

Governors Christie And Cuomo Announce Commitment To Fund 100 Percent Of States' Half Of New Gateway Tunnel

Wednesday, December 13, 2017 Tags: [Budget and Spending](#)



Governor Chris Christie
State of New Jersey



Governor Andrew M. Cuomo
State of New York

**State of New York Commits to \$1.75 Billion; NJ TRANSIT Commits to \$1.9 Billion
Port Authority Will Fund \$1.9 Billion for Combined Total \$5.55 Billion**

Trenton, NJ – Governor Chris Christie and Governor Andrew M. Cuomo today announced commitments to fund 100 percent of New York and New Jersey's share of the new Gateway Tunnel. The commitment follows a 2015 framework agreement in which the federal government will fund 50 percent of the Gateway tunnel project, an essential portion of the Northeast Corridor that connects New York and New Jersey and is the nation's most urgent, critical major infrastructure project.

The \$12.7 billion Gateway Hudson Tunnel Project consists of three elements: (i) a new two-track tunnel, (ii) the Hudson Yards Concrete Casing and (iii) the rehabilitation of the existing Amtrak North River Tunnel. The commitments announced today include \$1.9 billion by NJ Transit, \$1.75 billion by the State of New York and \$1.9 billion previously committed by the Port Authority of New York and New Jersey Board of Commissioners. Together these commitments totaling \$5.55 billion fully fund 100 percent of the local share for the most urgent, time sensitive elements of the Project: the construction of a new tunnel and the Hudson Yards Concrete Casing which total \$11.1 billion of the \$12.7 billion construction cost.

"The commitments we make today mark a pivotal milestone in the construction of the Hudson River Tunnel Project, and builds on the work we began earlier this year with the early construction of the Portal North Bridge Project. It positions the Project to immediately compete for federal Capital Investment Grant funds" Governor Christie said. "The Hudson Tunnel Project is critical to the regional and national economy and protects against a potentially disastrous scenario of a closure of one of the two tubes of the existing North River Tunnel. Together, with the rehabilitation of the existing tunnel, this project will result in the crucial Northeast Corridor having four tracks between New Jersey and New York under the Hudson River, allowing for increased ridership in the future."

"The Gateway Tunnel is critical to the long term vitality of the entire Northeast region and one of the most important infrastructure projects in the country," Governor Cuomo said. "New York State is stepping up to fund its share of the financial commitment as we rebuild our infrastructure all across the state. Now the federal government must fulfill its commitment to fund the other half and make this urgent, long-overdue project a reality."

Background

The Hudson River Tunnel Project is critical to the regional and national economy and environmental well-being. The existing Amtrak North River Tunnel, which opened to service in 1910 and is the only intercity passenger rail crossing into New York City from New Jersey, was severely damaged as a result of seawater inundation during Superstorm Sandy in October 2012. Chlorides from the seawater remain throughout the tunnel's structural, mechanical, and electrical infrastructure. Further compounding the issue is the lack of redundant capability across the Hudson River into Penn Station New York, resulting in a single point-of-failure. Any service outage, planned or emergency, can substantially reduce or suspend rail service, causing catastrophic delays that cascade up and down the Northeast Corridor (NEC), impacting 200,000 daily commuter and intercity passenger trips.

The construction of the Project is necessary to avoid the disastrous scenario of a closure of one of the two tubes of the existing Amtrak North River Tunnel prior to construction and completion of a new Hudson River Tunnel; closure of one tube of the existing Amtrak North River Tunnel could reduce capacity by up to 75%. The 24 trains per hour that

Stay Connected
with Social Media

Stay Connected
with Email Alerts

LIKE THIS PAGE? SHARE IT WITH YOUR FRIENDS.

...

ordinarily use the tunnel would drop to as few as 6, which could cripple the region's economy and have impacts nationwide. In light of the critical nature of the Hudson Tunnel Project, the environmental review process has been expedited and is on schedule to receive federal environmental approvals by March 2018, or sooner.

Under a framework agreement announced by the Governors, together with the region's Senators, in November 2015, the States and Federal Government agreed to share the cost of this project on a 50:50 basis. The framework also called for the creation of the Gateway Development Corporation (GDC) to be responsible for the development of Gateway.

Phase 1 of the Gateway Program includes three elements, the first two are particularly time sensitive - the Portal North Bridge Project and the new Hudson River Tunnel and Hudson Yards Concrete Casing, which each represent single points-of-failure that would cripple the Northeast Corridor.

The local share of funding for the Portal North Bridge Project is already fully committed and early construction began in October 2017. Major construction is scheduled to commence in 2018 pending the commitment of the federal share of funding.

The commitments announced by the Governors today fully fund the local share for the new Hudson River Tunnel and Hudson Yards Casing Project, the other time sensitive element of the Project.

The rehabilitation of the existing tunnels is not expected to begin until 2026, and will cost about \$1.6 billion; the local share is \$800 million.

Details of Today's Commitment

In a letter to the U.S. Department of Transportation, New York State Budget Director Robert Mujica said Governor Cuomo will propose in the State's forthcoming executive budget an appropriation each year over a 35-year period to pay debt service on a \$1.75 billion fixed-interest loan to the Gateway Development Corporation with a 35-year term under the US DOT's Railroad Rehabilitation & Improvement Financing (RRIF) program. Budget Director Mujica's letter to USDOT may be found [here](#).

NJ TRANSIT's contribution to the Project cost is consistent with the financial framework announced by the Governors of New Jersey and New York in November 2015. Under this framework, the federal and local share for the Gateway Program is allocated equally, with federal support accounting for 50 percent of the program, and the States of New Jersey and New York (including the Port Authority of New York and New Jersey) sharing the remaining 50 percent. NJ TRANSIT Executive Director Steve Santoro's letter to the Gateway Development Corporation detailing NJ TRANSIT's commitment to support \$1.9 billion in construction of the new Hudson tunnel can be found [here](#).

The Port Authority, at the direction of the two Governors, committed \$2.7 billion in its ten-year capital plan, adopted in early 2017, for Gateway. This includes the Port Authority's approximately \$300 million commitment for the Portal North Bridge Project – another urgent element of the Gateway Program. The remaining \$2.4 billion is being dedicated to the new Gateway tunnel – which will net \$1.9 billion towards construction after USDOT fees and accrued interest during construction.

###

Press Contact:
Brian Murray
609-777-2600



Statewide: [NJ Home](#) | [Services A to Z](#) | [Departments/Agencies](#) | [FAQs](#)
Office of the Governor: [Home](#) | [Newsroom](#) | [Media](#) | [Administration](#) | [NJ's Priorities](#) | [Contact Us](#)

Copyright © State of New Jersey, 1996-2018
Office of the Governor
PO Box 001
Trenton, NJ 08625
609-292-6000

[Contact Us](#) | [Privacy Notice](#) | [Legal Statement & Disclaimers](#) | [Accessibility Statement](#) | 