

**FOR IMMEDIATE RELEASE**

March 20, 2025

**Contacts:**

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

Molly Beckhardt – [mbeckhardt@gatewayprogram.org](mailto:mbeckhardt@gatewayprogram.org); 917-586-3622

**NEW HUDSON TUNNEL PROJECT ANALYSIS SHOWS ACTIVE  
CONSTRUCTION IS SUPPORTING 20,200 JOBS, \$4.5 BILLION IN  
ECONOMIC OUTPUT**

*Analysis Points to Substantial Domestic Benefits, with 94% of \$2.2 Billion in Capital Spending Expected to Stay Within the United States*

The Gateway Development Commission (GDC) commissioned a new economic impact analysis of the first five contracts in active construction on the Hudson Tunnel Project (HTP). The analysis finds that work underway will support 20,200 direct, indirect, and induced full-time equivalent (FTE) workers while generating \$4.5 billion in economic output and \$1.7 billion in labor income.

“When the Hudson Tunnel Project is complete it will deliver 21<sup>st</sup> century transportation reliability for millions of passengers. Today it is delivering good jobs for workers and new business for American companies,” said **GDC CEO Tom Prendergast**. “Every time we launch work on a new construction site for this megaproject, we have a major positive impact on the economy. It’s essential that we keep up the forward momentum and remain vigilant about its scope, schedule, and budget.”

The jobs and economic impact from investing in the HTP overwhelmingly benefits domestic workers and businesses, with 94% of the \$2.2 billion in capital spending from active construction expected to remain within the United States. Moreover, construction in the New York metro region is supporting labor income across the country. Every \$10 spent on direct labor for the first five contracts supports \$17 in wages and benefits nationwide.

###

*The Gateway Program is the most urgent major 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.*



# THE GATEWAY HUDSON TUNNEL PROJECT IS PAYING OFF

## The Economic Benefits of Building the Most Urgent Rail Infrastructure Project in America

### Executive Summary

- A new analysis shows the first five Hudson Tunnel Project contracts under active construction are supporting **20,200 direct, indirect, and induced full-time equivalent (FTE) equivalent workers while generating \$4.5 billion in economic output and \$1.7 billion in labor income.**
- The project's major economic impact will overwhelmingly benefit the American economy and domestic workers and businesses. **Roughly 94% of the over \$2.2 billion in total capital spending on these contracts is expected to be sourced within the United States.**
- Investing in reliable transportation along the Northeast Corridor will not only strengthen the region that powers the American economy, but will benefit workers well beyond the project area. **Every \$10 spent on direct labor for the first five contracts supports more than \$17 in wages and benefits across the country.**
- This latest study analyzing the Gateway Development Commission's activity in the two years since the Hudson Tunnel Project's groundbreaking supports a previous projection quantifying the impact over the full duration of construction. A 2024 report found that total construction will support **95,000 jobs (FTEs) and generate \$19.6 billion in economic activity.**

### Introduction

The Northeast Corridor (NEC) is the most heavily trafficked passenger rail line in the United States. Running from Washington, DC to Boston, it links 800,000 daily riders to every major city on the east coast. Commuters rely on the NEC to reach the nearly one-hundred Fortune 500 companies in the Northeast megaregion, which produces 20% of the national GDP.

The busiest, most congested section of the NEC is a ten-mile stretch from New York Penn Station to Newark, New Jersey. This critical link in the network relies on a 115-year-old tunnel under the Hudson River: the North River Tunnel (NRT).

Antiquated and still badly damaged by Hurricane Sandy in 2012, the "one-track-in, one-track-out" NRT is one of the top culprits behind chronic delays and bottlenecks all along the NEC. **From 2022 to 2023, trains using the tunnel were delayed two out of every three days.**

Left unaddressed, infrastructure failure in the NRT would lead to economic catastrophe. Taking even one tube out of service for a planned 4-year rehabilitation would come at the cost of \$16 billion to the national economy from lost wages, time, and more – **the equivalent of losing 33,000 jobs per year**. To eliminate this threat, leaders in Washington, New York, and New Jersey have charged the Gateway Development Commission (GDC) with delivering the most urgent infrastructure project in the nation.

The Hudson Tunnel Project (HTP) is the cornerstone of the Gateway Program, a set of passenger rail investments that will fortify rail transportation between New York and New Jersey and along the NEC. The HTP is building nine miles of new rail tunnel under the Hudson and will then rehabilitate the existing tunnel from top to bottom. Once complete, it will deliver reliable transportation that meets the needs of a 21st century economy.

