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5 on 45: Will the Trump administration block NYC's new tunnel project?

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(MUSIC)

PITA: You're listening to 5 on 45 from the Brookings Podcast Network, analysis and commentary from Brookings experts on today's news regarding the Trump administration.

TOMER: My name is Adie Tomer, and I'm a fellow at the Metropolitan Policy Program here at the Brookings Institution. Recently the Gateway project has been in the news due to a letter that was sent from the Federal Transit Administration to the states of New York and New Jersey regarding a series of projects but most notably new tunnels to connect Manhattan to the main land of both New Jersey and effectively the rest of the United States.

But why are these series of projects so important, what do they mean for the country, and maybe most critically, what do they mean for the future of infrastructure policy across the country in particular under the Trump administration? Well Gateway really is more than just a series of tunnels which is what got the most news. Effectively it requires rebuilding the portal bridge, which has over 100 years old then rebuilding the current two tunnels, but even before that happens what really got the most news was the two new tunnels that will connect Manhattan to New Jersey. Now even bigger than those three projects there's additional improvements including a brand new New York Penn Station, a tunnel box that's already under way, and a series of other rail improvements along the northeast corridor.

Now it's important to note that the Gateway project is not even yet complete in terms of its permitting. What does that mean? Work could not just commence tomorrow if all of a sudden money showed up. But if that's what the project is in total why is it in the news and why does it matter so much? Well right now over 200,000 passengers per day take those two tunnels that connect New Jersey to downtown Manhattan. Now, the bulk of that travel is along New Jersey Transit which is effectively a commuter rail line, but there is also a large share of Amtrak passengers that are coming from as far north as Boston and as far south as Washington and Richmond Virginia.

Now keep in mind those tunnels are having an increasingly important role in the New York state mega-economy as well as the entire northeast corridor. Trans-Hudson River auto traffic is actually down to 1986 levels. So as we see passenger rail travel go up, we're actually seeing auto traffic go down.

Now the projects are of national import, not just to those New Jersey commuters getting into Manhattan to get to their office jobs. It's actually representing about 18 percent of U.S. GDP stretching from Boston to Washington, and making sure that those economies can connect to one another critically running through Manhattan is of national import.

Now what happened? Why is the Gateway project in particularly these Hudson tunnels in the news so much? Well in 2015 there was an understanding that the Feds would pick up about half of the cost and streamline permitting for these series of Gateway projects most notably those tunnels. Now Governors Christie and Cuomo effectively agreed to this deal, but it's really important to note that there was no formal agreement, there was more so a letter, and there was no dedicated funding source that the federal government's detail. So at the end of 2017 the public became aware of this new letter from the Federal Transit Administration under the Trump administration suggesting that the feds would no longer pick up half the tab for this bill. Keep in mind though, since there was no formal agreement in place this is not pulling back in a technical way from a previous offer.

So where do we go from here now that this letter is out in the open and folks are considering what's the future of trans Hudson rail travel in the Newark and Northeast corridor? Well first of all, no one's questioning the importance of gateway to both the regional and national economies. This is a project that has to get done. But there are two critical questions remaining putting aside the genuine engineering and permanent questions that are on the table.

Number one, is Gateway being used for political leverage? It's well known that in 2018 and potentially even after it we're going to have a national debate about the future of federal infrastructure policy. Now, Senator Schumer from New York has stated the utmost importance of this gateway project to of course his constituents, and it's possible

that this could be a ploy to try to get more negotiating from Democrats with Republicans over a future federal infrastructure package.

But the second one is, even if there's broad agreement on doing the Gateway project and it's not being used as a political ploy, can the federal government find the money? We're talking about a project that will cost in north of 20 billion dollars across the series of different improvements. Now that's not chump change even for the federal government, and making sure we can find those kind of resources will be a real challenge as we approach a federal infrastructure debate over 2018 and longer, but also consider what's the federal role in paying for projects that are clearly in one location but impact the entire national economy.

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