



# Memorandum

**U.S. Department of  
Transportation**


Office of the Secretary  
of Transportation

Office of Inspector General

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**Subject:** INFORMATION: Audit Announcement—  
National Railroad Passenger Corporation's Five  
Year Capital Plan  
Project No. 08C3003C000

**Date:** January 2, 2008

**From:** David Tornquist   
Assistant Inspector General  
for Rail and Maritime Program Audits and  
Economic Analysis

**Reply to** JA-50  
**Attn of:**

**To:** Federal Railroad Administrator

Amtrak continues to face challenges in maintaining reliable infrastructure and equipment and its capital program increases every year. Amtrak estimates its backlog of capital projects required to bring its infrastructure to a state of good repair will cost \$5.1 billion. Amtrak also faces the renewal and replacement of an aging equipment fleet, safety and security needs, business improvement initiatives and compliance with legal requirements.

The House Committee on Appropriations' fiscal year (FY) 2008 Committee Report directs the Office of Inspector General (OIG) to conduct a review of Amtrak's five-year capital plan. The report further directs the OIG to assess how effectively Amtrak prioritizes and coordinates its capital investments to contribute to the overall business goals of the corporation.

The objectives of this audit are to determine: (1) Amtrak's five-year capital requirements and how these align with its business and strategic goals; (2) how Amtrak prioritizes its capital projects among competing needs; (3) Amtrak's FY 2009 capital needs and ability to implement its increased FY 2008 capital budget; and (4) how Amtrak evaluates the performance of its capital projects.

We will conduct this audit at Amtrak Headquarters in Washington, DC and Philadelphia, PA and at Federal Railroad Administration Headquarters in Washington, D.C.

We will contact your audit liaison to schedule a formal entrance conference to discuss this audit. The Program Director for this audit is Mitchell Behm and the Project Manager is Debra Mayer. If you have any questions or require additional information, please contact me at (202) 366-1981, Mr. Behm at (202) 366-1995 or Ms. Mayer at (202) 366-2081.

cc: FRA Audit Liaison, RAD-43  
OST Audit Liaison, M-1  
Amtrak Government Affairs Liaison