that a company recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Companies will need to use more judgment and estimates than under the guidance currently in effect, including estimating the amount of variable revenue to recognize over each identified performance obligation. Additional disclosures will be required to help users of financial statements understand the nature, amount and timing of revenue and cash flows arising from contracts. In April 2015, the FASB voted for a one-year deferral of the effective date of the new revenue recognition standard. If approved, the new standard will become effective for CSX beginning with the first quarter 2018 and can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The Company is currently evaluating the impact of adopting this new guidance on the consolidated financial statements.

Other Items

Dividend Increase and share repurchases

On April 14, 2015, the Company announced a 13 percent increase in the quarterly dividend to $0.18 per common share, payable on June 15, 2015 to shareholders of record at the close of business on May 29, 2015. Also, on April 14, 2015, the Company announced a new $2 billion share repurchase program, which is expected to be completed over the next 24 months.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. Nature of Operations and Significant Accounting Policies, *continued*

During first quarters 2015 and 2014, CSX repurchased $127 million, or four million shares, and $127 million, or five million shares, respectively, of common stock under the $1 billion share repurchase program announced in April 2013. As of the date of this filing, the Company had completed all share repurchases under this program. Management's assessment of market conditions and other factors guides the timing and volume of repurchases. Future share repurchases are expected to be funded by cash on hand, cash generated from operations and debt issuances. In accordance with the *Equity Topic* in the FASB's Accounting Standards Codification ("ASC"), the excess of repurchase price over par value is recorded in retained earnings. Generally, retained earnings is only impacted by net earnings and dividends.

NOTE 2. Earnings Per Share

The following table sets forth the computation of basic earnings per share and earnings per share, assuming dilution:

	First Quarters	
	2015	2014
Numerator *(Dollars in millions)*:		
Net Earnings	**$ 442**	$ 398
Denominator *(Units in millions)*:		
Average Common Shares Outstanding	**991**	1,008
Other Potentially Dilutive Common Shares	**1**	—
Average Common Shares Outstanding, Assuming Dilution	**992**	1,008
Net Earnings Per Share, Basic	**$ 0.45**	$ 0.40
Net Earnings Per Share, Assuming Dilution	**$ 0.45**	$ 0.40

Basic earnings per share is based on the weighted-average number of shares of common stock outstanding. Earnings per share, assuming dilution, is based on the weighted-average number of shares of common stock equivalents outstanding adjusted for the effects of common stock that may be issued as a result of potentially dilutive instruments. CSX's potentially dilutive instruments are made up of equity awards, which include long-term incentive awards.

The *Earnings Per Share Topic* in the ASC requires CSX to include additional shares in the computation of earnings per share, assuming dilution. The additional shares included in diluted earnings per share represent the number of shares that would be issued if all of the above potentially dilutive instruments were converted into CSX common stock.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 3. Share-Based Compensation

Under CSX's share-based compensation plans, awards primarily consist of performance grants, restricted stock awards, restricted stock units and stock grants for directors. Awards granted under the various programs are determined and approved by the Compensation Committee of the Board of Directors or, in certain circumstances, by the Chief Executive Officer for awards to management employees other than senior executives. The Board of Directors approves awards granted to the Company's non-management directors upon recommendation of the Governance Committee.

On February 11, 2015, approximately 1 million performance units were granted to certain employees under a new long-term incentive plan ("2017 LTIP") adopted under the CSX Stock and Incentive Award Plan. Payouts of performance units for the cycle ending with fiscal year 2017 will be based on the achievement of goals related to both operating ratio and return on assets in each case excluding non-recurring items as disclosed in the Company's financial statements. The cumulative operating ratio and average return on assets over the plan period will each comprise 50% of the payout and will be measured independently of the other.

Grants were made in performance units, with each unit representing the right to receive one share of CSX common stock, and payouts will be made in CSX common stock. The payout range for participants will be between 0% and 200% of the target awards depending on Company performance against predetermined goals. Payouts for certain executive officers are subject to downward adjustment by up to 30% based upon total shareholder return relative to specified comparable groups.

Additionally, as part of the new 2017 LTIP, the Company granted approximately 312 thousand restricted stock units to certain employees on February 11, 2015. The restricted stock units vest three years after the date of grant. Participants receive cash dividend equivalents on the unvested shares during the restriction period. These awards are time-based and are not based upon attainment of performance goals.

Both performance units and restricted stock units require participants to be employed through the final day of the respective vesting period except in the case of death, disability or retirement. For information related to the Company's other outstanding long-term incentive compensation, see CSX's most recent annual report on Form 10-K.

Total pre-tax expense associated with all share-based compensation and the related income tax benefit are as follows:

	First Quarters	
(Dollars in millions)	**2015**	2014
Share-Based Compensation Expense	**$ 8**	$ 5
Income Tax Benefit	**3**	2

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4. Casualty, Environmental and Other Reserves

Casualty, environmental and other reserves are considered critical accounting estimates due to the need for significant management judgment. They are provided for in the consolidated balance sheets as follows:

	March 27, 2015			December 26, 2014		
(Dollars in millions)	**Current**	**Long-term**	**Total**	Current	Long-term	Total
Casualty:						
Personal Injury	**$ 68**	**$ 132**	**$ 200**	$ 68	$ 123	$ 191
Occupational	**3**	**14**	**17**	3	15	18
Asbestos	**5**	**51**	**56**	5	51	56
Total Casualty	**76**	**197**	**273**	76	189	265
Environmental	**48**	**46**	**94**	48	46	94
Other	**17**	**43**	**60**	18	41	59
Total	**$ 141**	**$ 286**	**$ 427**	$ 142	$ 276	$ 418

These liabilities are accrued when estimable and probable in accordance with the *Contingencies Topic* in the ASC. Actual settlements and claims received could differ and final outcome of these matters cannot be predicted with certainty. Considering the legal defenses currently available, the liabilities that have been recorded and other factors, it is the opinion of management that none of these items individually, when finally resolved, will have a material effect on the Company's financial condition, results of operations or liquidity. Should a number of these items occur in the same period, however, they could have a material effect on the Company's financial condition, results of operations or liquidity in that particular period.

Casualty

Casualty reserves of $273 million as of the end of first quarter 2015 represent accruals for personal injury, occupational injury and asbestos claims. The Company's self-insured retention amount for these claims is $50 million per occurrence. Currently, no individual claim is expected to exceed the self-insured retention amount. In accordance with the *Contingencies Topic* in the ASC, to the extent the value of an individual claim exceeds the self-insured retention amount, the Company would present the liability on a gross basis with a corresponding receivable for insurance recoveries. These reserves fluctuate based upon the timing of payments as well as changes in independent third-party estimates, which are reviewed by management. Actual results may vary from estimates due to the number, type and severity of the injury, costs of medical treatments and uncertainties in litigation. Most of the Company's casualty claims relate to CSXT unless otherwise noted below. Defense and processing costs, which historically have been insignificant and are anticipated to be insignificant in the future, are not included in the recorded liabilities.

Personal Injury

Personal injury reserves represent liabilities for employee work-related and third-party injuries. Work-related injuries for CSXT employees are primarily subject to the Federal Employers' Liability Act ("FELA"). In addition to FELA liabilities, employees of other CSX subsidiaries are covered by various state workers' compensation laws, the Federal Longshore and Harbor Workers' Compensation Program or the Maritime Jones Act.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4. Casualty, Environmental and Other Reserves, *continued*

CSXT retains an independent actuary to assist management in assessing the value of personal injury claims. An analysis is performed by the actuary quarterly and is reviewed by management. The methodology used by the actuary includes a development factor to reflect growth or reduction in the value of these personal injury claims. It is based largely on CSXT's historical claims and settlement experience.

