



OIG identifies challenges Amtrak may face implementing Infrastructure Act spending and requirements

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WASHINGTON – Historic investments from the Infrastructure Investment and Jobs Act could strain Amtrak’s ability to manage its current operations while concurrently planning and managing a long-term multibillion-dollar infrastructure portfolio, according to a new report released Monday by Amtrak’s Office of Inspector General.

While the report credits Amtrak with making significant progress in the past decade within its programs and operations, it pulls from a body of audits and investigations to offer the OIG’s perspective on issues the company may face as it prepares to receive IIJA funding.

The report described safety as an overarching point of emphasis for Amtrak that should continue to be promoted across the organization, even as IIJA-driven programs, projects, or requirements draw the company’s focus and attention. Beyond safety, the OIG cites four areas for Amtrak’s focus in advance of receiving its IIJA funding.

Amtrak’s first challenge is demonstrating fiscal responsibility, according to the report. With a minimum of \$22 billion in IIJA funds to spend, the company is working with the Federal Railroad Administration to develop tools and reports that will provide the appropriate detail and transparency. At the same time, however, many of the company’s systems supporting fundamental business practices are outdated and do not provide timely and high-quality information. According to the OIG, Amtrak has begun to upgrade some of these systems and can leverage IIJA funds to accelerate them.

Amtrak will also require robust internal controls to protect its funds from fraud, waste, and abuse, the report said.

Amtrak’s second challenge is building and deploying a skilled workforce, according to the report. Amtrak plans to expand its workforce by as much as 21 percent this year, including hiring new managers to lead IIJA-funded projects and skilled agreement employees to execute them. The OIG states that the company will face challenges building this workforce in a timeframe that will keep pace with growing demands, and exacerbating these challenges is a tight labor market in which multiple industries are competing for employees with the same skills the company needs.

A third Amtrak challenge is effective coordination with its stakeholders, the report said. The company’s operations and finances depend in significant part on cooperation, coordination, and support from an array of external and internal stakeholders – state partners, commuter rail agencies, local governments, regional working groups, freight rail companies, FRA, Congress, and its own internal departments. The OIG found that Amtrak has experienced mixed success

managing these relationships in the past, and the report notes that collaborating effectively with its external partners will be a necessary precursor to 1) successfully accessing funding from various Department of Transportation grant programs, like the Federal State Partnership for Intercity Passenger Rail grant program, 2) facilitating future route expansion, and 3) prioritizing billions of dollars of capital improvements on Amtrak's Northeast Corridor.

In addition, the OIG has found in past work that Amtrak has not coordinated internally across the company as early and comprehensively as needed. Bringing all departments into the early planning process can help Amtrak set realistic schedules by obtaining input on the availability of the relevant departments to support the project needs with staff and other resources, the report said.

The fourth challenge Amtrak faces is in improving program and project management. According to the report, Amtrak recognizes its challenges in this area and has made progress toward bringing structure and discipline to the project management function.

The company recently created a new Capital Delivery department to manage the planning and implementation of major programs and projects—an area where the OIG has identified weaknesses over the last decade. It also created an enterprise-wide program management office, issued management standards, developed trainings and certifications for managers, and took actions to address prior OIG findings. The report notes, however, that Amtrak has not always sustained these efforts, and its program management success has been mixed.

The report said that, considering the breadth and scope of projects that the IIJA will generate, Amtrak will need to continue to pursue rigorous program and project management through early program and project planning, providing adequate resources in terms of knowledgeable and skilled staff, and holding managers accountable for project delivery.

More information is included in the full report which can be downloaded on the OIG's website: <https://direc.to/hM H>.

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