Subject: Audit Announcement - Review of FRA's NEPA Compliance  
Federal Railroad Administration  
Project No. 12C3003C000

Date: August 27, 2012

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

Reply to Attn of: JA-50

To: Federal Railroad Administrator

As part of its $10.1 billion High Speed Intercity Passenger Rail Program (HSIPR), the Federal Railroad Administration (FRA) collaborates with project grantees, the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA), on construction as well as compliance with the National Environmental Policy Act’s (NEPA) requirements. As construction begins on many HSIPR projects, grantees and other stakeholders such as Congress have raised questions about the transparency of the NEPA application process and the degree to which FRA coordinates with FHWA and FTA. All federally funded projects are required to comply with NEPA—and given HSIPR’s size and complexity—policies, procedures and guidance are essential to help both FRA staff and grantees navigate the NEPA application process. In addition, guidance to facilitate NEPA coordination with other Departmental Operating Administrations is equally important as HSIPR grows and multi-modal transportation projects become more prevalent. A recently enacted statute calls for Federal agencies to coordinate early on construction projects to facilitate project delivery and cost reduction.1

To increase transparency in the FRA’s NEPA application process and review concerns raised by stakeholders, the Office of the Inspector General is conducting an audit to determine whether FRA has established an effective process that provides for coordinating with FHWA and FTA and enables FRA staff and grantees to meet

1 On July 6, 2012, President Obama signed into law “Moving Ahead for Progress in the 21st Century,” (MAP-21), which authorizes Federal-aid highway programs for two years while maintaining current spending levels. MAP-21 also focuses highway programs on key outcomes to ensure that taxpayers are receiving the most for their money.
NEPA requirements. Specifically, we will assess the effectiveness of FRA’s policies, procedures and guidance in providing grantees a path to meeting NEPA requirements.

We have contacted your audit liaison to schedule a formal entrance conference and plan to begin this audit on or around September 4, 2012. The audit will take place at DOT headquarters in Washington, DC and other sites as needed. If you have any questions or require any additional information, please contact me at (202) 366-9970, or Toayoa Aldridge, Program Director, at (202) 366-2081.

cc: Audit Liaison, OST, M-1
    Audit Liaison, FRA, RAD-41
    Audit Liaison, FHWA, HAIM-13
    Audit Liaison, FTA, TBP-30