

Mail Stop 3561

August 22, 2007

Via Fax & U.S. Mail

Mr. Brian A. Kenney, Chief Executive Officer  
GATX Corporation  
500 West Monroe Street  
Chicago, Illinois 60661-3676

**Re: GATX Corporation  
Form 10-K for the year ended December 31, 2006  
Filed March 1, 2007  
File No. 001-02328**

Dear Mr. Kenney:

We have reviewed your filings and have the following comments. Unless otherwise indicated, we think you should revise your document in future filings in response to these comments. If you disagree, we will consider your explanation as to why our comments are inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Please respond to confirm that such comments will be complied with, or, if certain of the comments are deemed inappropriate, advise the staff of your reason. Your response should be submitted in electronic form, under the label "corresp" with a copy to the staff. Please respond within ten (10) business days.

Annual Report on Form 10-K for the year ended December 31, 2006

Notes to Consolidated Financial Statements, page 51

Note 11. Debt, page 61

1. We note the issuance of convertible notes in August 2003 with a conversion price that adjusts based on various factors. We further note your 7.5% senior unsecured convertible notes outstanding with a conversion premium associated with the notes. Please tell us, and revise future filings to fully disclose, your accounting treatment for these notes, the conversion option, and premium including recognition of any beneficial conversion features or derivatives and corresponding mark to market adjustments made each period. Your response should specifically address whether these instruments provided for beneficial conversion features or embedded derivatives that required bifurcation from the host contract, and the basis for your conclusions. Refer to the guidance outlined in SFAS 133, EITFs 00-19, 98-5, and 00-27, as applicable.
2. In a related matter, please explain further your accounting for the conversion of these notes in the first and second quarters of 2007. We note from your June 30, 2007 Form 10-Q that all of the 7.5% notes and some of the 5% notes were converted, resulting in a payment of significant conversion premiums, which were satisfied through the issuance of your common shares. Your response and your revised disclosures should specifically explain how you valued and accounted for the issuance of the shares in satisfaction of the conversion premium and the relevant technical accounting literature supporting the accounting treatment used. We may have further comment upon receipt of your response.

Note 13. Income Taxes, page 65

3. We refer you to the last paragraph of this financial statement footnote. Please tell us the amount of the remaining issue currently under appeals and ultimately litigated with regards to the structured lease transaction. To the extent the amount under dispute is significant to your financial statements, you should disclose the range of possible loss or exposure in compliance with paragraph 10 of SFAS 5.

Other Contingencies, page 75

4. Please expand your disclosure in future filings to provide further information with regard to ongoing legal disputes. We note that Item 3. Legal Proceedings contains much more detailed information regarding your outstanding litigation. In accordance with SFAS 5, paragraphs 9 through 12, you should provide disclosures of any accruals related to outstanding litigation or provide an estimate

of the range of loss exposure for each material pending lawsuit. If an estimate of the loss or range of losses to which you are exposed cannot be made, a statement to this effect should be provided in the notes to your financial statements. Refer to the guidance outlined in SAB Topic 5:Y, Question 2.

Note 20. Cumulative Effect Adjustment to Retained Earnings, page 81

5. With regard to the \$19.2 million adjustment to beginning retained earnings, please provide us with the amount of expense and/or accruals that were determined in error for all annual and quarterly periods effected in connection with the inappropriate treatment of these liabilities. As part of your response, you should also explain how you evaluated the materiality of the misstatements with regard to the financial statements for each of these annual and quarterly periods pursuant to the guidance in SAB 108 and SAB 99. We may have further comment upon receipt of your response.

Quarterly Report on Form 10-Q for the quarter ended June 30, 2007

6. Please address our comments on your Annual Report on Form 10-K in future quarterly reports on Form 10-Q, where applicable.

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We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated

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by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comments on your filing.

You may contact Heather Clark at 202-551-3624 or me at 202-551-3813 if you have questions regarding comments on the financial statements and related matters.

Sincerely,

Linda Cvrkel  
Branch Chief