Occupational & Asbestos

Occupational claims arise from allegations of exposures to certain materials in the workplace, such as solvents, soaps, chemicals (collectively referred to as “irritants”) and diesel fuels (like exhaust fumes) or allegations of chronic physical injuries resulting from work conditions, such as repetitive stress injuries, carpal tunnel syndrome and hearing loss. The Company is also party to a number of asbestos claims by employees alleging exposure to asbestos in the workplace.

Occupational and asbestos claims are analyzed by an independent actuary or specialist, respectively, in order to determine the number of unasserted, or incurred but not reported (“IBNR”), claims. Occupational claims analyses are performed by the actuary quarterly and are reviewed by management. Since exposure to asbestos has been substantially eliminated, management reviews asserted asbestos claims quarterly and the review by the specialist is completed annually.

The actuary and specialist analyze CSXT’s historical claim filings, settlement amounts, and dismissal rates to determine future anticipated claim filing rates and average settlement values for occupational and asbestos claims reserves. The potentially exposed population is estimated by using CSXT’s employment records and industry data. From this analysis, the actuary and specialist provide estimates of the IBNR claims liabilities.

Environmental

Environmental reserves were $94 million as of the end of first quarter 2015. The Company is a party to various proceedings related to environmental issues, including administrative and judicial proceedings involving private parties and regulatory agencies. The Company has been identified as a potentially responsible party at approximately 250 environmentally impaired sites. Many of these are, or may be, subject to remedial action under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), also known as the Superfund Law, or similar state statutes. Most of these proceedings arose from environmental conditions on properties used for ongoing or discontinued railroad operations. A number of these proceedings, however, are based on allegations that the Company, or its predecessors, sent hazardous substances to facilities owned or operated by others for treatment, recycling or disposal. In addition, some of the Company's land holdings were leased to others for commercial or industrial uses that may have resulted in releases of hazardous substances or other regulated materials onto the property and could give rise to proceedings against the Company.

In any such proceedings, the Company is subject to environmental clean-up and enforcement actions under the Superfund Law, as well as similar state laws that may impose joint and several liability for clean-up and enforcement costs on current and former owners and operators of a site without regard to fault or the legality of the original conduct. These costs could be substantial.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4. Casualty, Environmental and Other Reserves, *continued*

In accordance with the *Asset Retirement and Environmental Obligations Topic* in the ASC, the Company reviews its role with respect to each site identified at least quarterly, giving consideration to a number of factors such as:

- type of clean-up required;
- nature of the Company's alleged connection to the location (e.g., generator of waste sent to the site or owner or operator of the site);
- extent of the Company's alleged connection (e.g., volume of waste sent to the location and other relevant factors); and
- number, connection and financial viability of other named and unnamed potentially responsible parties at the location.

Based on the review process, the Company has recorded amounts to cover contingent anticipated future environmental remediation costs with respect to each site to the extent such costs are estimable and probable. The recorded liabilities for estimated future environmental costs are undiscounted. The liability includes future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs, but excludes any anticipated insurance recoveries. Payments related to these liabilities are expected to be made over the next several years. Environmental remediation costs are included in materials, supplies and other on the consolidated income statement.

Currently, the Company does not possess sufficient information to reasonably estimate the amounts of additional liabilities, if any, on some sites until completion of future environmental studies. In addition, conditions that are currently unknown could, at any given location, result in additional exposure, the amount and materiality of which cannot presently be reasonably estimated. Based upon information currently available, however, the Company believes its environmental reserves accurately reflect the cost of remedial actions currently required.

Other

Other reserves of $60 million as of the end of first quarter 2015 include liabilities for various claims, such as property, automobile and general liability. Also included in other reserves are longshoremen disability claims related to a previously owned international shipping business (these claims are in runoff) as well as claims for current port employees.

NOTE 5. Commitments and Contingencies

Insurance

The Company maintains numerous insurance programs with substantial limits for property damage (which includes business interruption) and third-party liability. A certain amount of risk is retained by the Company on each of the property and liability programs. The Company has a $25 million retention per occurrence for the non-catastrophic property program (such as a derailment) and a $50 million retention per occurrence for the liability and catastrophic property programs (such as hurricanes and floods). While the Company believes its insurance coverage is adequate, future claims could exceed existing insurance coverage or insurance may not continue to be available at commercially reasonable rates.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 5. Commitments and Contingencies, *continued*

Legal

The Company is involved in litigation incidental to its business and is a party to a number of legal actions and claims, various governmental proceedings and private civil lawsuits, including, but not limited to, those related to fuel surcharge practices, environmental and hazardous material exposure matters, FELA claims by employees, other personal injury or property claims and disputes and complaints involving certain transportation rates and charges. Some of the legal proceedings include claims for compensatory as well as punitive damages and others are, or are purported to be, class actions. While the final outcome of these matters cannot be reasonably determined, considering, among other things, the legal defenses available and liabilities that have been recorded along with applicable insurance, it is currently the opinion of CSX management that none of these pending items is likely to have a material adverse effect on the Company's financial condition, results of operations or liquidity. An unexpected adverse resolution of one or more of these items, however, could have a material adverse effect on the Company's financial condition, results of operations or liquidity in that particular period.

The Company is able to estimate a range of possible loss for certain legal proceedings for which a loss is reasonably possible in excess of reserves established. The Company has estimated this range to be $3 million to $46 million in aggregate at March 27, 2015. This estimated aggregate range is based upon currently available information and is subject to significant judgment and a variety of assumptions. Accordingly, the Company's estimate will change from time to time, and actual losses may vary significantly from the current estimate.

Fuel Surcharge Antitrust Litigation

In May 2007, class action lawsuits were filed against CSXT and three other U.S.-based Class I railroads alleging that the defendants' fuel surcharge practices relating to contract and unregulated traffic resulted from an illegal conspiracy in violation of antitrust laws. In November 2007, the class action lawsuits were consolidated in federal court in the District of Columbia, where they are now pending. The suit seeks treble damages allegedly sustained by purported class members as well as attorneys' fees and other relief. Plaintiffs are expected to allege damages at least equal to the fuel surcharges at issue.

In June 2012, the District Court certified the case as a class action. The decision was not a ruling on the merits of plaintiffs' claims, but rather a decision to allow the plaintiffs to seek to prove the case as a class. The defendant railroads petitioned the U.S. Court of Appeals for the D.C. Circuit for permission to appeal the District Court's class certification decision. In August 2013, the D.C. Circuit issued a decision vacating the class certification decision and remanded the case to the District Court to reconsider its class certification decision. In October 2013, the District Court held a case management conference to determine the scope and schedule of the remand proceedings, which are underway. The District Court has delayed proceedings on the merits of the case pending the outcome of the class certification remand proceedings.

