



OFFICE *of* INSPECTOR GENERAL
NATIONAL RAILROAD PASSENGER CORPORATION

Major Programs:

The Company Has Made Progress Supporting the Hudson Tunnel Project but Has Opportunities to Reduce Its Risk

Certain information in this report has been redacted due to its sensitive nature.


OIG-A-2026-001 | December 15, 2025

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Memorandum

To: Laura Mason
Executive Vice President, Capital Delivery

From: J.J. Marzullo 
Assistant Inspector General, Audits

Date: December 15, 2025

Subject: *Major Programs: The Company Has Made Progress Supporting the Hudson Tunnel Project but Has Opportunities to Reduce Its Risk (OIG-A-2026-001)*

The Hudson Tunnel Project (HTP) is a \$16 billion effort to construct a new passenger rail tunnel under the Hudson River and to rehabilitate the existing North River Tunnel.¹ It is the largest federally funded mass transit project in U.S. history and is a key component of the Gateway Program, a \$40 billion portfolio of projects² to upgrade rail infrastructure between Newark, New Jersey, and New York City—part of the country's most heavily used passenger rail corridor. Amtrak (the company) owns the North River Tunnel and will own the new Hudson Tunnel upon its completion. The project is still in its early stages—construction on the HTP began in 2023—and planners estimate that the new tunnel will be complete in 2035, and that the rehabilitation of the existing tunnel will be complete in 2038.

The Gateway Development Commission (GDC)—a public authority created by the states of New York and New Jersey—is the HTP sponsor and is responsible³ for its construction and delivery. GDC engaged the company and other transit organizations as project partners to lead or support aspects of construction. The company will

¹ The \$16 billion does not include three concrete casing projects designed to preserve the HTP rail right-of-way in Manhattan. In 2017, the company completed the first two of these projects—known as Hudson Yards Concrete Casing 1 and 2. The third is underway and is scheduled to be complete in 2026. These three projects are estimated to cost the company an additional \$1 billion.

² Federal Railroad Administration, *2024 Northeast Corridor Project Inventory*, 2024.

³ The Gateway Development Commission Act of 2019 established GDC's role in delivering the Hudson Tunnel Project, and the subsequent Project Development Agreement further clarified that GDC is the entity legally responsible for the development, design, and construction of the HTP.

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contribute \$1.016 billion,⁴ provide labor to support construction, and be responsible for potential cost overruns in some areas.

Given the HTP's size, scope, and importance, our objective was to assess the company's efforts to support the project and oversee its interests as the project advances.

Considering our oversight jurisdiction, our work was limited to assessing Amtrak's performance supporting the HTP; therefore, we did not directly review the status of other partners' commitments or the administration of the federal grant programs that help fund it. This is our fifth report on the company's involvement on the Gateway Program. Our previous reports focused on early work on the HTP, the company's commitments to the Gateway projects, and its efforts to support the Portal North Bridge project.⁵

To complete our assessment, we reviewed more than 650 documents, including the company's policies and standards for project management and financial accounting, guidance from private-sector sources on managing projects, and other planning documents. We also reviewed the company's agreements with GDC and its state partners, and other company documents. To understand how the company prepared for and is supporting the project, we conducted 97 interviews of officials from the company's Gateway Program team, its HTP team, executives who oversee this work, and officials from other supporting departments. We also conducted 11 interviews with GDC officials and other external parties working on the project and visited several HTP construction sites in New Jersey and New York in October 2024. For more details on our scope and methodology, see Appendix A.

⁴ This is in addition to the approximately \$1 billion the company will spend for the concrete casing projects, which includes funding from the Federal Railroad Administration, the states of New York and New Jersey, and the Port Authority of New York and New Jersey.

⁵ *Major Programs: Portal North Bridge Project is Progressing, but Opportunities Exist to Improve Company Oversight and Reduce Risk* (OIG-A-2024-007), May 2, 2024; *Governance: Company Needs a Comprehensive Framework to Successfully Manage its Commitments to the Gateway Program* (OIG-A-2022-006), February 4, 2022; *Acquisition and Procurement: Gateway Program Projects Have Certain Cost and Schedule Risks* (OIG-A-2015-002), December 19, 2014; and *Acquisition and Procurement: Gateway Program's Concrete Casing Project Progressing Well; Cost Increases Will Likely Exceed Project Budget* (OIG-A-2014-004), February 11, 2014.

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SUMMARY OF RESULTS

At this early stage of the HTP, Amtrak has made notable progress fulfilling several key obligations in support of the project, including acquiring necessary real estate parcels and staffing its project team. It has also begun planning for the testing and commissioning of the new infrastructure even though this work will likely not begin for another four to six years. The company's advancements in these areas demonstrate that it has begun applying some lessons learned from prior capital projects on the HTP. We identified the following three key areas, however, where the company can reduce its risk:

- **Clarifying its role with external partners.** The company has a unique role on the HTP since it will be the eventual asset owner. The company and its project partners, however, have not always agreed on the scope of the company's role. As a result, the company and its partners have had disagreements over what company work is acceptable on construction packages it is not leading—in particular, its involvement in design and project management efforts—and the extent to which the company can participate in the project's risk management process.
- **Engaging internal stakeholders.** The company's HTP team has engaged some internal stakeholders—such as those who manage track outages and force account⁶—but could do more to involve others, such as its Accounting and Procurement departments. This occurred because the team has not identified all the activities the company will need to perform and has not determined who should complete them. Coordinating with internal stakeholders as early as possible would allow them to better understand and successfully plan their activities, such as identifying and planning for specialized procurements with long lead times.
- **Improving document management.** The company established a web-based document management system to internally store the thousands of files on the project, but HTP team members were not always using it, opting instead for decentralized solutions, including using a separate system. Project officials have

⁶ Track outages take tracks out of service to enable maintenance or construction of infrastructure. Force account is the use of an organization's own labor to carry out a project.