Already, investing in this critical infrastructure project is having a positive jobs and economic impact. With half of the contracts awarded, ongoing economic analyses reveal the measurable benefits from construction. Work is well underway across five active sites in New York and New Jersey – and the momentum is paying off.

### The Hudson Tunnel Project: An Engine for Jobs and Economic Growth

A new analysis commissioned by GDC shows substantial economic dividends from current HTP construction – not just for the New York megaregion, but throughout the country – as the project shifts from preparatory early work to heavy civil construction. Taken together, the five contracts awarded to date will support **20,200 jobs (FTEs), \$4.5 billion in economic output, and \$1.7 billion in labor income** once complete.

Taken together, the five contracts awarded to date will support 20,200 jobs (FTEs), \$4.5 billion in economic output, and \$1.7 billion in labor income once complete.

GDC’s recent analysis comes on the heels of an April 2024 report by the Regional Plan Association (RPA), which found that over the full fifteen year construction period, the HTP will generate **\$19.6 billion in economic activity** and **95,000 jobs (FTEs)** – 20,000 more jobs than previously estimated in the project’s 2017 Environmental Impact Study.

Over the full fifteen year construction period, the HTP will generate \$19.6 billion in economic activity and 95,000 jobs (FTEs).

#### Nationwide Economic Impact of the HTP for Current Active Construction

Project	Jobs Full-Time Equivalents	Labor Income*	Total Output*
Hudson Yards Concrete Casing – Section 3	4,800	\$400	\$900
Tonnelle Ave. Bridge & Utility Relocation	400	\$30	\$90
Hudson River Ground Stabilization	2,300	\$190	\$470
Palisades Tunnel	5,500	\$450	\$840
Manhattan Tunnel	7,200	\$620	\$2,080
<b>Total: Contracts Awarded To-Date**</b>	<b>20,200</b>	<b>\$1,690</b>	<b>\$4,470</b>

\* In millions of dollars      \*\* Columns may not sum due to rounding

# Major Construction, Major Impact

The latest analysis of current construction activity shows an immediate and quantifiable return on investment in big, bold megaprojects like the HTP. As increasingly complex and large-scale operations accelerate on both sides of the Hudson River, so do opportunities for American workers and businesses. The majority of these benefits from work currently in progress can be attributed to the HTP’s two most recent tunneling contract awards, which mark the project’s move from early work to full scale construction.

The Palisades Tunnel Project, GDC’s first tunnel boring contract, broke ground in late 2024. It will build the first mile of the tunnel on the New Jersey side of the Hudson River, as Tunnel Boring Machines (TBMs) with powerful and specialized rotating cutterheads excavate the hard rock of the Palisades.

Meanwhile, work launched in early 2025 on the highly complex Manhattan Tunnel Project. This package will build the section of the tunnel that connects with the concrete casing into New York Penn Station and, just as importantly, prepare the busy streets below Manhattan’s West Side – home to live utilities, sewer lines, and archeological fill – for a future tunnel boring phase.

## Investing in Domestic Businesses and American Workers

HTP construction activity is increasing in scope, scale, and impact, and the benefits of that work are overwhelmingly within the United States. **Every \$10 spent on direct labor for the first five contracts supports \$17 in wages and benefits across the country.**

### Nationwide Direct and Total Labor Income Supported by Current Active HTP Construction

Project	Direct Labor Income*	Total Labor Income*	Nationwide Wages & Benefits Supported per \$10 Spend on Direct Labor
Hudson Yards Concrete Casing – Section 3	\$230	\$400	\$17.40
Tonnelle Ave. Bridge & Utility Relocation	\$20	\$30	\$15.00
Hudson River Ground Stabilization	\$110	\$190	\$17.30
Palisades Tunnel	\$320	\$450	\$14.10
Manhattan Tunnel	\$270	\$620	\$23.00
<b>Total: Contracts Awarded To-Date**</b>	<b>\$930</b>	<b>\$1,690</b>	

\* In millions of dollars      \*\* Columns may not sum due to rounding

Moreover, **roughly 94% of the over \$2.2 billion in capital spending from the first five contracts is expected to be sourced within the United States.** This means more than \$2 billion worth of material, equipment, and labor is currently being sourced domestically, benefiting American businesses in the tristate region and beyond.