CSXT believes that its fuel surcharge practices were arrived at and applied lawfully and that the case is without merit. Accordingly, the Company intends to defend itself vigorously. However, penalties for violating antitrust laws can be severe, and an unexpected adverse decision on the merits could have a material adverse effect on the Company's financial condition, results of operations or liquidity in that particular period or for the full year.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 5. Commitments and Contingencies, *continued*

Environmental

CSXT has indemnified Pharmacia LLC (formerly known as Monsanto Company) for certain liabilities associated with real estate located in Kearny, New Jersey along the Lower Passaic River (the “Property”). The Property, which was formerly owned by Pharmacia, is now owned by CSXT. The indemnification and defense duties arise with respect to several matters. CSXT, on behalf of Pharmacia, is conducting a Remedial Investigation and Feasibility Study of the 17-mile Lower Passaic River Study Area with approximately 60 other parties pursuant to an Administrative Settlement Agreement and Order on Consent with the U.S. Environmental Protection Agency ("EPA"). The EPA, using its CERCLA authority, seeks cleanup and removal costs and other damages associated with the presence of hazardous substances in the Lower Passaic River. In April 2014, the EPA announced its proposed plan to remediate the lower eight miles of the Lower Passaic River. The proposed plan, based on a Focused Feasibility Study, informs the public of EPA’s preferred remedial alternative. EPA’s proposed plan solicited public comments, which were due in August 2014. After review of comments, EPA is expected to issue its final cleanup plan in 2015. CSXT is also defending and indemnifying Pharmacia in a cooperative natural resource damages assessment process related to the Property. Based on currently available information, the Company does not believe any remediation costs potentially allocable to CSXT would be material to the Company's financial condition, results of operations or liquidity.

NOTE 6. Employee Benefit Plans

The Company sponsors defined benefit pension plans principally for salaried, management personnel. For employees hired prior to January 1, 2003, the plans provide eligible employees with retirement benefits based predominantly on years of service and compensation rates near retirement. For employees hired in 2003 or thereafter, benefits are determined based on a cash balance formula, which provides benefits by utilizing interest and pay credits based upon age, service and compensation.

In addition to these plans, the Company sponsors a post-retirement medical plan and a life insurance plan that provide benefits to full-time, salaried, management employees, hired prior to January 1, 2003, upon their retirement if certain eligibility requirements are met. Medicare-eligible retirees are covered by a health reimbursement arrangement, which is an employer-funded account that can be used for reimbursement of eligible medical expenses. Non-Medicare eligible retirees are covered by a self-insured program partially funded by participating retirees. The life insurance plan is non-contributory.

The Company engages independent actuaries to compute the amounts of liabilities and expenses relating to these plans subject to the assumptions that the Company selects. These amounts are reviewed by management. The following table describes the components of expense / (income) related to net benefit expense recorded in labor and fringe on the income statement.

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NOTE 6. Employee Benefit Plans, *continued*

(Dollars in millions)	Pension Benefits First Quarters	
	2015	2014
Service Cost	**$ 11**	$ 11
Interest Cost	**29**	31
Expected Return on Plan Assets	**(40)**	(41)
Amortization of Net Loss	**17**	14
Net Periodic Benefit Cost	**17**	15
Special Termination Benefits - Workforce Reduction Program[(a)]	**7**	—
Total Expense	**$ 24**	$ 15

(Dollars in millions)	Other Post-retirement Benefits First Quarters	
	2015	2014
Service Cost	**$ 1**	$ 1
Interest Cost	**4**	3
Amortization of Net Loss	**1**	1
Total Expense	**$ 6**	$ 5

(a) These charges result from a management workforce reduction program that was initiated in 2014 and was completed during the first quarter 2015.

Qualified pension plan obligations are funded in accordance with regulatory requirements and with an objective of meeting minimum funding requirements necessary to avoid restrictions on flexibility of plan operation and benefit payments. No significant contributions to the Company's qualified pension plans are expected in 2015.

NOTE 7. Debt and Credit Agreements

Total activity related to long-term debt as of the end of first quarter 2015 is shown in the table below. For fair value information related to the Company's long-term debt, see Note 9, Fair Value Measurements.

(Dollars in millions)	**Current Portion**	**Long-term Portion**	**Total**
Long-term debt as of December 2014	$ 228	$ 9,514	$ 9,742
2015 activity:			
Discount, premium and other activity	—	(1)	(1)
Long-term debt as of first quarter 2015	$ 228	$ 9,513	$ 9,741

Credit Facility

CSX has a $1 billion unsecured, revolving credit facility backed by a diverse syndicate of banks. This facility expires in September 2016. As of the date of this filing, the Company has no outstanding balances under this facility. The facility allows borrowings at floating (LIBOR-based) interest rates, plus a spread, depending upon CSX's senior unsecured debt ratings. LIBOR is the London Interbank Offered Rate which is a daily reference rate based on the interest rates at which banks offer to lend unsecured funds. As of first quarter 2015, CSX was in compliance with all covenant requirements under this facility.

NOTE 7. Debt and Credit Agreements, *continued*

Receivables Securitization Facility

The Company has a receivables securitization facility with a three-year term expiring in June 2017. The purpose of this facility is to provide an alternative to commercial paper and a low cost source of short-term liquidity of up to $250 million, depending on eligible receivables balances. As of the date of this filing, the Company has no outstanding balances under this facility.

NOTE 8. Income Taxes

During the first quarter of 2014, the state of Indiana enacted legislation reducing the future corporate income tax rate. A net $21 million income tax benefit was recognized primarily as a result of this legislation and the related revaluation of deferred tax liabilities. There have been no material changes to the balance of unrecognized tax benefits on the consolidated balance sheet during first quarters 2015 and 2014.

NOTE 9. Fair Value Measurements

The *Financial Instruments Topic* in the ASC requires disclosures about fair value of financial instruments in annual reports as well as in quarterly reports. For CSX, this statement applies to certain investments and long-term debt. Disclosure of the fair value of pension plan assets is only required annually. Also, this rule clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements.

Various inputs are considered when determining the value of the Company's investments, pension plan assets and long-term debt. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in these securities. These inputs are summarized in the three broad levels listed below.

- Level 1 - observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets
- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 - significant unobservable inputs (including the Company's own assumptions about the assumptions market participants would use in determining the fair value of investments)

The valuation methods described below may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments

The Company's investment assets, valued with assistance from a third-party trustee, consist of certificates of deposits, commercial paper, corporate bonds, government securities and auction rate securities and are carried at fair value on the consolidated balance sheet per the *Fair Value Measurements and Disclosures Topic* in the ASC. There are several valuation methodologies used for those assets as described below.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 9. Fair Value Measurements, *continued*

- *Certificates of Deposit and Commercial Paper (Level 2)*: Valued at amortized cost, which approximates fair value.
- *Corporate Bonds and Government Securities (Level 2)*: Valued using broker quotes that utilize observable market inputs.
- *Auction Rate Securities (Level 3)*: Valued using pricing models for which the assumptions utilize management's estimates of market participant assumptions, because there is currently no active market for trading.

The Company's investment assets are carried at fair value on the consolidated balance sheets as summarized in the table below. Additionally, the amortized cost basis of these investments was $357 million and $453 million as of March 27, 2015 and December 26, 2014, respectively.

