



## **Amtrak taking steps to comply with infrastructure law requirements**

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WASHINGTON – Amtrak is positioning itself to comply with Infrastructure Investment and Jobs Act operations, policy, and funding requirements, an Amtrak Office of Inspector General report released today said.

These efforts include how the company plans to use, account, and report on direct IIJA funding it will receive to upgrade capital assets, acquire new trainsets, and reduce its backlog of deferred capital projects. As of July 2023, Amtrak has received about \$731 million in IIJA funds and spent \$638 million, the report said.

In total, the IIJA provides \$66 billion for passenger and freight rail improvements. Of this, Amtrak will receive about \$22 billion in direct funding, and this funding is disbursed by the Federal Railroad Administration based on Amtrak's forecasts for the next quarter's spending. Before Amtrak can spend these funds, the FRA must approve a statement of work for each project, the report explains. In addition to the direct funding, Amtrak could access or benefit from as much as \$44 billion more through various grant programs funded through the IIJA and administered by the FRA.

In fiscal year 2022, Amtrak proactively established company-wide plans and processes to serve as the foundation for complying with the IIJA's operations, policy, and funding requirements. This included the establishing an IIJA implementation committee, developing an IIJA tracker, training on IIJA grant compliance and reporting requirements, and communicating management's expectations for the responsible use of IIJA funds, the report said. The company also developed a spending plan for IIJA funds in December 2022 as required by the law.

Amtrak plans to allocate most of the \$22 billion in direct IIJA funding to seven major areas. This includes spending \$6.62 billion acquiring its intercity trainsets, now known as Amtrak Airo, and constructing or modifying the maintenance facilities that service them; \$4.94 billion to replace its long-distance fleet and diesel locomotives; \$2.78 billion to address deferred capital projects and reduce its inventory of obsolete assets; \$2.3 billion to upgrade or modify maintenance facilities; \$1.74 billion to bring specific stations into compliance with the Americans With Disabilities Act; and \$1.49 billion for participation in the FRA's Federal-State Partnership for Intercity Passenger Rail grant program. According to the report, the latter will help fund major projects like the Baltimore and Potomac Tunnel replacement, Connecticut River Bridge replacement, and the New York Penn Station expansion.

Amtrak plans to use the remaining funds, about \$1.7 billion, to address contingencies for IIJA-funding projects, as a set aside for unforeseen risks, and for operating expenses in support of IIJA capital projects, the report said.

The OIG did not make recommendations in this report, noting that it was too early to assess the effectiveness of Amtrak's plans and processes. The OIG committed, however, to continuing to monitor the company's progress and has initiated audits of individual IIJA-funded projects, like Amtrak Airo, to assess the company's management of them.

More information is included in the full report, which can be downloaded on the OIG's website: <https://direc.to/jNq3>.

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