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HUDSON TUNNEL PROJECT CONSTRUCTION TO BE SUSPENDED DUE TO LACK OF FEDERAL FUNDING

Construction will be paused at 5:00 PM today

Newark/New York – Construction of the Hudson Tunnel Project (HTP) will be suspended today at 5:00 PM if disbursements of federal funding obligated to the project do not resume. Four major procurements that comprise the remaining construction packages for the HTP are also on hold until funding is restored.

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 is anticipated to generate overall.

Delaying completion of the HTP 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.

GDC's Chief Executive Officer Tom Prendergast said, “For more than two years the hardworking men and women building the Hudson Tunnel Project have not missed a day of work. That will change today, because the federal Administration continues to withhold funding for this vital investment in our nation’s rail infrastructure. After spending more than \$1 billion, and countless hours of hard work, on this project, we will be left with empty construction sites in New York and New Jersey.”

Tom continued, “Today is a setback, but it is not the end. To those who have long championed the project, our workforce, and the riders who are relying on GDC to finally deliver the modern, reliable commute they deserve: know that our work is far from over. GDC will continue to do everything in our power to get our funding restored and deliver the most urgent infrastructure project in the country.”

New York GDC Commissioner and Co-Chair Alicia Glen said, “Today we will send close to 1,000 hardworking men and women home because we can no longer afford to keep building the most important piece of rail infrastructure in the country. Not only that, we are also telling the hundreds of thousands of riders who take the train between New York and New Jersey every

day that they have to wait even longer for the crumbling tunnel under the Hudson River to be fixed. Even one day of delay is too long when hundreds of livelihoods and virtually all train travel up and down the East Coast are at risk. We will continue to work around the clock until we get funding restored and get this critical project back on track.”

New Jersey GDC Commissioner and Co-Chair Balpreet Grewal-Virk said, “2026 was supposed to be a year of major milestones for the Hudson Tunnel Project. Tunnel boring was supposed to start in New Jersey. Two major construction contracts were going to be awarded, creating tens of thousands of new jobs. Instead, nearly 1,000 workers will lose their jobs, and our construction sites will turn into ghost towns because our federal funding is being withheld. In the days and weeks ahead, GDC is going to continue doing everything we can to get funding restored so the many hardworking men and women employed by the Hudson Tunnel Project can get back to work, and we can go back to celebrating milestones on the way to delivering this urgently needed new tunnel.”

The majority of the budget for the HTP is funded by federal grants. The U.S. Department of Transportation (USDOT) and GDC have been legally bound to the terms of Capital Investment Grants (CIG), Federal-State Partnership (FSP) Grant, and RAISE Grant agreements, and Railroad Rehabilitation and Investment Financing (RRIF) loans, since July 2024, when full funding for the HTP was secured. More than \$1 billion worth of construction and investment has already been made into building the HTP.

Despite its contractual commitments to fund the project, the federal government has suspended the release of its contractually obligated funds since October 1, 2025. After working cooperatively with its federal partners for months to meet their stated requirements for restoring funding, GDC [filed a lawsuit](#) against the federal government in the U.S. Court of Federal Claims seeking judgment that would release contractually obligated grant and loan funds for the HTP.

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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.