



Memorandum

To: Gerald Sokol Jr.
Executive Vice President and Chief Financial Officer

From: Stephen Lord 
Assistant Inspector General, Audits

Date: November 7, 2016

Subject: Engagement Memo—Next-Generation High-Speed Trainset Program
(Project code 002-2017)

We are initiating a review of the Company's Next-Generation High-Speed Trainset Program. Our objectives are to (1) assess the effectiveness and efficiency of the company's framework and processes for managing the trainset contract, and (2) evaluate the adequacy of the planning and cost estimating for the associated infrastructure improvements on the Northeast Corridor.

During the audit, we plan to analyze documents and data related to the procurement of the next-generation trainsets and infrastructure improvements on the Northeast Corridor. Our request for documents and program data will be made as our work progresses. We also plan to interview company officials involved in managing and overseeing the trainset procurement and the related infrastructure improvements. We will work to minimize the impact of the audit by coordinating interviews and observations with staff in advance.

Our work will be performed in accordance with generally accepted government auditing standards. Our interactions with the company will be consistent with P/I2.1.3, which sets forth the relationship between our office and the company. In particular, section 7.0 of the policy discusses coordination between company officials and our office of audits. To view this policy, see

<http://wiki.corp.nrpc/display/APIM20/2.0+Inspector+General>

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. We will keep you advised of the status of our work and any material changes in our objective, should they occur.

Larry Chisley will be the audit manager for this engagement and reports to Mike Kennedy, Senior Director. If you have any questions, please contact me at (202) 906-4600 (stephen.lord@amtrakoig.gov) or Mike Kennedy at (202) 906-4308 (michael.kennedy@amtrakoig.gov).

cc: DJ Stadtler, Executive Vice President/Chief Operations Officer
Mark Yachmetz, Senior Vice President Strategic Rail Initiative
Stephen Gardner, Executive Vice President/Chief NEC Business Development
Bernard Reynolds, Vice President/Chief Logistics Officer
Rodrigo Bitar, Chief Engineer
Sarina Maria Arcari, Vice President/ Chief Program Management Office
William Herrmann, Vice President/Managing Deputy General Counsel
Matthew Gagnon, Senior Director, Amtrak Controls
Melantha Paige, Senior Amtrak Controls Consultant