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**GATEWAY DEVELOPMENT COMMISSION ANNOUNCES CONSTRUCTION OF HUDSON
TUNNEL PROJECT WILL PAUSE IF FEDERAL FUNDING IS NOT RESTORED**

Without Additional Funding, Work Must Stop on February 6

New York/Newark – The Gateway Development Commission (GDC) announced today that construction of the Hudson Tunnel Project will pause if disbursements of federal funds do not resume in the coming days.

GDC notified the contractors working on the Hudson Tunnel Project today that funding for construction will run out on February 6. GDC's contractors will spend the next two weeks winding down work at the active construction sites in New York, New Jersey, and the Hudson River. At that time, construction will stop until additional funding becomes available.

Four major procurements that comprise the remaining construction packages for the new tunnel are also impacted by the federal funding pause. Two construction packages – the Hudson River Tunnel Project and the NJ Surface Alignment Project – are planned to start in 2026, but contracts cannot be awarded until funding resumes.

GDC CEO Thomas Prendergast said, “Over the past two years, GDC, together with our federal and state partners, have made significant progress building the most urgent passenger rail infrastructure project in the country. The progress we have made since the project started construction would not have been possible without the support of the federal Administration. Since federal funding was paused in October, we have done everything in our power to keep construction moving forward as planned, but we cannot fund this work on credit indefinitely. Pausing construction is the absolute last resort, and we will continue working around the clock to secure funding so that the workers who are counting on this project to pay their bills can stay on the job and we can continue delivering the reliable, 21st century infrastructure America needs.”

70 percent of the Hudson Tunnel Project's \$16 billion budget – roughly \$12 billion – is funded by federal grants. The other \$4 billion is funded through USDOT Build America Bureau loans to be repaid by the States of New York and New Jersey and by the Port Authority of New York and New Jersey. Funding disbursements from all of these sources have been discontinued since October 1 of last year.

GDC has signed and executed funding agreements with all Hudson Tunnel Project funders, including the US Department of Transportation (USDOT), the Federal Transit Administration (FTA), and the Federal Railroad Administration (FRA). \$4.38 billion in federal funding is currently obligated to the project.

On September 30, 2025, GDC received a notice from the FTA that federal disbursements under the Capital Investment Grants (CIG) Program would be paused pending a review of the Commission's federally mandated Disadvantaged Business Enterprise (DBE) program. The following day, all federal funding for the Hudson Tunnel Project – not just CIG funds – was paused.

Construction has continued while federal funding disbursements have been paused. Since October 1, GDC has:

- **Procured two tunnel boring machines.** The first is on site in New Jersey, ready for assembly, and the second is scheduled to be shipped in February.
- **Finished the Tonnelle Avenue bridge and made significant progress on the portal launch box,** setting the stage for tunnel boring to begin in New Jersey.
- **Completed two major concrete pours for HYCC-3, totaling more than 7,200 cubic yards,** and broke through the bulkhead, connecting to the completed sections of the concrete casing.
- **Mixed 84 primary columns and 112 secondary columns of reinforced earth in the Hudson riverbed,** bringing the total number of finished columns to 838.
- **Installed 29 slurry wall panels for the Hudson County Access Shaft and 15 panels for the 12th Avenue Access Shaft.** The Hudson County Shaft slurry wall is now more than 75 percent finished.

Photos showing recent construction activity are available [here](#). Live feeds of the GDC construction sites can be viewed [here](#).

More than one billion taxpayer dollars have been spent on construction of the Hudson Tunnel Project to date. Since October, GDC has utilized available funding sources and credit to keep the project moving forward as planned while federal funding disbursements have been paused. GDC has now drawn down nearly all available sources and credit and can no longer continue funding construction without access to the project's funds.

Pausing construction will result in the immediate loss of nearly 1,000 jobs. An extended pause would put at risk approximately 11,000 construction jobs on the current projects, as well as the 95,000 jobs and \$19.6 billion in economic activity that construction of the Hudson Tunnel Project is anticipated to generate overall.

It also increases the risk that the 116-year-old North River Tunnel – already a leading cause of delays that impact hundreds of thousands of riders – will shut down, severing the most heavily used passenger rail line in the country and leading to billions of dollars in lost time and productivity.

Worker Testimonials

GDC released [a video](#) last year featuring interviews with workers building the Hudson Tunnel Project. In the video, these men and women share what the opportunity to work on the

project means to them.

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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.