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recognized this challenge and have begun improving the team's document management capabilities.

To help improve overall project performance while safeguarding its interests, we recommend that the company assess where interpretations of its role may differ from its project partners and take steps to remedy those differences; identify all internal support activities and assign accountability for each; and finalize its internal HTP document management system. In commenting on a draft of this report, the Executive Vice President, Capital Delivery, agreed with our recommendations and described actions the company plans to take, or has taken, to address them. For management's complete response, see Appendix B.

BACKGROUND

The North River Tunnel opened in 1910. It is a critical Northeast Corridor (NEC) asset as it is the only intercity passenger rail crossing into New York City from New Jersey and areas west and south. On a typical weekday, approximately 450 trains pass through the tunnel, accounting for nearly 200,000 passenger trips. In 2012, Superstorm Sandy severely damaged the tunnel, and it continues to have operational failures that result in service disruptions.

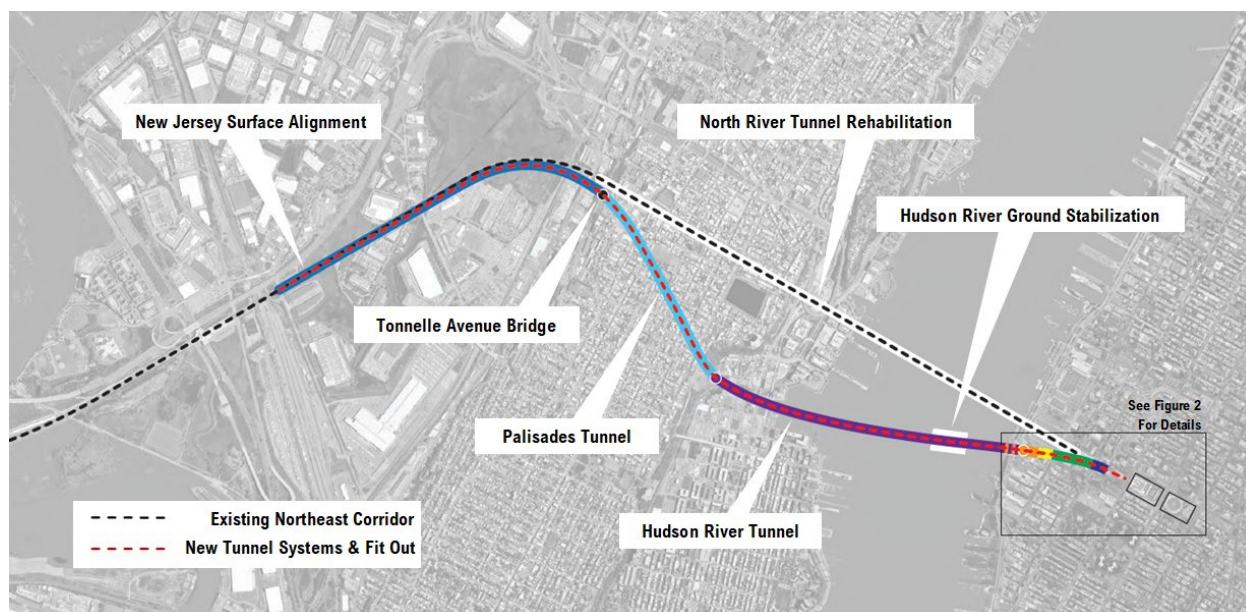
HTP scope. The HTP includes construction of a new two-tube tunnel⁷ under the Hudson River and rehabilitation of the existing North River Tunnel. To construct the new tunnel, the project partners will build two surface tracks from east of Secaucus Junction Station to a new tunnel entrance in North Bergen, New Jersey. The tunnel will then run under the Palisades⁸ and the Hudson River, through the Hudson Yards Concrete Casings, and connect to an existing rail yard at Penn Station New York. Figure 1 shows a map of the HTP, and Figure 2 shows details of the New York City portion of the project.

⁷ Each tube will contain one track.

⁸ The cliffs of the Palisades are in New Jersey across the Hudson River from New York City. This portion of the project will go under towns including North Bergen, Union City, and Hoboken, New Jersey.

