

REAL ESTATE WEEKLY

October 7, 2015

Construction & Design

Gateway Project too big to fail, NYBC warns

The New York Building Congress has renewed its call for further action on the Gateway Program, Amtrak's plan to double intercity and commuter rail service connecting New York City to New Jersey.

In a letter to Governor Andrew Cuomo, United States Department of Transportation Secretary Anthony Foxx and Senator Charles Schumer, Building Congress president Richard Anderson noted a flurry of recent activity that has provided the first realistic opportunity to develop a funding plan and advance efforts to build a new cross-Hudson pas-

senger rail tunnel since Governor Chris Christie cancelled plans for a similar project in 2010:

In 2014, Amtrak announced that damage to the existing tunnels caused by Super Storm Sandy would force a long-term closure for major repairs within 20 years.

A series of power outages in July 2015 forced multi-hour delays for thousands of commuters over several days and reignited discussion about the age and durability of the two single-track tunnels, the only two commuter rail lines between New York and New Jersey.

Responding to the outages in late August, Senator Charles Schumer presented a funding and administrative roadmap that would bring substantial federal funding to the project and create a new corporation to manage the project.

US DOT Secretary Anthony Foxx called the tunnels "one of the — if not the — most important projects in the country right now," and urged Governors Cuomo and Christie to meet with him to establish a framework for funding and executing the project.

Finally, responding to all of

these developments, Governors Cuomo and Christie issued a letter proposing that the two states pay half of the project's presumed \$20 billion cost, with the federal government paying the other half.

The governors further proposed establishing a dedicated corporation within the Port Authority to manage the Gateway Program.

While these events have brought wide recognition of the urgent need for the Gateway Program, to date, the project remains virtually unfunded, and there has been no clear indication that the proposed project

management corporation is being established. Gateway advocates must continue to focus attention on the project and help drive decisive government action.

The Building Congress letter argued that the stakes were too high not to construct the tunnel: "We cannot let this opportunity slip away. It is no understatement to say that the regional economy depends on a well-functioning rail connection between New Jersey and New York City. The current configuration is not only inadequate; it is on the brink of failure."