



February 23, 2009

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

Dear Mr. Clary:

As the world's leading owner and operator of warehouse space, including over 26 million square feet in Illinois with an investment in excess of \$1 billion, ProLogis is deeply committed to maintaining Chicago's pre eminent role in the North American supply chain. However, we are concerned that our position as the freight moving capital of North America is threatened by significant and costly inefficiencies caused by rail congestion.

With Chicago moving nearly one-third of all US freight rail traffic and experiencing delays that back up freight in excess of 36 hours, modernizing Chicago's freight rail transportation system is crucial to our business plan, to the success of our customers and to the success of the transportation and warehousing sectors of our economy.

Transportation and warehousing is one of the top 5 largest components of Chicago's GDP and a strong driver of job growth. The sector also creates jobs in construction, building materials, transportation services and professional services just to name a few industries.

Sophisticated shippers in industries such as retail, consumer products, building materials and food products, are constantly adjusting their transportation models to optimize the customer service, inventory and transportation cost mix. While Chicago enjoys certain inherent geographic, demographic and transportation advantages, our competitive advantage is eroding as costs driven by rail congestion increase while competitive alternatives become more compelling.

The all water route from Asia to ports on the gulf coast and eastern U.S. will be greatly enhanced when the Panama Canal widening project is finished within the next five years.

The widening project will allow post-Panamax ships to cut shipping times from Asia to the eastern U.S. markets by weeks and will provide a viable low cost alternative to the heretofore dominant water-rail-truck model from western U.S. ports. Major investments are being made in the ports of Jacksonville, Savannah, Charleston, Norfolk and others to accommodate the expected increase in

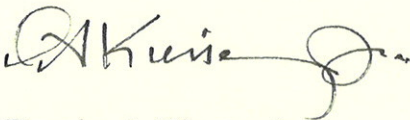
container traffic. The rail hubs of Dallas, Kansas City, Columbus and Memphis are also eager to win business and have benefited from significant infrastructure investment from Class I railroads. These cities will take market share (jobs and capital investment) from Chicago if we do not act quickly to protect our competitive advantage.

Illinois is taking bold steps to address much-needed infrastructure improvements as a charter member of a public-private partnership of federal and local government agencies, along with the national railroads to modernize the Chicago area rail system. This partnership founded the CREATE program to reduce passenger rail, freight rail and highway-rail grade crossing congestion. Improvements include additional tracks, improved connections, improved control systems, rail-over-rail grade separations, and highway-rail grade separations.

Of the seventy-eight CREATE projects, thirty-nine are expected to be in the design or construction phase by the end of 2009. However, much more remains to be done. Without additional funding from US Congress and the Illinois State Legislature, the CREATE program may not be completed, and freight chokepoints in and through Chicago may thwart the economic vitality of the region; limit Chicago's competitiveness with other freight rail communities dependent on intermodal transportation; and adversely affect business development, jobs, and overall quality of life in the region.

ProLogis is a strong advocate for CREATE and other infrastructure improvements throughout the U.S. that modernizes our aging freight rail infrastructure and lessen shipping delays. We support CREATE and its efforts to decrease supply chain costs throughout the system nationwide.

Sincerely,
PROLOGIS



Douglas A. Kiersey, Jr.
Senior Vice President