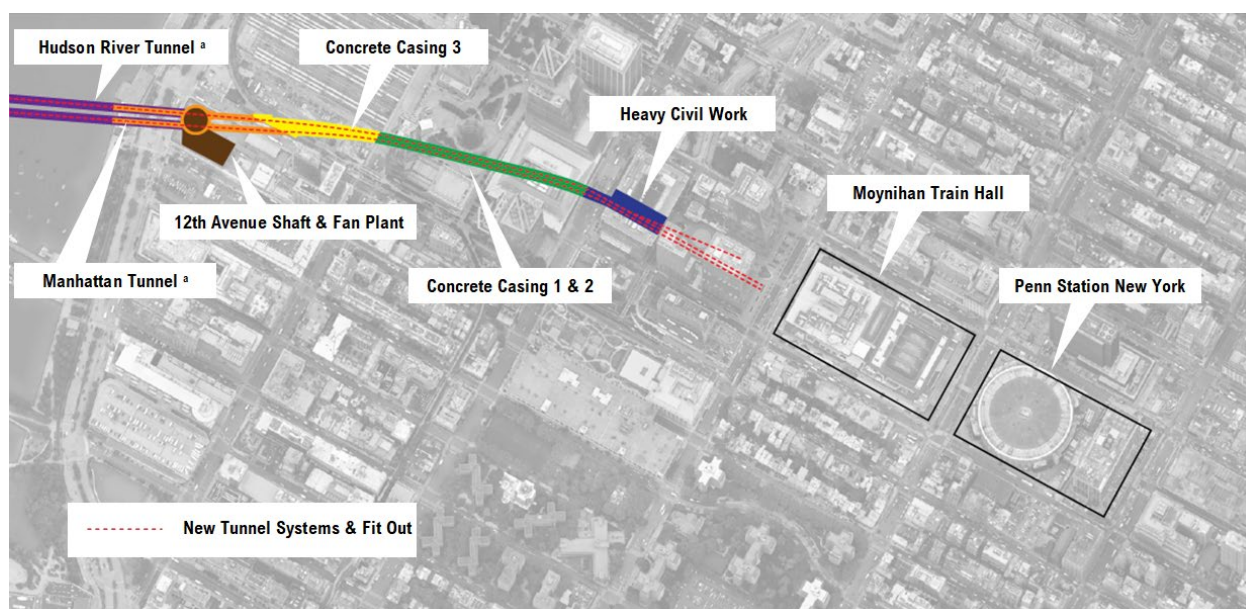
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Figure 1. Map of the Hudson Tunnel Project



Source: Engineer of record and Amtrak Office of Inspector General (OIG) analysis of project documents

Figure 2. Details of New York City Segment of the Hudson Tunnel Project



Source: Engineer of record and OIG analysis of project documents

Note:

^a Both construction packages conduct work in this geographic area.

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When the new tunnel is operational, the company will rehabilitate the existing North River Tunnel. At the completion of the HTP, the NEC will have four tracks between New Jersey and New York City—two in the new Hudson Tunnel and two in the rehabilitated North River Tunnel.

The HTP is significantly more complex than other projects the company has had a role on and involves numerous stakeholders and funding sources, as described below:

Company stakeholders. Several departments and groups have roles on the project, such as:

- *Capital Delivery* provides a project team that is responsible for day-to-day management and delivery of the company's HTP responsibilities. This department also plans and coordinates track outages and force account and provides engineering subject matter experts who review project designs and other construction documents.
- *Accounting* tracks and reports on all financial transactions, including collecting the company's revenues, paying vendors, tracking inventory and equipment, paying taxes, and preparing financial statements.
- *Commercial Planning* is responsible for acquiring real estate parcels in New Jersey and New York.
- *Law* participates in the development of critical project agreements.

As the project advances, other company departments and groups will have additional responsibilities.

External stakeholders and contractors. The following external stakeholders also have roles on the project:

- *GDC* is responsible for delivering the new Hudson Tunnel and rehabilitated North River Tunnel. GDC also led the application for most of the project's federal funding and conducts the related administration and compliance activities. GDC's Board of Commissioners consists of representatives from the company and the states of New York and New Jersey.
- *The states of New York and New Jersey* are funding partners for the HTP.
- *New Jersey Transit Corporation (NJ Transit)* is a public transportation agency that operates in New Jersey and adjacent states and will provide commuter service

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through the new Hudson Tunnel. It will also lead one construction package in New Jersey.