	March 27, 2015			December 26, 2014		
(Dollars in Millions)	**Level 2**	**Level 3**	**Total**	Level 2	Level 3	Total
Certificates of Deposit and Commercial Paper	**$ 250**	**$ —**	**$ 250**	$ 250	$ —	$ 250
Corporate Bonds	**72**	**—**	**72**	141	—	141
Government Securities	**32**	**—**	**32**	51	—	51
Auction Rate Securities	**—**	**4**	**4**	—	11	11
Total investments at fair value	**$ 354**	**$ 4**	**$ 358**	$ 442	$ 11	$ 453

These investments have the following maturities:

(Dollars in millions)	**March 27, 2015**	December 26, 2014
Less than 1 year	**$ 257**	$ 292
1 - 2 years	**12**	45
2 - 5 years	**80**	100
Greater than 5 years	**9**	16
Total	**$ 358**	$ 453

Long-term Debt

Long-term debt is reported at carrying amount on the consolidated balance sheets and is the Company's only financial instrument with fair values significantly different from their carrying amounts. The majority of the Company's long-term debt is valued with assistance from an independent third party adviser that utilizes closing transactions, market quotes or market values of comparable debt. For those instruments not valued by the independent adviser, the fair value has been estimated by applying market rates of similar instruments to the scheduled contractual debt payments and maturities. These market rates are provided by the same independent adviser. All of the inputs used to determine the fair value of the Company's long-term debt are Level 2 inputs.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 9. Fair Value Measurements, *continued*

The fair value of outstanding debt fluctuates with changes in a number of factors. Such factors include, but are not limited to, interest rates, market conditions, values of similar financial instruments, size of the transaction, cash flow projections and comparable trades. Fair value will exceed carrying value when the current market interest rate is lower than the interest rate at which the debt was originally issued. The fair value of a company's debt is a measure of its current value under present market conditions. It does not impact the financial statements under current accounting rules.

The fair value and carrying value of the Company's long-term debt is as follows:

(Dollars in millions)	**March 27, 2015**	December 26, 2014
Long-term Debt (Including Current Maturities):		
Fair Value	**$ 11,379**	$ 11,042
Carrying Value	**9,741**	9,742

NOTE 10. Other Comprehensive Income

CSX reports comprehensive earnings or loss in accordance with the *Comprehensive Income Topic* in the ASC in the Consolidated Comprehensive Income Statement. Total comprehensive earnings are defined as all changes in shareholders' equity during a period, other than those resulting from investments by and distributions to shareholders (e.g. issuance of equity securities and dividends). Generally, for CSX, total comprehensive earnings equal net earnings plus or minus adjustments for pension and other post-retirement liabilities. Total comprehensive earnings represent the activity for a period net of tax and were $440 million and $414 million for first quarters 2015 and 2014, respectively.

While total comprehensive earnings is the activity in a period and is largely driven by net earnings in that period, accumulated other comprehensive income or loss (“AOCI”) represents the cumulative balance of other comprehensive income, net of tax, as of the balance sheet date. For CSX, AOCI is primarily the cumulative balance related to pension and other post-retirement benefit adjustments and CSX's share of AOCI of equity method investees.

Changes in the AOCI balance by component are shown in the table below. Amounts reclassified in pension and other post-employment benefits to net earnings relate to the amortization of actuarial losses and are included in labor and fringe on the consolidated income statements. See Note 6. Employee Benefit Plans for further information. Other primarily represents CSX's share of AOCI of equity method investees. Amounts reclassified in other to net earnings are included in materials, supplies and other on the consolidated income statements.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 10. Other Comprehensive Income, *continued*

(Dollars in millions)	Pension and Other Post-Employment Benefits	Other	Accumulated Other Comprehensive Income (Loss)
Balance December 26, 2014, Net of Tax	$ (611)	$ (55)	$ (666)
Other Comprehensive Income (Loss)			
Loss Before Reclassifications	—	(11)	(11)
Amounts Reclassified to Net Earnings	18	(1)	17
Tax Expense	(8)	—	(8)
Total Other Comprehensive Income (Loss)	10	(12)	(2)
Balance March 27, 2015, Net of Tax	$ (601)	$ (67)	$ (668)

NOTE 11. Summarized Consolidating Financial Data

In 2007, CSXT, a wholly-owned subsidiary of CSX Corporation, sold secured equipment notes maturing in 2023 in a registered public offering. CSX has fully and unconditionally guaranteed the notes. In connection with the notes, the Company is providing the following condensed consolidating financial information in accordance with SEC disclosure requirements. Each entity in the consolidating financial information follows the same accounting policies as described in the consolidated financial statements, except for the use of the equity method of accounting to reflect ownership interests in subsidiaries which are eliminated upon consolidation and the allocation of certain expenses of CSX incurred for the benefit of its subsidiaries. Condensed consolidating financial information for the obligor, CSXT, and parent guarantor, CSX, is shown in the tables below.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11. Summarized Consolidating Financial Data, *continued*

Consolidating Income Statements
(Dollars in millions)

First Quarter 2015	CSX Corporation	CSX Transportation	Eliminations and Other	Consolidated
Revenue	$ —	$ 3,007	$ 20	$ 3,027
Expense	(148)	2,344	(12)	2,184
Operating Income	148	663	32	843
Equity in Earnings of Subsidiaries	440	—	(440)	—
Interest (Expense) / Benefit	(133)	(7)	6	(134)
Other Income / (Expense) - Net	(1)	6	(3)	2
Earnings Before Income Taxes	454	662	(405)	711
Income Tax Benefit / (Expense)	(12)	(246)	(11)	(269)
Net Earnings	$ 442	$ 416	$ (416)	$ 442
Total Comprehensive Earnings	$ 440	$ 413	$ (413)	$ 440

First Quarter 2014	CSX Corporation	CSX Transportation	Eliminations and Other	Consolidated
Revenue	$ —	$ 2,992	$ 20	$ 3,012
Expense	(103)	2,393	(17)	2,273
Operating Income	103	599	37	739
Equity in Earnings of Subsidiaries	416	—	(416)	—
Interest (Expense) / Benefit	(130)	(14)	4	(140)
Other Income / (Expense) - Net	(2)	6	3	7
Earnings Before Income Taxes	387	591	(372)	606
Income Tax (Expense) / Benefit	11	(204)	(15)	(208)
Net Earnings	$ 398	$ 387	$ (387)	$ 398
Total Comprehensive Earnings	$ 414	$ 393	$ (393)	$ 414

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CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11. Summarized Consolidating Financial Data, *continued*

Consolidating Balance Sheet
(Dollars in millions)

As of March 2015	CSX Corporation	CSX Transportation	Eliminations and Other	Consolidated
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 363	$ 142	$ 56	$ 561
Short-term Investments	250	—	7	257
Accounts Receivable - Net	2	124	977	1,103
Receivable from Affiliates	1,324	2,318	(3,642)	—
Materials and Supplies	—	290	1	291
Deferred Income Taxes	—	146	—	146
Other Current Assets	4	87	8	99
Total Current Assets	1,943	3,107	(2,593)	2,457
Properties	1	37,347	2,476	39,824
Accumulated Depreciation	(1)	(9,674)	(1,277)	(10,952)
Properties - Net	—	27,673	1,199	28,872
Investments in Conrail	—	—	778	778
Affiliates and Other Companies	(39)	641	(27)	575
Investments in Consolidated Subsidiaries	21,788	—	(21,788)	—
Other Long-term Assets	169	387	(77)	479
Total Assets	$ 23,861	$ 31,808	$ (22,508)	$ 33,161
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable	$ 167	$ 662	$ 29	$ 858
Labor and Fringe Benefits Payable	34	346	30	410
Payable to Affiliates	3,035	539	(3,574)	—
Casualty, Environmental and Other Reserves	—	126	15	141
Current Maturities of Long-term Debt	200	29	(1)	228
Income and Other Taxes Payable	(183)	459	12	288
Other Current Liabilities	—	107	6	113
Total Current Liabilities	3,253	2,268	(3,483)	2,038
Casualty, Environmental and Other Reserves	—	224	62	286
Long-term Debt	8,706	807	—	9,513
Deferred Income Taxes	(167)	8,847	206	8,886
Other Long-term Liabilities	754	465	(119)	1,100
Total Liabilities	$ 12,546	$ 12,611	$ (3,334)	$ 21,823
Shareholders' Equity				
Common Stock, $1 Par Value	$ 988	$ 181	$ (181)	$ 988
Other Capital	100	5,078	(5,078)	100
Retained Earnings	10,895	13,945	(13,945)	10,895
Accumulated Other Comprehensive Loss	(668)	(34)	34	(668)
Noncontrolling Interest	—	27	(4)	23
Total Shareholders' Equity	$ 11,315	$ 19,197	$ (19,174)	$ 11,338
Total Liabilities and Shareholders' Equity	$ 23,861	$ 31,808	$ (22,508)	$ 33,161

