



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement -  
Oversight of Phase 2 of the  
Dulles Corridor Metrorail Project  
Project Number: 12M3001M000

Date: March 15, 2012

From: Calvin L. Scovel III   
Inspector General

Reply to  
Attn. of: J-1

To: Deputy Secretary  
Federal Transit Administrator

The Dulles Corridor Metrorail Project is a two-phased, multibillion-dollar effort aimed at connecting Northern Virginia's fastest growing employment regions and providing easier access to Dulles International Airport. The Metropolitan Washington Airports Authority (MWAA) is responsible for constructing the project. Once MWAA completes each phase, the Washington Metropolitan Area Transit Authority (WMATA) will operate the rail line.

According to publicly available information, phase 2 cost estimates have ranged from \$2.5 billion to \$3.8 billion, with no anticipated Federal grant funding. In response to stakeholder concerns about the cost, scope, and financing of the planned phase 2 of the project, Secretary LaHood brokered a Memorandum of Agreement (MOA) between the Commonwealth of Virginia, Fairfax and Loudoun Counties, MWAA, WMATA, and the Department of Transportation (DOT). The MOA called for reducing phase 2 costs, providing Federal loans authorized by the Transportation Infrastructure Finance and Innovation Act for specific project costs, and establishing an oversight role for DOT's Federal Transit Administration.

At the request of Representatives Frank Wolf and Tom Latham, we are initiating an audit of phase 2. Representatives Wolf and Latham expressed concerns about project oversight and the reasonableness of funding assumptions for the Dulles Toll Road, the major funding source for phase 2. Our objectives will be to (1) determine whether DOT's proposed oversight role for phase 2 adequately addresses key project risk areas, including cost, schedule, and financing and

(2) assess whether MWAA's phase 2 project plans rely upon reasonable assumptions of revenue from the Dulles Toll Road.

We plan to begin this audit next week and will contact your audit liaisons to schedule an entrance conference. We will conduct our work at DOT, MWAA, and other related sites as needed. If I can answer any questions or be of further assistance, please contact me at x61959 or Joseph Com e, Assistant Inspector General for Highway and Transit Audits, at x65630.

cc: Audit Liaison, FTA  
Audit Liaison, OST