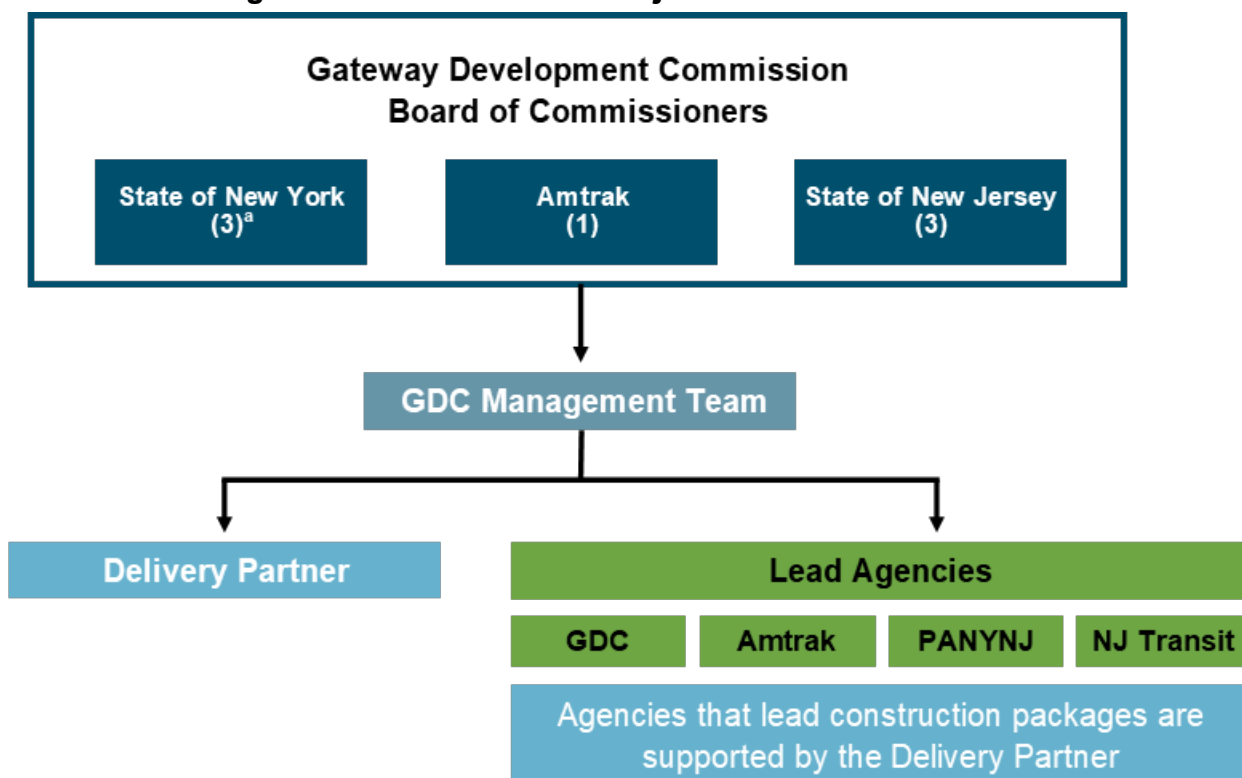
- *Port Authority of New York and New Jersey (PANYNJ)* is an interstate agency between the states of New York and New Jersey and is a funding partner for the HTP. It is also the lead partner for the three tunnel construction packages and ground stabilization work in the river.
- *Project contractors.* Multiple contractors are engaged to help GDC manage and deliver the various HTP construction packages, including the following:
 - The *delivery partner* provides professional services to GDC and the lead agencies, including project and construction management, stakeholder coordination, grant management, and operations support.
 - The *engineer of record* provides architectural and engineering services, including developing preliminary designs, final designs, or both for most of the construction packages.

Figure 3 shows the relationships among some of these key stakeholders.

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Figure 3. Hudson Tunnel Project Stakeholders



Source: OIG analysis of company documents

Note:

^a GDC's Board of Commissioners consists of three representatives from the state of New York, three representatives from the state of New Jersey, and one from the company.

Project governance. Multiple agreements govern the HTP, including the following:

- *Project development agreement.* In February 2023, the company, the states of New York and New Jersey, and GDC executed an overarching project development agreement establishing their respective roles and responsibilities on the project.
- *Capital funding agreement.* In January 2024, the company and GDC executed an agreement specifying the company's capital contributions to GDC.
- *Lead agency agreements.* To support delivery of the HTP, GDC has entered into agreements designating lead partners for construction packages.

Construction packages. Given its size and scale, the project is broken into 10 distinct construction packages. Amtrak is the lead agency for four of these packages, as Table 1 shows.

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Table 1. Hudson Tunnel Project Construction Packages

Construction Package	Lead Agency	Summary Scope of Work
Hudson Yards Concrete Casing 3 <i>in construction</i>	Amtrak	Construct the third and final section of concrete casings beneath Hudson Yards to preserve the underground right-of-way for the Hudson Tunnel into Penn Station New York. This package includes relocating a Long Island Rail Road building and its related utilities.
A-Yard Civil Work and 10th Avenue Cut & Cover Tunnel (Heavy Civil Work) <i>future procurement</i>	Amtrak	Excavate a tunnel section under 10th Avenue connecting the Hudson Yards Concrete Casings to a railyard and conduct heavy civil work to construct a fan plant beneath an existing high-rise building. Relocate columns that support the building.
Systems & Fit Out (Fit Out) <i>future procurement</i>	Amtrak	Fit out the new Hudson Tunnel, including installing track, electric power, concrete for new ventilation shafts, and communications and signal systems. Construct two new fan plant structures.
North River Tunnel Rehabilitation <i>future procurement</i>	Amtrak ^a	Repair the existing tunnel's concrete linings and perform a complete fit out.
Palisades Tunnel <i>in construction</i>	PANYNJ	Bore a tunnel section from east of Tonnelle Avenue in North Bergen, New Jersey, and under Union City to the new ventilation shaft in Hoboken.
Hudson River Tunnel <i>in procurement</i>	PANYNJ	Bore a tunnel section under the Hudson River from the new ventilation shaft in Hoboken, New Jersey, to the new ventilation shaft at 12th Avenue in Manhattan.
Hudson River Ground Stabilization <i>in construction</i>	PANYNJ	Design and stabilize the river bottom on the east side of the Hudson River to prepare for boring the new tunnel. This also includes the construction of a cofferdam.
Manhattan Tunnel <i>in construction</i>	PANYNJ	Design and construct a tunnel section from west of the Manhattan bulkhead to Hudson Yards Concrete Casing 3.
New Jersey Surface Alignment <i>in procurement</i>	NJ Transit	Design and construct retaining walls, embankments, bridges, and viaducts to support new track bed in New Jersey from County Road, east of Secaucus Junction Station, to the Palisades Tunnel entrance east of the new Tonnelle Avenue Bridge.
Tonnelle Avenue Bridge & Utility Relocation <i>in construction</i>	GDC	Construct a new highway bridge at Tonnelle Avenue in North Bergen, New Jersey, so the railroad right-of-way can pass beneath Tonnelle Avenue and enter the new tunnel entrance.

