



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General

Subject: INFORMATION: Audit of the ARRA Capital
Assistance for High Speed Rail Corridors and
Intercity Passenger Rail Service Programs
Project No. 09U3003C000

Date: May 05, 2009

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

Reply to JA-50
Attn of:

To: Acting Federal Railroad Administrator

The Office of Inspector General plans to audit implementation risks associated with the American Recovery and Reinvestment Act (ARRA) of 2009's Capital Assistance for High-Speed Rail Corridors and Intercity Passenger Rail Service programs. ARRA provided \$8 billion to the Federal Railroad Administration (FRA) to make grants to states and others under these programs. As we stated in our March 31, 2009, ARRA Oversight Challenges report, FRA has not previously implemented the large-scale high-speed passenger rail program called for in ARRA.

We plan to focus on (1) the capability of states and FRA to plan and manage high-speed rail projects, (2) state-freight railroad capital agreements, (3) financial forecasting best practices, and (4) intercity passenger rail service bottlenecks. We identified these risk areas through our previous audit work and initial scans of ARRA implementation by DOT Administrations. To the extent necessary, we will issue interim ARRA advisories to ensure that FRA, Congress, and the taxpayers receive timely and relevant information.

We will contact your audit liaison to schedule a formal entrance conference. If you have any questions please call me at (202) 366-1981.

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