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Contact:

Steve Sigmund – [ssigmund@gatewayprogram.org](mailto:ssigmund@gatewayprogram.org); 917-459-7794

Craig Schulz – [cschulz@gatewayprogram.org](mailto:cschulz@gatewayprogram.org); 302-632-2865

## **GATEWAY DEVELOPMENT COMMISSION ADVANCES FEDERAL FUNDING PROCESS BY SUBMITTING REQUEST TO ENTER ENGINEERING, APPROVES CRITICAL PARTNERSHIP FRAMEWORK FOR DELIVERY OF HUDSON TUNNEL PROJECT**

***Submittal Includes Updated Financial Plan Reflecting Cost and Schedule Released in August, Including Potential to Reduce Costs and Speed Timeline; Project Development Agreement Between NJ, NY, Amtrak and GDC Governs Agency Roles and Responsibilities in Delivering Gateway Hudson Tunnel Project***

Newark, NJ -- The Gateway Development Commission (GDC) today announced it has submitted a request to the Federal Transit Administration (FTA) for the Gateway Hudson Tunnel Project to enter into the Engineering Phase of the Capital Investment Grants (CIG) Program process, during a meeting of its Board of Commissioners. The GDC also approved a Project Development Agreement (PDA) outlining the specific roles and responsibilities of the partner agencies that will govern delivery of the project.

The moves represent the first major actions in the Hudson Tunnel Project since GDC assumed the role of Project Sponsor earlier this Fall.

### **CIG Submission**

The request to enter engineering is the next major step by the project toward the \$6.5 billion federal grant the partners are seeking from the FTA. The submission includes an updated financial plan for the project reflecting the cost and schedule GDC released on August 31, 2022.

In a [cover letter](#) accompanying the submittal GDC Chief Executive Officer Kris Kolluri formally requested to enter the FTA CIG Engineering Phase and highlighted details of the submission. In the letter, Mr. Kolluri emphasizes the GDC's efforts to seek additional Federal grant funding which could reduce the project's cost by up to \$1.4 billion, to undertake a value engineering exercise that could potentially further reduce costs, and to pursue early work opportunities to reduce the HTP's overall schedule.

The next step in the CIG process is for the FTA to accept the Hudson Tunnel Project into the Engineering phase. In advance of that acceptance, the FTA will review the submission, conduct a thorough Risk Assessment and work with GDC to identify and mitigate challenges to the project's ultimate completion. During the FTA CIG Engineering Phase, the GDC will continue to advance the HTP and work to meet all FTA readiness requirements, and will begin negotiating a Full Funding Grant Agreement (FFGA) with FTA.

In its update of costs and schedule for the project, the GDC said it is working to reach an FFGA by the spring of 2024.

**PDA**

The PDA is an agreement between the states of New Jersey, New York, Amtrak and the GDC that formalizes a governance structure for the procurement, construction and delivery of the HTP, and spells out that GDC, as the project sponsor, will be responsible for delivery of the project. (The full PDA can be found [here](#) on the GDC website).

The agreement specifies that delivery of the project will be overseen and governed by the GDC Board of Commissioners. The PDA also details a process in which the parties to the agreement (or other entities) may take the lead on specific contract packages or portions of the project at the direction of the GDC. In addition, it outlines processes for resolving disputes, funding any additional costs and day-to-day governance of the project.

The PDA is designed to ensure the project is delivered in the most transparent, ethical and cost-efficient manner and to provide confidence to federal funding partners in its successful completion.

**NY Co-Chair Alicia Glen** said, “Governor Hochul and all of the members of the Commission are committed to assuring this project moves forward quickly and cost effectively. Today we are taking major steps toward demonstrating to the Federal government that we are ready to oversee the financing, construction and delivery of a 21<sup>st</sup> Century tunnel that will provide critical infrastructure for the region and the nation.”

**Balpreet Grewal-Virk, NJ Co-Chair**, said, “I want to thank the staff, our partners, the FTA, and Governors Hochul and Murphy for the partnership that made today’s significant progress possible. We are continuing to deliver on the promises we made to get to full funding and construction, and we’ll remain committed until we get the tunnel project funded, procured and built. “

**Tony Coscia, GDC Vice-Chair**, said, “The region and the nation need a modern, reliable connection between New York, New Jersey and the rest of the Northeast Corridor that finally ends the bottleneck of delays for travelers and the ongoing risk to our economy. We’ll continue to push ourselves, our partners and our staff to meet the moment and deliver on moving the tunnel project forward.”

**GDC Chief Executive Officer Kris Kolluri** added, “When I became CEO in July, we committed to the US Department of Transportation that we would have an updated financial plan and an agreement between all our partners to deliver the Gateway Hudson Tunnel by the Fall, and that’s what we’ve done. These actions advance the series of steps we’re taking to demonstrate GDC is serious about funding and building the tunnel project as soon as possible, because the region, the nation, and riders shouldn’t have to wait any longer. “

The GDC also announced today that it had submitted a preliminary operating budget of \$24 million and capital budget of \$34 million for 2023 to its Board. The budget will be made available on the GDC website, and the Board of Commissioners is expected to vote on the final budget prior to the end of the calendar year.

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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.*