



# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

Office of Inspector General

Subject: INFORMATION: Notification of Major Project  
Monitoring Effort on the Dulles Corridor Metrorail  
Project

Date: June 21, 2006

Project Number: 06M9014M000

From: Kurt W. Hyde  
Assistant Inspector General  
for Surface and Maritime Programs

Reply to  
Attn of: JA-40

To: Deputy Federal Transit Administrator

The Dulles Corridor Metrorail Project proposes to extend Metrorail service in the Washington Metropolitan area to Dulles International Airport and beyond. The Project, which is currently under the control of the Virginia Department of Rail and Public Transportation, is segmented into two distinct phases. Phase I of the Project involves extending Metrorail service through Tysons Corner to Reston, Virginia and is slated to receive a New Starts full funding grant agreement of approximately \$900 million. Phase II of the Project would complete the Metrorail line to Dulles International Airport and beyond to Loudon County, although full funding for this phase has not been secured. Phase I and II are estimated to cost approximately \$2 billion each.

Recently, the Metropolitan Washington Airports Authority (MWAA) signed a memorandum of understanding with the Governor of the Commonwealth of Virginia that calls for MWAA to assume control over both phases of the Metrorail Project, including the Commonwealth's funding commitments, as well as the Dulles Toll Road. MWAA proposes to use Toll Road revenues as the main source of funding to provide for Virginia's remaining share of phase I; complete phase II sooner by ensuring full funding without seeking an additional Federal New Starts grant; and make other transportation improvements in the Corridor.

Regarding phase I, currently at issue is whether or not to have a portion of the Project pass through a tunnel in Tysons Corner, which could escalate costs. In May 2006, the Commonwealth of Virginia formed an expert review panel to

assess the tunnel option. The American Society of Civil Engineers is leading the panel and is supposed to complete its work in 60 days.

The Department has a vested interest in ensuring that the Dulles Corridor Metrorail Project is completed efficiently and effectively for a variety of reasons. Of particular interest is the large amount of Federal funding committed to it as well, as the Department's lease agreement with MWAA to manage Dulles International Airport, Ronald Reagan Washington National Airport, and the surrounding lands. Accordingly, the Office of Inspector General plans to initiate a major project monitoring effort on the Dulles Metrorail Corridor Project.

The primary objectives of this ongoing effort will be to monitor (1) the status of the Project, including costs, funding, schedules, and management, and (2) any risks that may adversely impact its completion. In addition, we will look at issues related to the Project's cost effectiveness and the possible transfer of Project control to MWAA. We will brief you or your staff should we identify any significant issues in the course of our monitoring effort.

We will conduct the monitoring effort at FTA Headquarters and Regional offices, the Dulles Metrorail Project Office, and other related sites as needed. We plan to begin work the week of June 23, 2006, and will contact your audit liaison to schedule an entrance conference. If I can answer any questions or be of further assistance, please do not hesitate to contact me at (202) 366-5630 or Tom Yatsco, the Program Director for this effort, at (202) 366-1302.

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cc: Audit Liaison, OST, M-1  
Audit Liaison, FTA, TBP-30