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11. Summarized Consolidating Financial Data, *continued*

Consolidating Balance Sheet
(Dollars in millions)

As of December 2014	CSX Corporation	CSX Transportation	Eliminations and Other	Consolidated
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 510	$ 100	$ 59	$ 669
Short-term Investments	250	—	42	292
Accounts Receivable - Net	2	206	921	1,129
Receivable from Affiliates	1,211	2,418	(3,629)	—
Materials and Supplies	—	272	1	273
Deferred Income Taxes	3	139	(1)	141
Other Current Assets	—	61	7	68
Total Current Assets	1,976	3,196	(2,600)	2,572
Properties	1	36,888	2,454	39,343
Accumulated Depreciation	(1)	(9,516)	(1,242)	(10,759)
Properties - Net	—	27,372	1,212	28,584
Investments in Conrail	—	—	779	779
Affiliates and Other Companies	(39)	644	(28)	577
Investment in Consolidated Subsidiaries	21,570	—	(21,570)	—
Other Long-term Assets	178	387	(24)	541
Total Assets	$ 23,685	$ 31,599	$ (22,231)	$ 33,053
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable	$ 106	$ 707	$ 32	$ 845
Labor and Fringe Benefits Payable	38	511	64	613
Payable to Affiliates	3,053	514	(3,567)	—
Casualty, Environmental and Other Reserves	—	126	16	142
Current Maturities of Long-term Debt	200	29	(1)	228
Income and Other Taxes Payable	(150)	293	20	163
Other Current Liabilities	—	111	5	116
Total Current Liabilities	3,247	2,291	(3,431)	2,107
Casualty, Environmental and Other Reserves	—	213	63	276
Long-term Debt	8,705	809	—	9,514
Deferred Income Taxes	(172)	8,827	203	8,858
Other Long-term Liabilities	753	487	(118)	1,122
Total Liabilities	$ 12,533	$ 12,627	$ (3,283)	$ 21,877
Shareholders' Equity				
Common Stock, $1 Par Value	$ 992	$ 181	$ (181)	$ 992
Other Capital	92	5,077	(5,077)	92
Retained Earnings	10,734	13,717	(13,717)	10,734
Accumulated Other Comprehensive Loss	(666)	(31)	31	(666)
Noncontrolling Minority Interest	—	28	(4)	24
Total Shareholders' Equity	$ 11,152	$ 18,972	$ (18,948)	$ 11,176
Total Liabilities and Shareholders' Equity	$ 23,685	$ 31,599	$ (22,231)	$ 33,053

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NOTE 11. Summarized Consolidating Financial Data, *continued*

Consolidating Cash Flow Statements
(Dollars in millions)

Three months ended March 27, 2015	CSX Corporation	CSX Transportation	Eliminations and Other	Consolidated
Operating Activities				
Net Cash Provided by (Used in) Operating Activities	$ 134	$ 871	$ (315)	$ 690
Investing Activities				
Property Additions	—	(574)	(24)	(598)
Purchases of Short-term Investments	(105)	—	—	(105)
Proceeds from Sales of Short-term Investments	105	—	35	140
Other Investing Activities	—	(50)	113	63
Net Cash Provided by (Used in) Investing Activities	—	(624)	124	(500)
Financing Activities				
Dividends Paid	(158)	(188)	188	(158)
Shares Repurchased	(127)	—	—	(127)
Other Financing Activities	4	(17)	—	(13)
Net Cash Provided by (Used in) Financing Activities	(281)	(205)	188	(298)
Net Increase (Decrease) in Cash and Cash Equivalents	(147)	42	(3)	(108)
Cash and Cash Equivalents at Beginning of Period	510	100	59	669
Cash and Cash Equivalents at End of Period	$ 363	$ 142	$ 56	$ 561

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11. Summarized Consolidating Financial Data, *continued*

Consolidating Cash Flow Statements
(Dollars in millions)

Three months ended March 28, 2014	**CSX Corporation**	**CSX Transportation**	**Eliminations and Other**	**Consolidated**
Operating Activities				
Net Cash Provided by (Used in) Operating Activities	$ 113	$ 669	$ (183)	$ 599
Investing Activities				
Property Additions	—	(443)	(32)	(475)
Purchases of Short-term Investments	(165)	—	—	(165)
Proceeds from Sales of Short-term Investments	407	—	2	409
Other Investing Activities	—	(67)	71	4
Net Cash Provided by (Used in) Investing Activities	242	(510)	41	(227)
Financing Activities				
Long-term Debt Repaid	(200)	(9)	—	(209)
Dividends Paid	(151)	(143)	143	(151)
Shares Repurchased	(127)	—	—	(127)
Other Financing Activities	5	(7)	—	(2)
Net Cash Provided by (Used in) Financing Activities	(473)	(159)	143	(489)
Net Increase (Decrease) in Cash and Cash Equivalents	(118)	—	1	(117)
Cash and Cash Equivalents at Beginning of Period	439	91	62	592
Cash and Cash Equivalents at End of Period	$ 321	$ 91	$ 63	$ 475

CSX CORPORATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FIRST QUARTER 2015 HIGHLIGHTS

- Revenue of $3.0 billion slightly increased by $15 million year over year as volume growth, price gains and higher other revenue were mostly offset by lower fuel surcharge recoveries.
- Expenses of $2.2 billion decreased $89 million or 4% year over year primarily driven by lower fuel costs partially offset by higher labor and fringe expense.
- Operating income of $843 million increased $104 million or 14% year over year.
- Operating ratio of 72.2% improved 330 basis points.

	First Quarters			
	2015	2014	*Change*	*% Change*
Volume *(in thousands)*	**1,635**	1,620	*15*	*1%*
(in millions)				
Revenue	**$ 3,027**	$ 3,012	*$ 15*	*—%*
Expense	**2,184**	2,273	*89*	*4%*
Operating Income	**$ 843**	$ 739	*$ 104*	*14%*
Operating Ratio	**72.2%**	75.5%	*330*	*bps*
Earnings Per Diluted Share	**$ 0.45**	$ 0.40	*$ 0.05*	*13%*

For additional information, refer to Results of Operations discussed on pages 26 through 28.

