



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –  
Federal Railroad Administration's High Speed  
Intercity Passenger Rail Grant Amendment and  
Oversight Processes  
Project No. 14C3003C000

Date: March 5, 2014

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

Reply to JA-50  
Attn. of:

To: Federal Railroad Administrator

The Federal Railroad Administration's (FRA) high speed intercity passenger rail (HSIPR) grant program is intended to help address the Nation's transportation challenges by investing in an efficient high speed rail network. Since 2009, Congress has appropriated over \$10 billion for this program. As of September 2013, FRA had obligated nearly all and disbursed approximately \$1.4 billion. Nearly 85 percent of the funding obligated to date has been dedicated to 6 corridors, with the California corridor receiving the largest portion—\$3.9 billion.

We previously reported that FRA's lack of an effective grants administration framework may be putting Federal funds at risk.<sup>1</sup> In December 2013, the Chairman of the House Committee on Transportation and Infrastructure's Subcommittee on Railroads, Pipelines, and Hazardous Materials requested we evaluate FRA's processes for negotiating, amending, and overseeing compliance with HSIPR grant agreements. Accordingly, our objectives will be to evaluate FRA's policies, procedures, and processes for (1) amending HSIPR grant agreements, and (2) identifying and mitigating funding risks to federally-funded HSIPR projects.

We plan to begin this audit immediately and will contact your audit liaison to schedule an entrance conference. The audit will take place at FRA Headquarters in Washington, DC, and other locations, as needed. If you have any questions or require

<sup>1</sup> OIG Report Number CR-2012-178, *Completing a Grants Management Framework Can Enhance FRA's Administration of the HSIPR Program*, Sept. 11, 2012.

additional information, please contact me at (202) 366-9970, or Kerry R. Barras, Program Director, at (817) 978-3318.

cc: FRA Audit Liaison, RAD-41  
DOT Audit Liaison, M-1

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