

Chairman Mary L. Schapiro
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Proxy Access

Dear Chairman Schapiro:

Thank you for the Commission's willingness to explore a range of views on the important question of proxy access. CSX Corporation, informed by experience, feels strongly that mandating proxy access will further increase the pressure for short-term focus and ultimately will undermine the competitiveness of American companies. Please allow me to explain why.

- Even before the economic collapse there was a shared and growing recognition that short term focus was harming American business. We now know, from hard experience and broad assessment of the underlying causes of the recent economic crisis, that short term focus and callous disregard for long-term impacts were even more harmful than feared. There can be no doubt that a proxy access rule will force even more acute emphasis on the short-term in the future.
- The prospect of frequent election contests will leave companies with no real choice but to emphasize short-term stock price appreciation, even at the expense of long-term shareholder value. For capital intensive companies like railroads, which constantly require long term commitments for safe, efficient operations and the public good, that is a troubling outcome.
- Increasing proxy contests will create significant costs to companies, distract management and board attention from the creation of long-term shareholder value. Frequent contests will certainly discourage many qualified people from serving on boards of directors; they will fairly see the reputational risks from campaign-style attacks as far too costly.

August 18, 2010

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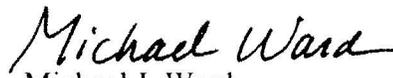
We respectfully request that the Commission consider these views. If, nonetheless, the Commission does seek to implement proxy access, we urge it to implement a process that seeks some accountability from proponents for the long-term decisions they wish to influence.

Please consider the steps that Congress and the SEC have taken in recent years to gain further assurance and public confidence that Boards and management will make sound decisions in the long-term interest of companies. In addition to the many checks and balances already existing under state and federal law, a host of new requirements have been adopted to demand even more transparency and personal accountability.

We urge the Commission to act in a consistent way with respect to shareholders who seek to drive the very same corporate decision making. Please seek a meaningful way to assure some form of real transparency and genuine accountability beyond the short term. In our view, the Commission should demand that such shareholders have genuine—not derived--sizeable stakes for a reasonable period of time. We respectfully request that, at a minimum, the Commission adopt a 5% requirement of outright ownership and a two year net long holding requirement.

Thank you for the opportunity to comment.

Very truly yours,


Michael J. Ward

cc: Larry D. Burton, The Business Roundtable