The Office of Inspector General plans to conduct an audit of the Federal Transit Administration’s (FTA) oversight of Phase 1 of the Dulles Corridor Metrorail Project in the Washington, D.C., metropolitan area. The project would extend the existing Metrorail line more than 11 miles through the Tysons Corner commercial district and to Reston, Virginia. This high-profile infrastructure project involves a Federal investment of $900 million through FTA’s New Starts program, including $77.3 million in American Recovery and Reinvestment Act (ARRA) funds. FTA executed a full funding grant agreement with the project sponsor, the Metropolitan Washington Airports Authority (MWAA), in March 2009 and construction is underway.

In July 2007, we reported on our baseline assessment of the project while it was still under development. In that report we identified risk indicators that warranted FTA’s close monitoring; and stressed the need for vigilant FTA oversight to prevent the same type of cost increases, schedule delays, and construction quality problems we had observed on other projects with similar risk indicators. Project risks we identified in 2007 included significant estimated cost growth; MWAA’s lack of experience in transit construction; and the complex organizational structure of the project, such as the need for ongoing coordination with the Washington Metropolitan Area Transit Authority (WMATA), the eventual owner-operator of the Metrorail extension.

Now that project construction has begun, FTA’s oversight role is to ensure that MWAA is effectively managing the project and maximizing the return on the
significant Federal investment. FTA is also charged with adhering to Office of Management and Budget requirements to provide enhanced levels of Federal oversight to ARRA-funded projects—that is, beyond standard business practices—and ensure that measures are being taken to prevent fraud, waste, and abuse. Further, the need for FTA to focus on safety and quality of construction on all transit projects is underscored by the deadly June 2009 crash on WMATA’s Metrorail red line. Accordingly, our audit objectives are to (1) evaluate the effectiveness of FTA’s oversight of the Dulles Corridor Metrorail Project and (2) assess potential safety concerns.

We plan to begin this audit the week of November 23, 2009. We will conduct our work at FTA Headquarters and other related sites as needed. We will contact your audit liaison to schedule an entrance conference. If I can answer any questions or be of further assistance, please contact me at (202) 366-5630, or Tom Yatsco, Program Director, at (202) 366-1302.

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cc: Audit Liaison, FTA
Audit Liaison, OST