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GATEWAY DEVELOPMENT COMMISSION SECURES FULL FUNDING FOR HUDSON TUNNEL PROJECT

Historic \$12 Billion Federal Funding Commitment Includes Largest Ever CIG Grant, Along with Largest Aggregate RRIF Loan

Newark/New York – The Gateway Development Commission (GDC) today signed a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration (FTA) for \$6.88 billion in federal funding for the Hudson Tunnel Project (HTP) and closed on Railroad Rehabilitation and Improvement Financing (RRIF) loans from the Build America Bureau totaling \$4.06 billion to fund the local share of the project.

With these actions, GDC has secured the entire \$16 billion commitment needed to complete the HTP. This includes \$12 billion in federal funding – the largest federal funding commitment to a rail transportation project in modern history.

“For a long time now, the Gateway project has been my passion. It’s a labor of love. And after many false starts and obstacles placed in our way, Gateway is full speed ahead with billions from FTA ready to go and be used for critical work and construction,” said **Senator Charles Schumer**. “Gateway’s future is assured and the most important public works project in America is all systems go.”

“After decades of delays, the Gateway Hudson Tunnel Project is finally moving forward. This Full Funding Grant Agreement will provide the critical resources needed to deliver an essential piece of infrastructure that will bring millions of visitors to New York every year,” said **New York Governor Kathy Hochul**. “I am proud of the work we have done with President Biden, Secretary Buttigieg, Amtrak, and our partners in New Jersey to advance this project and I thank Majority Leader Schumer and the New York Congressional delegation for providing their support.”

“Today marks a significant milestone on the path to ensuring the success of our nation’s most vital infrastructure project,” said **New Jersey Governor Phil Murphy**. “Thanks to the leadership of our partners, both in Congress and across the Hudson, our federal government will be covering over 70 percent of the total cost of the Gateway Tunnel Project. As the main artery of our nation’s economy continues to be pushed to its limits, we are now one step closer to transforming the 100-year-old infrastructure under the Hudson River. New Jersey thanks the Biden-Harris Administration for delivering this critical investment so that our region’s transportation system will be able to support a new century of American leadership.”

“I am proud to have helped secure the largest federal infrastructure grant in U.S. history to finally expand rail capacity across the Hudson River and bring our rail system into the 21st century,” said **Senator Cory**

Booker. “The Hudson Tunnel Project is transformative, improving reliability for the hundreds of thousands of commuters who depend on this vital transit link every day. This critical investment in our infrastructure will benefit not only New Jersey and New York, but the entire country by enhancing connectivity, creating jobs, and driving economic growth.”

“Today’s announcement marks an extraordinary milestone for transit riders across the Northeast Corridor and for the future economic development of our region,” said **Congressman Jerrold Nadler.** “As a long-time champion of the Hudson Tunnel Project, I am proud that, after years of delays during the previous administration, the Biden Administration is investing a record-breaking \$12 billion in this once-in-a-generation project. With the Full Funding Grant Agreement signed and the Railroad Rehabilitation and Improvement Financing loans secured, the most important transportation infrastructure project in the country is moving full steam ahead to create 95,000 jobs, nearly \$20 billion in economic activity, and secure our national economy.”

“This is a historic moment and a testament to our commitment to completing the Gateway Program,” said **Congressman Rob Menendez.** “This is not just the largest federal investment ever in a mass transit project but a reflection of our unwavering dedication to investing in our critical infrastructure, while improving the daily commutes of millions in the 8th District, New Jersey, and beyond. Today is a great day, but the work continues, and we will remain steadfast in our support of this project until it is completed.”

“Today marks an extraordinary milestone for our region as we move full steam ahead with the Gateway Tunnel project,” said **Congressman Frank Pallone.** “With the completion of this \$12 billion federal investment, we will finally replace this century-old tunnel, significantly enhancing connectivity between New York and New Jersey. I fought for this funding to eliminate chronic delays, boost service reliability, and support the 200,000 commuters who rely on this train line daily. It’s a huge win for our community and demonstrates our delegation’s unwavering commitment to making this the most modern and efficient rail line in the nation.”

“Today the Biden-Harris Administration and USDOT are fulfilling their promise to the riders of New York, New Jersey, and the entire Northeast Corridor by providing \$11.7 billion in federal funding for the Gateway Project and over \$4 billion in federal loans,” said **USDOT Deputy Secretary Trottenberg.** “Today is a momentous occasion in a years-long collaboration to build a new Hudson River Crossing, bringing together USDOT, Congress, two states, Amtrak, the Port Authority, local officials, labor partners, and more. Together, we are investing in a project that will move Americans forward and contribute to the economic growth of our nation.”

“It is important to realize that as we improve New Jersey Transit and Amtrak service in and out of Manhattan, we will improve train and transit service for a region that impacts more than 20 percent of the nation’s economy,” said **FTA Acting Administrator Veronica Vanterpool.** “FTA is proud to invest in the Hudson Tunnel Project so these rails can continue to carry millions of people who keep the American economy humming.”

“New York City is the economic and cultural hub of the nation. The Hudson Tunnel Project is critical to provide modern rail transit for the millions of people who travel to and from the City every day and to ensure the New York metro region continues to thrive,” said **Alicia Glen, New York GDC Commissioner and Co-Chair.** “Securing the funding needed to complete the HTP is a massive win for New Yorkers and

all Americans. Construction alone will create tens of thousands of jobs, and the long-term economic growth this project unlocks will benefit the entire country.”

