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Posted on 02/4/2026

Without Quick Court Action, Jobs Will be Lost and New Jersey and New York will Suffer[View Complaint](#) | [View Brief](#)

NEWARK – At a press conference today at Newark Penn Station, Acting Attorney General Jennifer Davenport announced that New Jersey and New York are suing the Trump Administration illegally withholding \$15 billion in federally committed funding for the Gateway project to provide new tunnels and rehabilitate the existing vital Hudson River rail crossing between northern New Jersey and New York City, jeopardizing the economic future of the Northeast region.

The lawsuit, filed in federal court in the Southern District of New York, seeks emergency relief to stop the U.S. Department of Transportation (DOT) from continuing to implement its indefinite funding freeze—funds needed to ensure that active construction on the project can continue, that workers do not lose their jobs, and that the States and their residents are not harmed.

“Every time the Trump Administration gets involved, costs go up and working people suffer. The illegal attack on the Gateway Tunnel is yet another example. New Jersey will not back down from this fight,” **said Governor Mikie Sherrill**. “If this project stops, 1,000 workers will immediately lose their jobs and hundreds of thousands of commuters will lose the chance at finally having reliable train service that makes their lives easier.”

“Our promise to our residents is clear: we will protect them from attacks on their rights and on their pocketbooks, whatever the source,” **said Acting Attorney General Davenport**. “The President’s decision to freeze funding for the Hudson Tunnel Project jeopardizes safe and reliable infrastructure and puts thousands of jobs at risk. The Federal Government has left us no choice: we must challenge this illegal action in court, and demand emergency relief that will protect us from these unlawful harms.”

Additional Details:

The existing tunnel that carries NJ Transit and Amtrak service from New Jersey to New York is insufficient for the region’s needs. Built in 1910, it suffers from ongoing deterioration and flooded significantly during Superstorm Sandy in 2012. The tunnel’s 200,000 daily commuters face frequent service disruptions. Without a new tunnel, Amtrak and NJ Transit would eventually have to consider cutting capacity by 75% at peak hours, imposing significant economic harms on the region to the tune of \$100 million per day. These devastating effects would be felt up and down the Northeast Corridor and through multiple states.

The Gateway project launched in 2019. Federal agencies have since obligated roughly \$15 billion in funding under federal laws designed to ensure the safety, reliability, and resiliency of core infrastructure. The States have made major, independent investments in the project too: New Jersey and New York have invested more than \$500 million into the Gateway project so far. In addition, New Jersey has acquired over 100 parcels of land needed for construction of the new tunnel.

However, on the eve of a government shutdown last September 30, 2025, DOT announced it would indefinitely suspend payment of all funds for the Hudson Tunnel Project pending a newly-announced compliance review. DOT’s announcement came without warning and without any clear explanation of why it was necessary to freeze federal funding and threaten the project’s completion. However, as the President later confirmed, DOT suspended the funding to punish New York officials for opposing unrelated Presidential demands.

President Trump announced that the decision to freeze all project funds was aimed at “really terminating tremendous numbers of Democrat projects. This is not only jobs, I mean the project in Manhattan, the project in New York. It’s billions and billions of dollars that [Senate Minority Leader Chuck] Schumer has worked 20 years to get—it’s terminated.” He has also said “The project is gonna be dead. It is pretty much dead right now,” and “the Gateway Project is “terminated because the Democrats are so foolish,” adding “there is no funding—because it’s up to me.”

In light of DOT’s continued implementation of its indefinitely funding freeze, the Gateway Development Commission issued notices last week to contractors stating that all active construction work must cease this Friday, February 6. That required GDC to file its own lawsuit yesterday,



claiming that DOT breached contracts that those two entities had signed. That case is now pending.

The States are bringing their own independent lawsuit because they are suffering their own independent harms. Ending federal funding would do more than just kill thousands of jobs and imperil the future commutes of hard-working New Jerseyans. It would also mean that New Jersey and New York lose the benefits of the millions in funding and land they provided to the Gateway Project. It would mean New Jersey and New York would need to incur significant new operating costs. And because the Gateway Project is well underway with a number of active construction sites, it also means New Jersey and New York would have to incur millions to secure those sites and to prevent serious public safety and public health hazards.

Given the immediate chaos, loss of jobs, and serious harms to New York and New Jersey that are otherwise coming, the States are seeking emergency relief—including a preliminary injunction—to block DOT from continuing to implement this indefinitely funding freeze. The States also seek relief by February 6, when hundreds of workers will be forced off the job.

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