



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General

October 5, 2010

Joseph H. Boardman  
President and Chief Executive Officer  
National Railroad Passenger Corporation  
and Subsidiaries (Amtrak)  
60 Massachusetts Avenue, N.E.  
Washington, DC 20002

Dear Mr. Boardman:

The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) authorized roughly \$10 billion in Federal subsidies between Fiscal Years 2009 and 2013 to support a variety of capital and operating initiatives outlined in Amtrak's strategic plan. One such initiative is the implementation of a modern financial accounting and reporting system that would enable Amtrak to fully allocate revenues and expenses to each of its lines of businesses and major activities. Amtrak has undertaken and is in the final stages of implementing APT (Amtrak's Performance Tracking system). This cost accounting and reporting system is designed to address PRIIA Section 203(a) requirements.

PRIIA directs the Department of Transportation's Inspector General to conduct a review of Amtrak's financial accounting and reporting system to ensure that it accomplishes its intended purposes. Consequently, we are initiating an audit to assess the effectiveness of APT as a cost accounting and reporting system, and the system's ability to fairly allocate Amtrak's avoidable and fully allocated revenues and expenses by lines of businesses and major activities.

We will conduct this audit in Amtrak's headquarters in Washington, D.C and will contact you to arrange an entrance conference. If you have any questions or require additional information, please contact me at (202) 366-9970,

Ms. Yana Hudson, Program Director, at (202) 366-2985 or Mr. Jay Borwankar, Project Manager, at (202) 493-0970.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Behm', with a large, sweeping flourish on the left side.

Mitchell Behm  
Assistant Inspector General for Rail, Maritime, and Economic Analysis

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cc: Thomas C. Carper, Chairman of the Board, National Railroad Passenger Corporation and Subsidiaries (Amtrak)  
D.J. Stadtler, Chief Financial Officer, National Railroad Passenger Corporation and Subsidiaries (Amtrak)  
Dan M. Black, Senior Director, Financial Analysis, National Railroad Passenger Corporation and Subsidiaries (Amtrak)  
Mark E. Yachmetz, Associate Administrator, Office of Railroad Policy and Development, Federal Railroad Administration