RESULTS OF OPERATIONS

***Volume and Revenue** (Unaudited)*

Volume (Thousands of units); Revenue (Dollars in Millions); Revenue Per Unit (Dollars)

	First Quarters								
	Volume			Revenue			Revenue Per Unit		
	2015	2014	*% Change*	**2015**	2014	*% Change*	**2015**	2014	*% Change*
Agricultural									
Agricultural Products	**109**	106	*3 %*	**$ 291**	$ 284	*2 %*	**$ 2,670**	$ 2,679	*— %*
Phosphates and Fertilizers	**78**	83	*(6)*	**136**	134	*1*	**1,744**	1,614	*8*
Food and Consumer	**23**	23	*—*	**64**	65	*(2)*	**2,783**	2,826	*(2)*
Industrial									
Chemicals	**155**	146	*6*	**534**	516	*3*	**3,445**	3,534	*(3)*
Automotive	**101**	98	*3*	**267**	275	*(3)*	**2,644**	2,806	*(6)*
Metals	**61**	65	*(6)*	**154**	165	*(7)*	**2,525**	2,538	*(1)*
Housing and Construction									
Forest Products	**73**	74	*(1)*	**198**	194	*2*	**2,712**	2,622	*3*
Minerals	**60**	54	*11*	**103**	95	*8*	**1,717**	1,759	*(2)*
Waste and Equipment	**31**	31	*—*	**62**	59	*5*	**2,000**	1,903	*5*
Total Merchandise	**691**	680	*2*	**1,809**	1,787	*1*	**2,618**	2,628	*—*
Coal	**289**	293	*(1)*	**638**	662	*(4)*	**2,208**	2,259	*(2)*
Intermodal	**655**	647	*1*	**415**	421	*(1)*	**634**	651	*(3)*
Other	**—**	—	*—*	**165**	142	*16*	**—**	—	*—*
Total	**1,635**	1,620	*1 %*	**$ 3,027**	$ 3,012	*— %*	**$ 1,851**	$ 1,859	*— %*

First Quarter 2015
Revenue

Revenue was slightly up by $15 million to $3.0 billion from the prior year's first quarter as volume growth, price gains and higher other revenue were mostly offset by lower fuel surcharge recoveries.

Merchandise

Agricultural Sector

Agricultural Products - Volume growth was driven by increased feed grain shipments from a record harvest. Ethanol shipments also increased due to higher sourcing at CSX-served ethanol blending locations. Growth was partially offset by declines in the export market as a result of a strong harvest in South America and pressure from the strengthening U.S. dollar.

Phosphates and Fertilizers - Softer phosphate demand drove volume declines across both domestic and export markets. Key drivers of lower volumes include late winter weather which delayed domestic fertilizer application, along with high existing inventories and the strength of the U.S. dollar which pressured export markets.

Food and Consumer - Gains in frozen food shipments resulted from increased traffic which was rerouted to the east due to U.S. West Coast port disruptions. This increase was offset by a decline in the canned goods market due to a competitive shift.

Industrial Sector

Chemicals - Volume growth was driven by the larger portfolio of energy-related shipments of crude oil, liquefied petroleum gases (LPG) and petroleum products versus first quarter last year. The growth was partially offset by a decline in frac sand, reflecting reduced drilling activity for natural gas this year.

Automotive - Finished vehicle volume grew as North American light vehicle production increased.

Metals - Volume declines reflect a challenged domestic scrap market due to the strong U.S. dollar, which has increased steel imports and decreased domestic steel production.

Housing and Construction Sector

Forest Products - Volume decreased due to continued weakening demand for printing paper and newsprint in consumer behavior.

Minerals - Volume increased due to growth in aggregates (which includes crushed stone, sand and gravel) as a result of more infrastructure development projects in CSX's territory.

Waste and Equipment - Overall volume was flat as growth in municipal waste shipments in the northeast was offset by project delays in the equipment market.

Coal

Domestic Utility Coal - Volume slightly decreased as a result of lower natural gas prices favoring increased natural gas power generation and higher overall coal stockpiles.

Domestic Coke, Iron Ore and Other - Volume increased as a result of iron ore shipments associated with a new customer facility and stronger river coal shipments this quarter.

Export Coal - Metallurgical and thermal coal volume was down as global market conditions continued to weaken due to global oversupply and the strength of the U.S. dollar.

Intermodal

Domestic - Domestic volume increased nearly 9%, driven by continued success with CSX's highway-to-rail (H2R) conversion program, growth with existing customers and new service offerings.

International - International volume declined 7% primarily as a result of U.S. West Coast port disruptions impacting global container shipments moving to inland destinations.

Other

The increase in other revenue of $23 million is primarily related to revenue recognized from customers who did not meet minimum contractual volumes in the quarter of $105 million, compared to $55 million in the prior year. This increase was partially offset by adjustments to revenue reserves.

Expenses

Expenses in the first quarter 2015 decreased 4% or $89 million from the prior year's first quarter. Significant variances are described below.

Labor and Fringe expense increased $65 million due to the following:
- Inflation resulted in $37 million of additional cost driven by union and management wages partially offset by reduced health and welfare costs.
- Labor costs were $16 million higher due to an amended locomotive maintenance agreement in mid-2014 where CSX now provides oversight of the labor force. As a result, outside service costs shifted from materials, supplies and other to labor and fringe, but overall expense for this change is neutral for the quarter.
- Volume-related costs were $12 million higher primarily to help serve customer demand.
- Other costs were $12 million higher, which include such charges as the completion of the management workforce reduction program initiated during the fourth quarter 2014.
- Efficiency savings of $12 million were due to less overtime across operating support functions and reduced management headcount.

Materials, Supplies and Other expense decreased $2 million due to the following:
- Train accident costs increased $23 million during the quarter primarily driven by costs related to derailments, despite the improvement in the FRA train accident frequency rate.
- Inflation resulted in $11 million of additional cost.
- Volume-related and other costs rose $2 million primarily to help serve customer demand.
- Efficiency savings of $22 million were driven by general and administrative cost savings initiatives as well as a reduction in weather-related costs and foreign locomotive usage versus the prior year.
- The amended locomotive maintenance agreement shifted $16 million to labor and fringe as referenced above.

Fuel expense decreased $176 million due to the following:
- Volume-related costs were $10 million higher.
- Locomotive fuel price decreased 41% and reduced expense by $169 million.
- Locomotive fuel reduction technology and improved processes helped drive $4 million of efficiency.
- Other fuel savings of $13 million were primarily due to lower non-locomotive fuel costs.

Depreciation expense increased $12 million due to a larger asset base.

Equipment and Other Rents expense increased $12 million due to the following:
- Inflation resulted in $5 million additional cost related to rates on automotive and intermodal cars.
- Other costs increased $7 million primarily due to higher locomotive leases.

Interest expense decreased $6 million primarily due to lower average interest rates partially offset by higher average debt balances.

Other income - net decreased $5 million primarily due to lower real estate sales and higher non-operating expenses.

Income tax expense increased $61 million primarily due to higher earnings as well as a prior year benefit related to a change in state tax legislation that did not repeat in the current quarter.

Operating Statistics (Estimated)

	First Quarters		
	2015	2014	*Improvement/ (Deterioration)*
Safety and Service Measurements			
FRA Personal Injury Frequency Index	**0.79**	0.97	*19 %*
FRA Train Accident Rate	**1.77**	2.68	*34 %*
On-Time Originations	**50%**	63%	*(21)%*
On-Time Arrivals	**41%**	51%	*(20)%*
Train Velocity	**20.2**	20.6	*(2)%*
Dwell	**27.7**	26.8	*(3)%*
Cars-On-Line	**208,959**	202,319	*(3)%*

Key Performance Measures Definitions

FRA Personal Injury Frequency Index - Number of FRA-reportable injuries per 200,000 man-hours.
FRA Train Accident Rate - Number of FRA-reportable train accidents per million train-miles.
On-Time Originations - Percent of scheduled road trains that depart the origin yard on-time or ahead of schedule.
On-Time Arrivals - Percent of scheduled road trains that arrive at the destination yard on-time to two hours late (30 minutes for intermodal trains).
Train Velocity - Average train speed between terminals in miles per hour (does not include locals, yard jobs, work trains or passenger trains).
Dwell - Average amount of time in hours between car arrival at and departure from the yard. It does not include cars moving through the yard on the same train.
Cars-On-Line - An average count of all cars on the network (does not include locomotives, cabooses, trailers, containers or maintenance equipment).

