

Overview

Since October 2025, the U.S. Department of Transportation (USDOT) has suspended disbursements of \$15 billion in federal grants and loans for the Hudson Tunnel Project (HTP). GDC has responded promptly and thoroughly to every request from USDOT and certified compliance with federal law. In February 2026, GDC was forced to pause construction after it exhausted all available funding resources.

In mid-February 2026, the Administration released approximately \$254 million in reimbursements to GDC due to a favorable order in a lawsuit filed by the States of New Jersey and New York. This ended a two-week construction pause and today, construction crews are back to work and construction at all sites has resumed. DOT released additional reimbursement funds in April 2026.

A mega project of this size cannot be delivered in fits and starts. **GDC is pursuing all avenues to ensure ongoing access to its federal funding to keep this urgent project moving forward and union workers on the job.**

Federal Funding Pause Timeline

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| Sept. 30 | USDOT informs GDC it is issuing a new interim final rule modifying the federal DBE program and suspending all HTP federal grant and loan funds pending a review of HTP's DBE program. |
| Oct. 1 | Government shutdown begins. |
| Nov. 12 | Government shutdown ends. |
| Oct. 7 - Jan. 8 | GDC responds promptly to initial USDOT inquiries and all requests for information that follow, certifying compliance with federal law. Meanwhile, GDC draws on available credit and existing funds to continue construction and keep workers on the job. |
| Jan. 27 | GDC announces it has nearly expended all available funding resources. GDC notified contractors and other project stakeholders of anticipated construction pause due to USDOT's continued suspension of funds. |
| Feb. 2 | GDC files breach of contract claim against USDOT for past-due disbursements. |
| Feb. 3 | NJ and NY file lawsuit against USDOT to end the September 30 suspension of HTP grants and loans. |
| Feb. 6 | Construction activities halted because of the federal disbursements freeze. |
| Feb. 13 | The court in the NJ/NY lawsuit grants a Temporary Restraining Order (TRO) and on this day, GDC receives initial past-due federal disbursement. |
| Feb. 18 | GDC receives all past-due federal disbursements. Contractors are immediately notified to resume construction and begin to mobilize. |

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| Week of Feb. 23 | Construction resumes across all sites impacted by the pause. Disbursements released will fund construction for an estimated 2-3 months before GDC will have no choice but to pause work again. |
| Mar. 12 | Court of Federal Claims (CFC) hears oral argument on GDC's claims related to the past due reimbursements and finds them moot as the USDOT paid those claims pursuant to the TRO. CFC finds that USDOT breached its contracts with GDC. Two additional claims for damages await adjudication. |
| April 2026 | Both court cases remain ongoing. DOT releases \$77 million in reimbursement funds to GDC. |

Union Jobs and Economic Benefits at Risk

Active Construction Benefits



\$4.5 billion total economic output from active construction projects



Every \$10 spent on direct labor supports **\$17 in wages and benefits across the country**



20,200 jobs and **\$1.7 billion in labor** income supported by active construction



\$87 million in goods and services purchased from businesses each month, on average. GDC prioritizes buying from American businesses.

Looking Ahead: How to Support the Hudson Tunnel Project and Keep Workers on the Job

GDC is asking its allies and key stakeholders to continue to advocate for the HTP:

- Emphasize the need for consistent, reliable funding for the HTP in **conversations with Congressional representatives**
- Draft and pitch **op-eds and letters to the editor**, and speak to the project's importance in earned media
- Use **speaking appearances, public forums, and community events** to reinforce the need for consistent and reliable federal funding
- Amplify GDC's **social media posts** and public messaging on your channels

