In 2005, Congress passed legislation requiring the Federal Railroad Administration (FRA) to develop, and the National Railroad Passenger Corporation (Amtrak) to implement, an improved cost accounting system. This new accounting system, known as Amtrak Performance Tracking (APT), is designed to address many of the shortcomings of Amtrak’s prior cost accounting system, which was often criticized because it omitted or misallocated hundreds of millions of dollars in expenses.

As required by Section 203(b) of the Passenger Rail Investment and Improvement Act of 2008, we are initiating a review of APT to determine whether it accomplishes its intended purposes. The objectives of our audit are to assess whether APT: (1) allocates all of Amtrak’s revenues to each of its routes, lines of business, and major activities; (2) assigns all of Amtrak’s fully allocated costs to each of its routes, lines of business, and major activities in accordance with standard cost accounting practices; and (3) calculates all of Amtrak’s avoidable costs with respect to each of its routes using a sound methodology.

We plan to begin this audit the week of March 26, 2012 and will contact your audit liaison to schedule a formal entrance conference. The audit will take place at DOT’s headquarters and other sites, as needed. If you have any questions or require additional information, please contact me at (202) 366-9970, or Yana Hudson, Program Director, at (202) 366-2985.

#

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