

New report finds Amtrak's Acela 21 program at 'significant risk' of delays

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WASHINGTON – Slips in trainset manufacturer delivery dates and management weaknesses have caused delays in Amtrak's Acela 21 program—a \$2.1 billion effort to replace the current Acela fleet—and indicators point to the potential for further delays in key program areas which could postpone new trainset service launch, an Amtrak Office of Inspector General report released Thursday found.

According to the report, the company is scheduled to launch the new higher capacity trainsets by the company's planned date in 2021. To avoid problems it experienced in other major rolling stock acquisitions, and correct problems raised in a 2017 OIG report, the company instituted some key program management improvements.

The OIG found, however, that delays have eliminated any schedule cushion and there is a significant risk of further delays. Company officials told the OIG that five critical program elements—such as the trainset delivery, accompanying infrastructure upgrades, and staff training—would need to proceed nearly flawlessly to ensure the service is launched on time. Any further delays could result in additional costs for the company and could delay its ability to capture new revenue as it brings the new, larger trainsets online.

Among the weaknesses identified in the report, auditors found that, despite the significant risk of delays, the company has not developed a full range of contingency plans to respond to such delays. In addition, the program sponsor's authority to make decisions and task key program officials who report to other departments is not clearly defined. This affects the program sponsor's ability to ensure problems are addressed in a timely manner.

Additionally, key program officials faced multiple, complex job assignments, constraining their ability to undertake Acela 21 program activities, the report said. For example, an Engineering department official did not backfill a key vacancy for six months because of competing responsibilities, delaying designs for maintenance facility modifications needed for the new trainsets. Further, the program's sponsor is also responsible for the Northeast Corridor service line, and until recently, was accountable for the Moynihan Train Hall project in New York.

Other delays, like an ongoing manufacturer delivery delay for the first trainset, and potential delays in obtaining equipment for the positive train control system, were largely outside of Amtrak's control, the report said.

10 G Street, NE, 3W- 300, Washington D.C., 20002 202.906.4600 / Fraud Hotline 800.468.5469 www.amtrakoig.gov To address the findings in the report, the OIG recommended the company ensure program officials have sufficient capacity to complete program tasks in a timely manner, address any gaps related to the program sponsor's authority, and develop additional contingency plans that each assess operational and financial impacts.

More details are available in the full report, located on the OIG's website: <u>https://go.usa.gov/xdgq7</u>. This is the OIG's second report on the Acela Express 2021 program. The first report in the series, published in November 2017, can be found here: <u>https://go.usa.gov/xphYX</u>.

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