



TA Board of Directors

Meeting of August 6, 2026

Correspondence as of July 10, 2026

Subject

1. Hudson Tunnel Project funding restored by federal judge

From: [Richard Hedges](#)
To: [Board \(@smcta.com\)](#); [cacsecretary \(@smcta.com\)](#)
Subject: Hudson Tunnel Project funding restored by federal judge
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MANAGEMENT

Hudson Tunnel Project funding restored by federal judge

The move permanently bars USDOT from withholding GDC grants.

[Noah Kolenda](#)

Related To:

[Gateway Development Commission \(GDC\)](#)

July 2, 2026



Work has resumed on the Hudson Tunnel Project with the latest ruling barring USDOT from blocking the already-obligated funding for the project.

On June 29, a federal judge barred the Trump Administration from withholding funding for the Hudson Tunnel Project (HTP) on the basis that the administration violated federal regulation in the governance of the funding that was already obligated. The decision comes after the administration placed the project under administrative review last October.

Since, the Gateway Development Commission (GDC) [filed suit in February](#) as it ran out of funding, leading to a pause of work. On Feb. 18, the GDC was [fully reimbursed the \\$205 million in federal funding](#) it needed to continue work on the project after the administration was unable to convince the Second Circuit Court of Appeals that it should be able to withhold the money.

The latest ruling on the matter permanently prohibited the administration from withholding funding for the HTP.

In a joint statement, New York Gov. Kathy Houchul, New Jersey Gov. Mikie Sherrill and Attorneys General Letitia James of New York and Jenniger Davenport of New Jersey shared that gratitude for the ruling, calling the administration legal actions “flagrantly unlawful.”

“We are grateful that a federal court has once again agreed that the Trump Administration’s decision to freeze billions of dollars in grants for the Gateway Tunnel Project is flagrantly unlawful,” the joint statement said. “This is the most important infrastructure project in the nation and thanks to our litigation, 1,000 people are back on the job and construction continues every day. This victory sends a clear message: the Trump Administration’s attempt to halt Gateway funding will not stand.”

This legal battle comes after the project [broke ground in 2023](#) and was [awarded a full funding grant agreement](#) in 2024.

In a [statement to Courthouse News](#), a spokesperson for the U.S. Department of Transportation said the agency “remains committed to ensuring hardworking taxpayer dollars are being spent responsibly and do not fund unconstitutional, discriminatory contracting practices.”

Regional Plan Association President and CEO Tom Wright issued a statement on the new ruling, calling the project a key economic driver and the decision in the case clear.

“Today’s ruling should put an end to the uncertainty surrounding one of the nation’s most important infrastructure projects,” Wright said in the statement. “The court made clear that funding approved by Congress for the Gateway Program cannot be withheld indefinitely. Every unnecessary delay comes at a steep cost. Regional Plan Association estimates that delaying the Gateway Program by just six months would add as much as \$1.34 billion to the project’s cost.”

Wright continued, noting that the project is estimated to net an economic benefit of nearly \$445 billion over the following 35 years, while also urging the administration to comply with the ruling to keep the project on track.

While there was a work stoppage while funding was being debated in court, the GDC hasn’t changed its 2035 tunnel service date estimate, though the bidding for four major contracts was [interrupted due to the pause](#), potentially causing delays.



Hebrews 13: 2; Do not forget to show hospitality to strangers, for by so doing some people have shown hospitality to angels without knowing it.

(Acts 4:32) And yet again: "Great grace was upon them all. Neither was there any among them that lacked: For as many as were possessors of lands or houses sold them, and brought the prices of the things that were sold, and laid them at the Apostles' feet: And distribution was made unto every man according as he had need." (Acts 4:33-35)

"Whenever and wherever societies have flourished and prospered rather than stagnated and decayed, creative and workable cities have been at the core of the phenomenon... Decaying cities, declining economies, and mounting social troubles travel together. The combination is not coincidental." *Jane Jacobs*

"Throughout ancient history, cities have outlasted the empires that governed them. Ask yourself, are there any great countries that do not contain a great city? The answer is no. In fact you cannot imagine any stable state without a stable city. We talk about state-building when we should be talking about city-building." *Parag Khanna*

"The veneer of civilization is paper thin – we are its guardians and we can never rest." *Congressman Tom Lantos*

I firmly believe that before many centuries more, science will be the master of man. The actions he will have invented will be beyond his strength to control.

Henry Adams April 11, 1862