“Every day, hundreds of thousands of commuters travel between New Jersey and New York. The Hudson Tunnel Project will ensure these commuters have the reliable rail service they deserve, setting the stage for long-term economic growth on both sides of the Hudson,” said **Balpreet Grewal-Virk, New Jersey GDC Commissioner and Co-Chair**. “Finalizing the FFGA and the RRIF loans for this project is a key milestone that enables us to confidently say there is a light at the end of the tunnel for commuters struggling with unpredictable service.”

“The new Hudson River Tunnel will supercharge the rail connections across our region and to the nation, improving and expanding rail service in ways we’ve only been able to dream about in the past,” said **Amtrak Board Chair and GDC Vice Chair Tony Coscia**. “We celebrate this milestone today because of the many leaders and partners that came together for a better future. Thank you, President Biden, Secretary Buttigieg, Sen. Schumer, and supporters in Congress, including the New York and New Jersey delegations, and our partners at the GDC and New York and New Jersey, including NJ TRANSIT and the Port Authority.”

“The Hudson Tunnel Project is a key portion of the transportation network along the Northeast Corridor that supports not only the region’s but the nation’s economy,” said **Port Authority Executive Director Rick Cotton**. “The Port Authority is pleased to have provided an important element of the local funding share that has resulted in the full funding of the project achieved today.”

“Gateway is a project that has enormous consequences for the millions of riders who will benefit from it, and it will be a significant driver of economic growth for the entire New Jersey – New York region,” said **Port Authority Chairman Kevin O’Toole**. “The Port Authority is committed to continue working with our federal and local partners, including through our funding support announced today, in making the nation’s most vital and impactful rail project a reality.”

“Today marks the culmination of securing funding for a project that stands as the most consequential undertaking of our generation and for the next hundred years in this region. The commitment from all levels of government – local, state, and federal – underscores the profound understanding of this project’s significance,” said **NJ TRANSIT President & CEO Kevin S. Corbett**. “As a primary user of the current tunnels, no one knows better than NJ TRANSIT and our riders about the desperate need for the new tunnels.”

“After years of planning and persistence, the Hudson Tunnel Project’s days of uncertainty are finally behind us. For twenty-three months, we worked tirelessly to complete the funding puzzle for this vital project. Today we have secured the funding needed to see this project through,” said **Kris Kolluri, GDC Chief Executive Officer**. “I am proud that we navigated the complex FFGA process without missing a single deadline and thankful for our partners in the Biden Administration, Majority Leader Schumer, Governor Hochul and Governor Murphy, our Congressional delegations, and our many other supporters in Washington, New Jersey, and New York whose dedication to this critical project enabled us to reach this milestone. We look forward to continuing to work together through the construction process.”

The HTP will eliminate one of the biggest risks of failure on the Northeast Corridor by building two additional tracks and rehabilitating the existing North River Tunnel, resulting in four modern tracks

between New York and New Jersey. The new tunnel will be in service by 2035 and the full rehabilitation of the existing tunnel will be complete by 2038.

The total \$16 billion cost of the HTP will be split 70/30 between the federal government and the project's local partners: New York, New Jersey, and the Port Authority of New York and New Jersey (PANYNJ). This arrangement saves the local partners multiple billions of dollars compared to the original plan to split the project costs 50/50.

The FFGA signed today represents a commitment from FTA to provide \$6.88 billion for the HTP through the New Starts Capital Investment Grant (CIG) Program. This is the largest grant in the history of the CIG Program and the largest single funding source for the HTP. The federal government has also committed \$3.8 billion to the project through USDOT's Federal-State Partnership for Intercity Passenger Rail (FSP) Program, \$292 million from the Bipartisan Infrastructure Law's Mega grant program, and \$25 million through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program. Amtrak is contributing an additional \$1 billion.

The low-interest RRIF loans that GDC closed on today will fund the local share of the project. These three loans, totaling \$4.06 billion, represent the largest aggregate loan the USDOT has provided through the RRIF program.

Construction of the HTP started on both sides of the Hudson River in November 2023 and is expected to [create 95,000 jobs and generate \\$19.6 billion](#) in economic activity.

In New Jersey, the [Tonelle Avenue Bridge and Utility Relocation Project](#) is building a new roadway bridge to allow for a connection to the new tunnel portal and an access point for Tunnel Boring Machines. In Manhattan, work is underway on the [Hudson Yards Concrete Casing Section 3 \(HYCC-3\) Project](#) that will preserve a rail right-of-way to link the new Hudson Tunnel to New York Penn Station.

The actions taken today also enable GDC to move forward with heavy construction and tunnel boring activity. Heavy construction will begin in the coming weeks with the [Hudson River Ground Stabilization \(HRGS\) Project](#), which will stabilize the riverbed on the Manhattan side of the Hudson River to enable the Tunnel Boring Machines to excavate the new tunnel.

By the end of 2024, GDC will have awarded contracts for more than \$5 billion in construction activity, including contracts to build sections of the tunnel passing through the Palisades in New Jersey and going through the Manhattan bulkhead under Hudson River Park, and will have ordered the first Tunnel Boring Machine.



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The Gateway Program is the most urgent infrastructure program in the country – a comprehensive set of rail investments that will improve commuter and intercity services, add needed resiliency, and create new capacity for the busiest section of the Northeast Corridor (NEC). The NEC is the most heavily used passenger rail line in the country hosting more than 2,200 train movements and 800,000 passenger trips daily.