Construction workers, who primarily account for the 11,200 “direct” jobs from the first five contracts, account for an estimated \$959 million in project wages and benefits added to household income. The Hudson River Ground Stabilization Project and both the Palisades and Manhattan Tunnel Projects are covered by Project Labor Agreements (PLAs) to ensure that the thousands of opportunities emerging today and over the HTP construction period are providing long-term careers in the trades.

PLAs are pre-hire collective bargaining agreements that create consistent, predictable rules for the terms and conditions of employment on a construction project, maximizing efficiency for contractors and union hiring halls alike.

With PLAs in place, GDC’s contractors have access to an experienced, well-trained pool of workers who can quickly mobilize to meet the growing demand for HTP labor. They also contain provisions for apprenticeship programs, such as the “Helmets to Hardhats” initiative, which promotes veterans into the construction trades and will equip the next generation with the skills needed to build a career in the industry.

Construction workers, who primarily account for the 11,200 “direct” jobs from the first five contracts, account for an estimated \$959 million in project wages and benefits added to household income.

## The Ripple Effect

To measure the HTP’s full economic impact, it is important to consider its footprint further up the supply chain, too. For example, the tunneling shields and digging machines that will be used to build the Manhattan Tunnel Project are being manufactured in Solon, Ohio. The vendor will benefit from the HTP’s “indirect” impact. However, shields and digging machines require specialty parts, which the manufacturer will need to purchase elsewhere in the United States. Additional economic activity and labor income is generated when those suppliers of parts and raw materials, which is part of a second round of indirect impact.



Moreover, consider a restaurant near the Tonnelle Avenue Project site that has a lunchtime rush from the influx of construction workers in the area. The “induced” impact from increased household spending on goods and services outside the construction industry also generates employment opportunities and economic activity in New Jersey, New York, and beyond.

The HTP’s first five contracts are supporting more than 9,000 of these indirect and induced jobs, promoting opportunities with upstream suppliers as well as retailers and other businesses that benefit from increased household spending.

The HTP’s first five contracts are supporting more than 9,000 of these indirect and induced jobs, promoting opportunities with upstream suppliers as well as retailers and other businesses that benefit from increased household spending.

### Total Direct vs. Indirect and Induced Impact for Current Active HTP Construction

Metric	Direct Impact	Indirect & Induced Impact
Jobs	11,200	9,100
Labor Income*	\$960	\$740
<b>Total Output*</b>	<b>\$2,260</b>	<b>\$2,200</b>

\* In millions of dollars

## Conclusion

The HTP has fully entered the construction delivery phase. The first package of work on the Tonnelle Avenue Project is expected to conclude before the end of 2025, creating access for the TBMs to begin excavation and the alignment for the tunnel's tracks to reach the Palisades. The new tunnel's path under the High Line will be plain to see as the Hudson Yards Concrete Casing passes 50% completion in the coming weeks.

As ground breaks on each new contract for this once-in-a-generation project, the kitchen table benefits grow by orders of magnitude. These first five contracts will enable major construction over the next thirteen years, as GDC sets the stage for tunneling under the Hudson River and building a viaduct, fan plants, railroad bridges, and much more. Current and future construction will continue to drum up business for domestic suppliers and manufacturers, generate good-paying jobs with strong benefits, and increase household income for hardworking Americans interconnected by the HTP's broad-based opportunities.

By the time construction is complete and the new tunnel is serving riders with fast and reliable transportation, the investment in the HTP will have already paid for itself.

## Methodology

*This report was written by GDC Senior Communications Associate Molly Beckhardt, with support from GDC staff.*

The economic impact of the first five HTP construction contracts was evaluated with the input-output IMPLAN model. IMPLAN uses economic data to measure the cumulative effect of activity in one sector on the broader economy, tracing how one dollar spent ripples throughout interconnected sectors, including households and governments. The activity's rate-of-change, or multiplier, is then applied to specific inputs.

In the HTP's case, multipliers were applied to construction inputs such as budget data for equipment and materials, labor costs, and sourcing details for major purchases. From there, analysts estimated the direct, indirect, and induced impact of each awarded package on employment, labor income, GDP, and economic output in both the New York and New Jersey region and the rest of the United States.

Data on the percentage of development costs sourced within the United States was derived from a combination of procurement information specific to the two largest contracts, the Palisades Tunnel and Manhattan Tunnel, and industry averages for purchases in the United States for the remaining three packages.