Source: OIG analysis of company and GDC documents

Note:

^a Amtrak's role as the lead agency for this construction package is subject to future agreement between GDC and the company.

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Amtrak has a unique role on the HTP. The company will be the future owner and operator of the new Hudson Tunnel and is responsible for advising GDC on integrating it into the existing NEC. In addition, the company is the only HTP partner that has responsibilities both as a member of GDC's Board of Commissioners and as the lead agency on multiple construction packages. Figure 4 shows the project partners' roles.

Figure 4. Roles of the Hudson Tunnel Project Partners

	GDC Governing Partner	Lead Agency on a Construction Package	Ultimate Asset Owner
State of New York	✓		
State of New Jersey	✓		
Amtrak	✓	✓	✓
GDC		✓	
PANYNJ		✓	
NJ Transit		✓	

Source: OIG analysis of company documents

Project funding. The following federal stakeholders provide funding and oversight of the project:

- *Department of Transportation (DOT)* administers the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program.
- *Federal Transit Administration (FTA)* is a DOT agency that administers the Capital Investment Grants program.
- *Federal Railroad Administration (FRA)* is a DOT agency that provides the company with annual grants and administers both the Mega Grant and Federal State Partnership programs.
- *Build America Bureau* is a DOT agency that administers the Railroad Rehabilitation and Improvement Financing (RRIF) loan program. PANYNJ and the states of New York and New Jersey have committed to repay RRIF loans for the HTP.

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GDC secured federal and state funding commitments for the HTP totaling \$16.041 billion, including \$1.016 billion from the company, as Table 2 shows.

Table 2. Sources of Hudson Tunnel Project Funding

Funding Source	Funding Type	Amount (\$millions)
FTA	Capital Investment Grant (IIJA) ^a	6,880
FRA	Federal State Partnership Grant (IIJA)	3,800
Port Authority of New York & New Jersey	RRIF Loan	2,678
State of New York	RRIF Loan	1,335
Amtrak Contribution	FRA Grants	1,016
State of New Jersey	RRIF Loan	308
DOT	RAISE Grant (IIJA)	25
Total Funds Available to GDC		16,041^b

Source: OIG analysis of company documents

Notes:

^a Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117-58, 135 Stat. 429 (2021).

^b Due to rounding, the total does not add to \$16,041.

The company monitors progress toward reaching its \$1.016 billion HTP capital contribution by tracking its project costs and submitting them to GDC.

THE COMPANY IS SUCCESSFULLY MEETING THREE SIGNIFICANT HTP OBLIGATIONS

The company has met or is on track to meet the following three significant near-term HTP obligations.⁹

- **Real estate acquisitions.** The company is responsible for acquiring nine real estate parcels in New York and one in New Jersey needed for construction. These acquisitions will provide project partners and contractors with access to the properties needed to perform their work. The company acquired nine of these parcels on time and is on schedule to acquire the final parcel. It is also providing

⁹ For the project development agreement and the company's lead agency agreements with GDC, we identified all of the company's obligations and conducted an analysis to identify the company's nearest-term, highest-risk HTP obligations. The company has additional future obligations that we did not assess as part of this work. For more details, see Appendix A.

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relocation assistance services to three businesses that these acquisitions impacted.

- **Testing and commissioning.** The testing and commissioning phase of the project ensures that all operational systems—such as communications, train signals, and ventilation—meet safety standards and that the infrastructure is ready for operational use. Under the project development agreement, the company will act as a technical advisor to GDC to perform this work and ensure that the company can safely accept the new infrastructure into its rail system. The company started preparing for this work by developing a first draft of the HTP’s testing and commissioning plan, which outlines the company’s strategy for executing the testing and commissioning work. The company’s early work in this area is notable because testing and commissioning—which is critical to the successful transition to revenue service—will likely not begin for another four to six years.
- **Management staffing.** The company’s HTP team began working with the delivery partner in March 2024. The delivery partner provides the company with additional staff to assist it with project and construction management on the company’s Heavy Civil Work and Fit Out packages. Multiple company officials stated that they believe there is sufficient staff between the company and the delivery partner to support the company’s HTP obligations. This is a significant improvement over prior projects in which we found that the company understaffed some programs with more than \$100 million in spending.¹⁰

The company’s advancements in these areas demonstrate that it has begun applying some lessons learned from prior capital projects. Nevertheless, the HTP is still in its early stages; thus, the company must sustain this progress over the life of the project. Beyond these obligations, we identified additional areas where the company can better safeguard its interests and more effectively manage its internal role as the HTP advances, as noted below.

SCOPE OF THE COMPANY’S HTP ROLE COULD BE BETTER DEFINED

We identified the following two areas where the company and its project partners had differing expectations on the scope of the company’s role in the HTP:

¹⁰ Amtrak: *Insights on Fraud Risks as the Company Expands Its Mission* (OIG-SP-2023-007), May 15, 2023.