The Company measures and reports safety and service performance. The Company strives for continuous improvement in these measures through training, innovation and investment. For example, the Company's safety and train accident prevention programs rely on the latest tools, programs and employee participation that strengthen the safety culture in a supportive environment that allows each employee to be successful at CSX. Continued capital investment in the Company's assets, including track, bridges, signals, equipment and detection technology also supports safety performance. CSX safety programs are designed to prevent incidents that can impact employees, customers and the communities we serve.

The Company constantly collaborates with the FRA and industry organizations as well as federal, state and local governments on safety innovations and initiatives. For example, CSX and other freight railroads have actively worked with the U.S. Department of Transportation ("DOT") and other key stakeholders to evaluate and implement far-reaching safety enhancements for transportation of certain flammable materials, including essential energy products, on the nation’s freight railroad network.

The FRA reportable personal injury frequency index improved 19 percent year over year to 0.79, and the reported FRA train accident frequency rate improved 34 percent to 1.77. These results highlight the company’s commitment to safety especially while working under challenging operating conditions.

CSX’s operations were stable in the quarter and the company expects service improvement through strategic infrastructure investments, as well as additional locomotives coming online. While on-time originations decreased year over year to 50 percent and on-time arrivals declined to 41 percent, both were relatively consistent with fourth quarter levels. Average train velocity was 20.2 miles per hour, and dwell was 27.7 hours, both unfavorable year-over-year, but stable sequentially.

LIQUIDITY AND CAPITAL RESOURCES

The following are material changes in the consolidated balance sheets and sources of liquidity and capital, which provide an update to the discussion included in CSX's most recent annual report on Form 10-K.

Material Changes in Consolidated Balance Sheets and Significant Cash Flows

Consolidated Balance Sheets

Total assets as well as total liabilities and shareholders' equity increased $108 million from year end. The increase in assets was primarily driven by higher net properties of $288 million resulting from capital investments partially offset by net cash outflows (including short-term investment activity) of $143 million. The increase in liabilities and shareholders' equity was primarily driven by higher net earnings of $442 million partially offset by dividends paid of $158 million and share repurchases of $127 million.

Significant Cash Flows

The following table highlights net cash activity for operating, investing and financing activities for three months ended 2014 and 2015.

	Three Months		
Dollars in millions	**2015**	2014	*$ Var*
Net cash provided by operating activities	$ 690	$ 599	*$ 91*
Net cash used in investing activities	$ (500)	$ (227)	*$ (273)*
Net cash used in financing activities	$ (298)	$ (489)	*$ 191*

Cash and cash equivalents decreased in both years. However, the decrease in the current year was $9 million less than in prior year primarily due to the following:

- Cash provided by operating activities increased $91 million primarily due to higher collections of accounts receivable and higher net earnings.
- Cash used in investing activities increased $273 million primarily due to lower net sales of short term investments.
- Cash used in financing activities decreased $191 million primarily due to lower debt repayments.

Planned capital investments for 2015 are expected to be $2.5 billion, including expected spending of approximately $300 million for Positive Train Control ("PTC"). This $2.5 billion excludes investments related to partially or wholly reimbursable public-private partnerships where reimbursements may not be fully received in a given year. Approximately half of the 2015 investment will be used to sustain the core infrastructure. The remaining amounts will be allocated to locomotives, freight cars and high return projects supporting long-term profitable growth, productivity initiatives and service improvements to optimize performance. CSX intends to fund capital investments through cash generated from operations.

Over the long term, the Company expects to incur significant capital costs in connection with the implementation of PTC. CSX estimates that the total multi-year cost of PTC implementation will be at least $1.9 billion. This estimate includes costs for installing the new system along tracks, upgrading locomotives, adding communication equipment and developing new technologies. Total PTC spending through March 2015 was $1.2 billion.

Liquidity and Working Capital

As of the end of first quarter 2015, CSX had $818 million of cash, cash equivalents and short-term investments. CSX has a $1 billion unsecured revolving credit facility backed by a diverse syndicate of banks. This facility expires in September 2016 and as of the date of this filing, the Company has no outstanding balances under this facility. CSX uses current cash balances for general corporate purposes, which may include reduction or refinancing of outstanding indebtedness, capital expenditures, working capital requirements, contributions to the Company's qualified pension plan, redemptions and repurchases of CSX common stock and dividends to shareholders. See Note 7, Debt and Credit Agreements.

The Company has a receivables securitization facility with a three-year term expiring in June 2017. The purpose of this facility is to provide an alternative to commercial paper and a low cost source of short-term liquidity of up to $250 million, depending on eligible receivables balances. As of the date of this filing, the Company has no outstanding balances under this facility.

Working capital can also be considered a measure of a company's ability to meet its short-term needs. CSX had a working capital surplus of $419 million and $465 million as of March 2015 and December 2014, respectively. This decline since year end is primarily due to cash used for property additions, dividends paid, and share repurchases which more than offset cash from operations.

The Company's working capital balance varies due to factors such as the timing of scheduled debt payments and changes in cash and cash equivalent balances as discussed above. The Company continues to maintain adequate liquidity to satisfy current liabilities and maturing obligations when they come due. Furthermore, CSX has sufficient financial capacity, including its revolving credit facility, trade receivable facility and shelf registration statement to manage its day-to-day cash requirements and any anticipated obligations. The Company from time to time accesses the credit markets for additional liquidity.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires that management make estimates in reporting the amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and certain revenues and expenses during the reporting period. Actual results may differ from those estimates. These estimates and assumptions are discussed with the Audit Committee of the Board of Directors on a regular basis. Consistent with the prior year, significant estimates using management judgment are made for the areas below. For further discussion of CSX's critical accounting estimates, see the Company's most recent annual report on Form 10-K.

- casualty, environmental and legal reserves;
- pension and post-retirement medical plan accounting;
- depreciation policies for assets under the group-life method; and
- income taxes.

FORWARD-LOOKING STATEMENTS

Certain statements in this report and in other materials filed with the SEC, as well as information included in oral statements or other written statements made by the Company, are forward-looking statements. The Company intends for all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements within the meaning of the Private Securities Litigation Reform Act may contain, among others, statements regarding:

- projections and estimates of earnings, revenues, margins, volumes, rates, cost-savings, expenses, taxes or other financial items;
- expectations as to results of operations and operational initiatives;
- expectations as to the effect of claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements on the Company's financial condition, results of operations or liquidity;
- management's plans, strategies and objectives for future operations, capital expenditures, dividends, share repurchases, safety and service performance, proposed new services and other matters that are not historical facts, and management's expectations as to future performance and operations and the time by which objectives will be achieved; and
- future economic, industry or market conditions or performance and their effect on the Company's financial condition, results of operations or liquidity.

