

Quinn Defends IL After CEO Blasts Jobs Climate

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CHICAGO (AP) — Gov. Pat Quinn defended the state's business climate Sunday after the head of Caterpillar Inc. blasted state political leaders in a published column for not doing enough to grow business and jobs in Illinois.

The comments from the head of the Peoria-based heavy equipment maker came on the heels of the company's decision to bypass Illinois as it looks to build a new plant — and create 1,400 jobs — to handle work being relocated from Japan. Quinn also recently named Caterpillar CEO Doug Oberhelman to an export advisory council.

Quinn — who touted an improved business climate earlier this month in his State of the State address — said he was disappointed in Oberhelman's comments and that Illinois has enacted reforms and tax credits to create jobs. He said Caterpillar officials told him the facility would need ocean access.

"We don't have any ocean front property in Illinois, so with that particular facility we weren't in the ball game to begin with," Quinn said Sunday at an unrelated news conference. "We met with the Caterpillar people and they made it pretty clear that the logistics would drive the decision."

In a column he wrote for Sunday's Chicago Tribune, Oberhelman said logistics were a factor. But he also said Illinois needed to do more for business.

He said Illinois legislators didn't do what was needed to balance the state budget, credit agencies have downgraded Illinois' bond rating and Illinois is among the most expensive states for workers' compensation rates. He said an internal study by Caterpillar showed that when factoring in those compensations rates, it was cheaper for the company to do business in neighboring Indiana, a claim that has recently been echoed by other companies.

Oberhelman said he wrote a letter to Illinois political leaders last year outlining many of those problems, which included complaints about Quinn signing off on an income tax increase in an attempt to ease the state government's multibillion-dollar budget shortfall.

"Illinois must act now, with a bipartisan sense of urgency, to position itself for future job creation that is being discussed in board rooms all across this country," Oberhelman wrote in the column.

Oberhelman noted that Caterpillar hasn't opened a new factory in Illinois in decades even as it's opened factories elsewhere. Company officials have said the new factory would likely be built near a division headquarters in North Carolina.

"Caterpillar is not threatening to leave Illinois," Oberhelman said. "Rather, we want

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to grow our presence here. For Illinois to really compete for new business investment and growth, the state must address these matters."

Quinn said that while Caterpillar has voiced complaints about Illinois' economic climate, Chrysler last week announced it was adding 1,800 workers at its plant in Belvidere. The Democrat said that since Oberhelman's letter, Illinois has enacted worker's compensation reform and passed a Caterpillar-backed tax credit for research and development costs. He also said exports in Illinois are up.

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