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Extent of company's staff costs on construction packages it is not leading. In Fiscal Year (FY) 2024, the company submitted its draft budget to GDC. This budget detailed the costs the company expected to incur to support the project. In reviewing this budget, one partner objected to some company staff costs¹¹ for work on construction packages the company is not leading. This partner stated that it did not believe that project agreements obligated the company to perform this work. The company, however, maintained that it must be fully engaged—and, therefore, incur staff costs—on every construction package to be able to effectively integrate the new infrastructure into its existing rail system.

This disagreement occurred because the company and a partner had differing expectations about the company's role on the project as described in the project development agreement. This is contrary to industry standards, which state that project partners should understand how each party contributes to a project.¹² Company officials told us that personnel changes within the partner's organization may have contributed to these differing expectations. Regardless, as a result of the differing expectations, the parties had a nearly year-long dispute regarding which company work and associated costs are acceptable on construction packages the company is not leading.

The company and project partner have since resolved this particular issue, but without a thorough assessment of where the company and its partners' expectations may differ and proactive steps to address those gaps, there is potential for future, similar disputes as the project progresses and staff continue to change. This is especially important given the long lifecycle of the HTP. More clearly defining the company's role, including the expected scope of work and associated costs, could help prevent future disagreements.

Extent of company's involvement with project risk management efforts. The company has visibility into the risks on the construction packages it is leading. As of November 2025, however, the company was not involved in ongoing risk assessments for the

¹¹ Examples of company professional staff costs in question include subject matter expert reviews of design drawings and project management staff support.

¹² Project Management Institute, *A Guide to the Project Management Body of Knowledge, Seventh Edition*, 2021.

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overall project or for construction packages that Amtrak is not leading.¹³ Given the company's role as the ultimate asset owner, deeper involvement in risk management would better position the company to fulfill its responsibilities and obligations.

We identified instances on the HTP where the company has cost and schedule exposure that potentially warrant its awareness of broader project risks, including the following:

- **The company has cost risks** on the four construction packages that PANYNJ is leading—the Hudson River Ground Stabilization, Palisades Tunnel, Hudson River Tunnel, and Manhattan Tunnel. On these packages, the company is responsible for one-third of some cost overruns above the approved project budget but cannot fully plan for potential overruns without access to emerging cost risks.
- **The company has schedule risks** on three construction packages it is leading—the Heavy Civil Work and Fit Out construction packages, as well as the North River Tunnel Rehabilitation. [REDACTED]

More broadly, as the ultimate asset owner, the company will be responsible for integrating the HTP infrastructure into its existing network and operating and maintaining these assets in perpetuity. Given this enduring role, the company may have a different risk tolerance and perspective on mitigation strategies than GDC or other project partners. Greater involvement in the risk management process would align with industry standards that suggest a joint evaluation and shared understanding of risks among project partners to enhance overall project performance. Leading practices

¹³ The project development agreement assigns GDC responsibility for developing and maintaining HTP's risk register management framework. Risk registers are the primary tools that project management teams use to log, track, and manage risks on projects. In addition, the project risk management plan states that lead agencies are responsible for day-to-day management of risks on their respective construction packages.

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further state that all parties should have an opportunity to agree on risk ownership and mitigation plans.¹⁴

GDC told us the company does not have access to certain risk registers¹⁵ because they contain highly sensitive information that, if released, could impact competitive bidding for active procurements or the cost of construction contracts already in progress. That said, the company participates in processes with GDC that involve sharing confidential procurement information. This includes serving on committees that evaluate bidder responses on construction packages the company is not leading. GDC also told us that it maintains the company is fully informed of all risks affecting the HTP through its involvement in various project committees and meetings and receipt of progress reports. These discussions and reports, however, typically address only the HTP's top schedule and cost risks at a given time.

Although we are not aware of any cost or schedule impacts to the company, senior company officials told us that greater visibility into project risks would improve their ability to plan mitigation strategies, anticipate their potential cost and schedule liabilities, and manage their responsibilities more effectively.

Ultimately, the company has not had full visibility into risk management efforts because GDC and the company had differing expectations of the company's role in project risk management. Greater involvement in the risk management process could allow the company to more effectively contribute to risk identification and mitigation efforts, potentially enhancing project performance.

THE COMPANY HAS MADE PROGRESS ENGAGING SOME INTERNAL STAKEHOLDERS BUT COULD DO MORE TO INVOLVE OTHERS

The HTP team will need to engage and coordinate with many company departments, including those that will directly support the project and other internal stakeholders that may be affected by project activities. At the time of our review, some internal stakeholders were aware they would be involved in project support activities, but others were not.

¹⁴ Project Management Institute, *Construction Extension to the PMBOK Guide*, 2016.

¹⁵ For HTP, there is a risk register for each construction package, as well as a project-wide risk register. As the current lead agency for the Hudson Yards Concrete Casing 3, Heavy Civil Work and Fit Out packages, the company has visibility only to the risk registers for those packages.

