



Caterpillar Logistics Services, Inc.

500 N. Morton Avenue
Morton, IL 61550

January 5, 2009

Joseph P. Clary
Director
Illinois Department of Transportation
Division of Public and Intermodal Transportation
300 West Adams St.
Chicago, IL 60606

Dear Mr. Clary:

Caterpillar Inc. is the world's leading manufacturer of construction, mining, and earthmoving equipment; of natural gas, diesel, and turbine engines; and of remanufactured products. Caterpillar Logistics Services, Inc. provides supply-chain services to our parent company, Caterpillar Inc., and several other industries. We support a large portion of our global business from an Illinois base.

As an Illinois-based company, our plants and distribution centers need to move goods through the supply chain without delay or capacity constraints. Caterpillar Inc. moves roughly \$10 billion of rail freight through Chicago per year. We are experiencing delays in excess of 36 hours. One day of delay in the Chicago rail network system costs Caterpillar Inc. roughly \$10 thousand per consignment. If expanded over a year, total cost would be roughly \$3 million dollars. Modernizing Chicago's rail transportation system is crucial to Caterpillar's businesses and our ability to spur economic development and create jobs in Illinois.

The State of Illinois has taken a bold step to join the CREATE partnership to address much-needed infrastructure improvements to modernize the Chicago area rail system. This partnership supports initiatives to reduce rail and highway-rail grade crossing congestion. Of the 78 CREATE projects, 39 are expected to be in the design or construction phase by the end of 2009. However, much more remains to be done. Without additional federal funding and the support of the Illinois State Legislature, the CREATE program may not be completed, and freight congestion in and through Chicago may thwart the economic vitality of the region.

Caterpillar Logistics Services, Inc. is a strong advocate for CREATE and infrastructure improvements, throughout the United States, that modernize our aging rail infrastructure. We at Caterpillar Logistics, Inc. support CREATE and its efforts to decrease the time and cost of moving goods across America and to points beyond.

Sincerely yours,

A handwritten signature in black ink, appearing to read "D. Spellman", with a long horizontal flourish extending to the right.

Daniel E. Spellman
Vice President, Development
Caterpillar Logistics Services, Inc.
A Division of Caterpillar Inc.

des/jmm