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

Forward-looking statements are subject to a number of risks and uncertainties and actual performance or results could differ materially from those anticipated by any forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement. If the Company does update any forward-looking statement, no inference should be drawn that the Company will make additional updates with respect to that statement or any other forward-looking statements. The following important factors, in addition to those discussed in Part II, Item 1A (Risk Factors) of CSX's most recent annual report on Form 10-K and elsewhere in this report, may cause actual results to differ materially from those contemplated by any forward-looking statements:

- legislative, regulatory or legal developments involving transportation, including rail or intermodal transportation, the environment, hazardous materials, taxation and initiatives to further regulate the rail industry;
- the outcome of litigation, claims and other contingent liabilities, including, but not limited to, those related to fuel surcharge, environmental matters, taxes, shipper and rate claims subject to adjudication, personal injuries and occupational illnesses;

- changes in domestic or international economic, political or business conditions, including those affecting the transportation industry (such as the impact of industry competition, conditions, performance and consolidation) and the level of demand for products carried by CSXT;
- natural events such as severe weather conditions, including floods, fire, hurricanes and earthquakes, a pandemic crisis affecting the health of the Company's employees, its shippers or the consumers of goods, or other unforeseen disruptions of the Company's operations, systems, property or equipment;
- competition from other modes of freight transportation, such as trucking and competition and consolidation within the transportation industry generally;
- the cost of compliance with laws and regulations that differ from expectations (including those associated with PTC implementation) and costs, penalties and operational impacts associated with noncompliance with applicable laws or regulations;
- the impact of increased passenger activities in capacity-constrained areas, including potential effects of high speed rail initiatives, or regulatory changes affecting when CSXT can transport freight or service routes;
- unanticipated conditions in the financial markets that may affect timely access to capital markets and the cost of capital, as well as management's decisions regarding share repurchases;
- changes in fuel prices, surcharges for fuel and the availability of fuel;
- the impact of natural gas prices on coal-fired electricity generation;
- availability of insurance coverage at commercially reasonable rates or insufficient insurance coverage to cover claims or damages;
- the inherent business risks associated with safety and security, including the transportation of hazardous materials or a cybersecurity attack which would threaten the availability and vulnerability of information technology;
- adverse economic or operational effects from actual or threatened war or terrorist activities and any governmental response;
- labor and benefit costs and labor difficulties, including stoppages affecting either the Company's operations or customers' ability to deliver goods to the Company for shipment;
- the Company's success in implementing its strategic, financial and operational initiatives;
- changes in operating conditions and costs or commodity concentrations; and
- the inherent uncertainty associated with projecting economic and business conditions.

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 report and in CSX's other SEC reports, which are accessible on the SEC's website at www.sec.gov and the Company's website at www.csx.com. The information on the CSX website is not part of this quarterly report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information provided under Part II, Item 7A (Quantitative and Qualitative Disclosures about Market Risk) of CSX's most recent annual report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

As of March 27, 2015, under the supervision and with the participation of CSX's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and CFO concluded that, as of March 27, 2015, the Company's disclosure controls and procedures were effective at the reasonable assurance level in timely alerting them to material information required to be included in CSX's periodic SEC reports. There were no changes in the Company's internal controls over financial reporting during the first quarter of 2015 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

For further details, please refer to Note 5. Commitments and Contingencies of this quarterly report on Form 10-Q. Also refer to Part I, Item 3. Legal Proceedings in CSX's most recent annual report on Form 10-K.

Environmental Proceedings That Could Result in Fines Above $100,000

In connection with a CSXT train derailment in Lynchburg, VA on April 30, 2014, the Company has entered into an agreement with the Virginia Department of Environmental Quality to pay an environmental penalty of $361 thousand.

Item 1A. Risk Factors

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussed under Part II, Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) of CSX's most recent annual report on Form 10-K. See also Part I, Item 2 (Forward-Looking Statements) of this quarterly report on Form 10-Q. There have been no material changes from the risk factors previously disclosed in CSX's most recent annual report on Form 10-K.

Item 2. CSX Purchases of Equity Securities

CSX is required to disclose any purchases of its own common stock for the most recent quarter. CSX purchases its own shares for two primary reasons: (1) to further its goals under its share repurchase program and (2) to fund the Company's contribution required to be paid in CSX common stock under a 401(k) plan that covers certain union employees.

During first quarters 2015 and 2014, CSX repurchased $127 million, or four million shares, and $127 million, or five million shares, respectively, of common stock under the $1 billion share repurchase program announced in April 2013. As of the date of this filing, the Company had completed all share repurchases under this program. Management's assessment of market conditions and other factors guides the timing and volume of repurchases. Future share repurchases are expected to be funded by cash on hand, cash generated from operations and debt issuances. In accordance with the *Equity Topic* in the ASC, the excess of repurchase price over par value is recorded in retained earnings. Generally, retained earnings is only impacted by net earnings and dividends.

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Share repurchase activity for the first quarter 2015 was as follows:

First Quarter [(a)]	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [(b)]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
	CSX Purchases of Equity Securities for the Quarter			
Beginning Balance				$ 130,625,331
January	1,193,903	$ 34.97	1,007,800	95,358,146
February	1,129,600	34.90	1,129,300	55,944,187
March	1,502,200	34.54	1,501,600	4,077,224
Ending Balance	3,825,703	$ 34.78	3,638,700	$ 4,077,224

(a) First quarter 2015 consisted of the following fiscal periods: January (December 27, 2014 - January 23, 2015), February (January 24, 2015 - February 20, 2015), March (February 21, 2015 - March 27, 2015).

(b) The difference of 187,003 shares between the "Total Number of Shares Purchased" and the "Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs" for the quarter represents shares purchased to fund the Company's contribution to a 401(k) plan that covers certain union employees.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

None

Item 6. Exhibits

Exhibit designation	Nature of exhibit	Previously filed as exhibit to
10.1	CSX 2015-2017 Long-term Incentive Plan	February 13, 2015, Exhibit 10.1, Form 8-K
Officer certifications:		
31*	Rule13a-14(a) Certifications	
32*	Section 1350 Certifications	
Interactive data files:		
101*	The following financial information from CSX Corporation's Quarterly Report on Form 10-Q for the quarter ended March 27, 2015 filed with the SEC on April 15, 2015, formatted in XBRL includes: (i) consolidated income statements for the fiscal periods ended March 27, 2015 and March 28, 2014, (ii) consolidated comprehensive income statements for the fiscal periods ended March 27, 2015 and March 28, 2014, (iii) consolidated balance sheets at March 27, 2015 and December 26, 2014, (iv) consolidated cash flow statements for the fiscal periods ended March 27, 2015 and March 28, 2014, and (v) the notes to consolidated financial statements.	

* Filed herewith

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CSX CORPORATION
(Registrant)

By: /s/ Carolyn T. Sizemore
Carolyn T. Sizemore
Vice President and Controller
(Principal Accounting Officer)

Dated: April 15, 2015

Exhibit 31

CERTIFICATION OF CEO AND CFO PURSUANT TO EXCHANGE ACT RULE 13a - 14(a) OR RULE 15d-14(a)

I, Michael J. Ward, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CSX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2015

/s/ MICHAEL J. WARD
Michael J. Ward
Chairman and Chief Executive Officer

I, Fredrik J. Eliasson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CSX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2015

/s/ FREDRIK J. ELIASSON
Fredrik J. Eliasson
Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION OF CEO AND CFO REQUIRED BY RULE 13a-14(b) OR RULE 15d-14(b) AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE U.S. CODE

In connection with the Quarterly Report of CSX Corporation on Form 10-Q for the period ending March 27, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Ward, Chief Executive Officer of the registrant, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: April 14, 2015

/s/ MICHAEL J. WARD
Michael J. Ward
Chairman and Chief Executive Officer

In connection with the Quarterly Report of CSX Corporation on Form 10-Q for the period ending March 27, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fredrik J. Eliasson, Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Date: April 14, 2015

/s/ FREDRIK J. ELIASSON
Fredrik J. Eliasson
Executive Vice President and Chief Financial Officer