Fiscal Year 2006 Evaluation Reports

IT Project Approval Process
Report E-06-01, March 31, 2006 Semiannual Report #33

The OIG evaluated the Amtrak Information Technology (IT) program and recognized improvements in the IT Project Approval Process between FY05 and FY06. This included the institution of an IT Working Group, better use of criteria to "value" and "score" projects, and the selection of projects based on information prepared by the IT working group.

However, the OIG did find areas in need of improvement and the OIG recommendations included adopting an organizational structure that provides for the inclusion of the Chief Information Officer in the development and discussion of strategic plans and initiatives; the integration of an IT strategy that supports the corporation's business strategy; and increased project controls to promote consistency in decision-making.

Management Response: Management agreed with and implemented the recommendations. This included elevating the position of the CIO and developing a comprehensive strategy for upgrading Amtrak's IT systems.

Amtrak Fleet Planning Process
Report E-06-02, 04/06/2006 Semiannual Report #34

The purpose of this review was to determine the effectiveness of Amtrak's fleet planning process. We found that, in the past, Amtrak used a tactical versus a strategic process to develop its Fleet Plan, that critical fleet related functions were managed separately rather than as cross-functionally linked processes, and that effective metrics were not used to quantify either the productivity of the fleet or the implementation of the Fleet Plan.

The evaluation also found that these shortcomings helped to produce lower average load factors and a lower percentage of fleet availability than what is reasonably expected from a rail operator that closely manages its assets. The OIG estimated that Amtrak had the opportunity to improve its overall financial performance by $28 million to $36 million annually by increasing the productivity and/or utilization of its rolling stock fleet. The OIG recommendations focused on how Amtrak should develop, implement and monitor its Fleet Plan so that it supports the corporate long-term strategic goals and optimizes the productivity of Amtrak's fleet of locomotives and cars.

Management Response: Management agreed with the OIG recommendations, but has not yet fully implemented them.

Facility Maintenance Program
Report E-06-04, 08/24/2006 Semiannual Report #34

The OIG evaluated the efficiency and effectiveness of Amtrak's facility maintenance program. The OIG findings revealed that Amtrak does not give facility maintenance the same level of attention and effort that it devotes to maintenance of its Right of Way (track/bridge/tunnel) and its rolling stock. Because of this lack of attention, some of Amtrak's facilities were in poor condition, with leaking roofs, inadequate lighting, uncontrollable temperatures, and inoperable equipment. These conditions were having an adverse effect on employee productivity, safety and morale.

The OIG recommendations included:

- Developing comprehensive inventories of the systems and equipment in each facility;
- developing maintenance standards and measuring the condition of facilities against these standards;
- instituting a comprehensive facility maintenance strategy;
- implementing a management information system to assist in planning, programming and monitoring maintenance activities; and,
- implementing a process to periodically assess the effectiveness and efficiency of the facility maintenance program.

Management Response: Management agreed with the recommendations, but have not fully implemented them.

Long Distance Train On Time Performance
Report E-06-05, 09/29/2006 Semiannual Report #34

The OIG found that on-time performance (OTP) of Amtrak's long distance trains had been steadily declining for the past five years (2001-2005) and the OTP of some of these trains had declined to the point where more than 80 percent of the trains arrived late at their final destination. The purpose of this report was to examine the financial impact of the poor OTP of Amtrak's long distance trains and to develop a high-level estimate of the potential financial benefit to Amtrak if the trains ran on-time.

The OIG evaluation quantified the changes in passenger revenue, time-related operating expenses and host railroad performance payments that would occur if the OTP of Long Distance trains improved from their FY 2005 levels. This evaluation was intended to highlight where Management could focus its actions to get the most financial benefits from improved long distance train OTP.

Overall, this evaluation found that improving the OTP of all Amtrak long distance trains had the potential of providing around $40 million in annual financial benefits. The OIG also found that approximately 50 percent of the potential financial benefits could be achieved by improving the OTP of only three of the 14 long distance train routes.

Finally the OIG identified that the incremental financial benefits to Amtrak peak around 75 percent OTP. This occurs mainly because of the current structure of Amtrak's host railroad operating agreements that provide incentive payments to host railroads when Amtrak's trains achieve a high OTP.

The OIG made three recommendations on how Amtrak should focus its Long Distance Train OTP improvement efforts to maximize financial benefits.

Management Response: Management agreed with and implemented the recommendations.