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HUDSON TUNNEL PROJECT TO RECEIVE \$6.88 BILLION FEDERAL GRANT

Project Entered into Engineering Phase of Capital Investment Grant Process, Clearing Way for Full Funding Grant Agreement and Major Construction of Project

Newark, NJ and New York, NY – The Gateway Development Commission (GDC) announced today that the Hudson Tunnel Project has entered the Engineering Phase of the Federal Transit Administration’s (FTA) Capital Investment Grants (CIG) Program and that the FTA had updated the project to receive an up to a \$6.88 Billion CIG Program grant. (The DOT CIG Dashboard Update can be found [here](#).)

The announcement clears the way for the Hudson Tunnel Project to receive the vast majority of the Federal funding needed for full construction. GDC said it expected the remainder of Federal funding to become available to the project through the approximately \$4 billion in Federal-State Partnership for Intercity Passenger Rail Grant Program, Rebuilding American Infrastructure with Sustainability and Equity (RAISE), and Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grants that have already been applied for.

Taken together, the CIG funding, along with other Federal components and Amtrak’s contribution, mean the entire project is poised to have the Federal funding it needs to undertake early work construction this year, and major construction in 2024. In addition, the States of New York and New Jersey, and the Port Authority of New York and New Jersey have committed to fully funding the local share of the project.

The next phase of the CIG Program process is negotiating and reaching a Full Funding Grant Agreement (FFGA) between the FTA and GDC, as the Project’s Sponsor, which is expected in 2024.

GDC applied to enter the critical Engineering phase in October 2022 and worked in partnership with the FTA on a risk assessment and an updated financial plan for the project.

“The Gateway Program is an essential economic engine for New York and the nation, and the Hudson Tunnel Project moving into the Engineering Phase of the FTA’s Capital Investment Grants program is a great achievement,” **said New York Governor Kathy Hochul**. “I am proud of the work we have done with President Biden, Secretary Buttigieg, Senior Advisor Landrieu, and our partners in New Jersey to advance this project, and I thank Majority Leader Schumer and the New York Congressional delegation for providing critical support. I will continue working with our

partners to ensure this national priority receives the Federal funds it needs to keep moving forward.”

“The entrance of the Hudson Tunnel Project into the Engineering Phase marks the most significant milestone to date for Gateway, which has advanced further than any predecessor project,” **said New Jersey Governor Phil Murphy**. “Just as importantly, this pivotal benchmark is a testament to the synergies we have forged with our regional neighbors and Federal partners. Indeed, early construction work will begin this year thanks in no small part to robust Federal funding and the commitment of the Biden Administration to modern, world-class infrastructure. We look forward to working with our Federal partners to secure the remaining funding necessary to complete the most urgent infrastructure project in the country.”

Alicia Glen, New York Commissioner and GDC Co-Chair said, “Entering into Engineering is the biggest step yet in making the entire Hudson Tunnel Project a reality. Between this action and the clear commitment from our Federal partners for additional funding, we will have the resources needed to meet our commitment to the region and nation to build a new rail link between New York, New Jersey, and the entire Northeast Corridor.”

Balpreet Grewal-Virk, New Jersey Commissioner and GDC Co-Chair said, “Today’s announcement shows what a true partnership can achieve. The FTA is endorsing the work that GDC and our partners have done to assure billions in local funding, advance the project and demonstrate that we will responsibly ensure it gets built.”

Anthony Coscia, Amtrak Commissioner and GDC Vice-Chair said, “The Hudson Tunnel Project will allow for increased reliability, redundancy, and, most important, a better passenger experience on the busiest stretch of the Northeast Corridor. Entry into Engineering is a major milestone accomplishment for the partnership between New York, New Jersey, Amtrak, and the Federal government. Now, it’s time to go build.”

Kris Kolluri, the Commission’s Chief Executive Officer, said, “We are very grateful to the Biden Administration, Governors Hochul and Murphy, Majority Leader Schumer, our entire Congressional Delegation and the GDC Board for their unwavering commitment to keep the Hudson Tunnel Project moving forward. Combined with early work beginning in New York and New Jersey, the FTA’s commitment of the vast majority of Federal funding for the project is an enormous step in ensuring we move quickly to create a 21st Century rail experience for hundreds of thousands of passengers.”

GDC has also made substantial progress in recent months advancing elements of the Hudson Tunnel Project:

- Early work is expected to begin later this year on both the Tonelle Avenue Bridge and Utility Relocation Project in New Jersey and the Hudson Yards Concrete Casing - Section 3 in New York.

- Procurements were recently launched for 2 major components of the project, and GDC shortlisted potential Project Delivery Partners.
- A \$25 million (US DOT) RAISE Grant to fund the Tonnelle Avenue Bridge and Utility Relocation portion of the project was announced.
- The US DOT's Build America Bureau is advancing the application for obtaining Railroad Rehabilitation and Improvement Financing (RRIF) loans to support the project.
- \$700 million from the President's Proposed Fiscal Year 2024 Budget and the Capital Investments Grants Program was announced for the project.
- President Biden announced a \$292 million grant to fund the Hudson Yards Concrete Casing - Section 3 project.

The Hudson Tunnel Project consists of two new tubes that cover four and a half miles each, and the rehabilitation of the 113-year-old existing tunnel, going from Secaucus Junction in New Jersey to Penn Station in New York. The four 21st-century tracks will connect New York and New Jersey to the rest of the rest Northeast Corridor (NEC) stretching from Washington D.C. to Boston. They will eliminate a single point of failure for the NEC, providing long-term resiliency, reliability, and redundancy to the regional and national rail network.

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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.