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For example, the HTP team is actively engaging company track outage and force account planning staff. This is a positive development given that the company has had longstanding challenges in these areas, as we have reported.¹⁶ Specifically, the company transferred two senior Operations officials to Capital Delivery to manage the team that plans track outages and force account. This team is working with HTP managers and the delivery partner to plan such support for the New Jersey Surface Alignment construction package, and it has begun similar planning for the Heavy Civil Work and the Fit Out construction packages. HTP team managers also met with their Portal North Bridge peers to review lessons learned from that project about track outages and force account. Planning activities such as these are vital to ensuring that the project remains on schedule and on budget [REDACTED]

Some relevant officials in other departments, however, were not familiar with their support activities on the project, when they will need to participate, or how the project may impact their work, as shown in the following examples:

- **Accounting.** During our audit, we identified a financial matter that the Accounting group did not know about that would have impacted the accuracy of the company's FY 2024 financial statements. In summer 2024, the HTP team projected that by the end of the fiscal year the company would have paid GDC more than its required annual capital contribution. According to one contract, if an excess payment occurs, a refund is due. When we discussed this situation with members of the project team, they said they did not recognize the financial implications of the excess payment because they are not accounting professionals. We alerted senior Accounting group officials, who ultimately recorded a \$104 million refund¹⁷ before the end of the company's fiscal year so its financial statements were accurate.
- **Procurement.** Another contract specifies that the company will procure construction materials to be used in equipping the new Hudson Tunnel. The Procurement department will be responsible for obtaining these materials, but department officials told us they were unaware of this responsibility. As a result,

¹⁶ OIG-A-2024-007; *Governance: More Effective Planning and Coordination of Track Outages Would Help Achieve a State of Good Repair* (OIG-A-2020-016), September 14, 2020.

¹⁷ This amount represents the company's estimated excess payment as of September 30, 2024. GDC and the company later agreed to a value of \$115.5 million, which GDC repaid in full as of July 2025.

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as of May 2025, the department had not begun preparing to support those deliverables even though some items it procures for large capital projects have lead times of up to five years, according to Procurement department officials. These officials confirmed the importance of informing internal stakeholders of all their responsibilities as early as possible because it allows them to better understand and successfully plan their activities.

Such situations occurred because the HTP team has not identified and documented all of the relevant internal stakeholders and their related HTP support activities, as called for by project management and internal control standards.¹⁸ As a result, the company does not have assurance that all relevant internal stakeholders can adequately plan for their HTP support activities. Systematically identifying and documenting the project activities that internal stakeholders should be aware of will help the company better meet its commitments on the project.

THE COMPANY IS IMPROVING ITS DOCUMENT MANAGEMENT ON HTP BUT MUST COMPLETE THESE EFFORTS

Documentation on a construction project the size of HTP is extensive, consisting of thousands of documents such as contracts, designs, reports, logs, and other records.¹⁹ The company established a web-based document management system to internally store its HTP documents, but the project team did not always use it because it was difficult to navigate, which hindered users' ability to locate project files. Some officials also store project files on a separate system. This is contrary to company procedures²⁰ and industry standards,²¹ which state that project files must be kept in a secure, approved, and centralized document management system to ensure efficient access to and distribution of project information.

During our audit, project officials began improving internal document management: they hired a dedicated document management official, began reorganizing the system

¹⁸ Project Management Institute, *A Guide to the Project Management Body of Knowledge, Seventh Edition*, 2021; Project Management Institute, *Construction Extension to the PMBOK Guide*, 2016; Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control-Integrated Framework*, May 2013.

¹⁹ Project Management Institute, *Construction Extension to the PMBOK Guide*, 2016.

²⁰ *Capital Delivery Document Control Procedure*, CAPD-6.7.0, June 2024.

²¹ Project Management Institute, *Construction Extension to the PMBOK Guide*, 2016.

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to enhance its functionality, and published a document management procedure²² to provide additional guidance to team members.

Although these are positive steps, industry standards state that effectively managing documentation should remain a priority throughout the life of the project.²³ This is critical since project staff may change over time given the long lifecycle of the HTP and as evidenced by the company's recent reduction in force that impacted the Capital Delivery department.²⁴ Continuing efforts to enhance its document management system and related guidance will help the company more efficiently and effectively manage its work on the HTP.

DECISIONS PENDING ON ANOTHER PROJECT COULD IMPACT THE BROADER GATEWAY PROGRAM

One intent of the HTP is to support a doubling of peak rail capacity into Penn Station New York from 24 to 48 trains per hour, but other Gateway Program infrastructure improvements must be completed to achieve this goal. Although the HTP will increase the number of tracks between Secaucus, New Jersey, and Penn Station New York, it is only one element of the larger Gateway Program; overall rail capacity during the peak periods would not double until other improvements occur. For example, plans to expand Penn Station New York were intended to ensure that the station could accommodate the doubling of peak hour passenger trains. In August 2025, the company announced plans for redeveloping Penn Station New York with the goals of modernizing the station, increasing concourse capacity, and accommodating passenger service growth, among others. We will continue to monitor activities at Penn Station New York and other Gateway Program projects for any potential impacts on the HTP.

CONCLUSIONS

The company is executing and contributing to historic capital programs while continuing its core mission of running a safe, efficient passenger railroad. For the HTP—the largest federally funded mass transit project in U.S. history—the company has made progress fulfilling some of its obligations to date but has opportunities to clarify its role, to more consistently engage its internal stakeholders, and to better manage the volume of information it will receive over the life of the project. Doing so at

²² Amtrak, *Hudson Tunnel Project Email Management Policy*, July 10, 2025.

²³ Project Management Institute, *Construction Extension to the PMBOK Guide*, 2016.

²⁴ In May 2025, the company announced that it reduced the size of its management workforce.

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this early stage will help reduce its future cost and schedule risks, facilitate the overall goals of the Gateway Program, and better protect the company's interests as the eventual HTP asset owner.

RECOMMENDATIONS

To address these issues, we recommend that the Executive Vice President, Capital Delivery, take the following actions:

1. Assess where the company and its partners' expectations of the company's role differ. Based on this assessment, take steps to clarify the company's role, as appropriate.
2. Work with GDC to ensure that the company has adequate, ongoing visibility into project risks on the construction packages it is not leading.
3. Identify and document all relevant internal stakeholders and their related HTP support activities, and assign accountable departments and individuals for each activity identified.
4. Finalize the HTP internal document management system and related guidance consistent with Capital Delivery procedures.

MANAGEMENT COMMENTS AND OIG ANALYSIS

In commenting on a draft of this report, the Executive Vice President, Capital Delivery, agreed with our recommendations and identified actions the company plans to take or has taken to address them, which we summarize below:

- **Recommendation 1:** Management agreed with our recommendation to assess where the company and its partners' expectations of the company's role differ and, based on this assessment, take steps to clarify the company's role. Management stated that over the past year, the company has worked with HTP partners to clarify the company's role on the project as the future asset owner, operator, and maintainer. For example, management stated that GDC has approved the company's FY 2024 budget as well as other reports that document the company's labor costs associated with each construction package. Management took these actions over the past year while we were performing our audit work and intends to closely monitor the situation through the project's established governance systems. We will review the actions the company took as a part of our standard recommendation follow up process.

Certain information in this report has been redacted due to its sensitive nature.

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- **Recommendation 2:** Management agreed with our recommendation to work with GDC to ensure that the company has adequate, ongoing visibility into project risks on the construction packages it is not leading. Management stated that coordination with GDC is ongoing to develop a mutually agreeable approach toward this objective. The target completion date is June 30, 2026.
- **Recommendation 3:** Management agreed with our recommendation to identify and document all relevant internal stakeholders and their related HTP support activities and assign accountable departments and individuals for each activity identified. Management stated that the company will prepare and maintain a memorandum to document roles and responsibilities of internal stakeholders at both the department and individual levels, and update this list as required. The target completion date is March 31, 2026.
- **Recommendation 4:** Management agreed with our recommendation to finalize the HTP internal document management system and related guidance consistent with Capital Delivery procedures. Management took actions to address this recommendation while we were performing our audit work, including hiring a dedicated document management official in May 2025, and issuing both an email management policy in July 2025 and a document control policy in September 2025 related to HTP. We will review the actions the company took as a part of our standard recommendation follow up process.

For management's complete response, see Appendix B. Management also provided technical comments that we have incorporated in this report as appropriate.

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APPENDIX A

Objective, Scope, and Methodology

This report provides the results of our audit of the company's involvement in the HTP. Our objective was to assess the company's efforts to support the project and oversee its interests as the project advances. Our scope included evaluating the company's contractual obligations and related project management activities. We conducted our work from June 2024 through December 2025 in Chicago, Illinois; Newark, New Jersey; Philadelphia, Pennsylvania; and Washington, D.C. We also visited construction sites in New Jersey and New York. Given our oversight jurisdiction, our review was limited to assessing Amtrak's performance supporting the HTP; therefore, we did not directly review the status of other partners' commitments or the administration of the federal grant programs that help fund it. To the extent that the company's performance was impacted by other partners' actions, we highlighted those instances in our report. Our scope also did not include a review of the status of physical construction. Certain information in this report has been redacted due to its sensitive nature.

To assess the company's efforts to support the project and oversee its interests, we analyzed 11 company agreements. For the project development agreement and the company's lead agency agreements with GDC, we identified all company obligations and conducted an analysis to identify the company's nearest-term, highest-risk HTP obligations as of October 2024. Those obligations were related to real estate, staffing, scheduling, risk management, document control, force account planning, testing and commissioning, and others. We compared these obligations to project documents, company policies, and project management standards, and we conducted interviews with company and GDC staff to determine the company's progress toward meeting these obligations. In total, we reviewed more than 650 documents, including the project management plan, real estate acquisition management plan, testing and commissioning plan, risk and contingency management plan, staffing plans and force account resources plans, and other project agreements the company is not a party to. We conducted 97 interviews with officials from the company's Gateway Program team, its HTP team, the executives that oversee this work, and officials from other supporting departments. We also conducted 11 interviews with officials from GDC and other external parties working on the project.

To assess the company's oversight of its financial and procurement obligations, we reviewed project contracts and the company's reporting of actual and forecasted

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spending. We reviewed company financial and procurement policies and project management standards.

We participated in an October 2024 site tour and observed the status of multiple construction packages in New Jersey and New York, including the Tonnelles Avenue Bridge and Utility Relocation and the Hudson Yards Concrete Casing 3. In May 2025, we visited GDC's office in Newark, New Jersey, to view the project-wide, Heavy Civil Work, and Fit Out risk registers. We did not review the risk registers for the other construction packages.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Internal Controls

We reviewed internal controls for overseeing and managing the HTP. Specifically, we assessed the internal control components and underlying principles and determined that all five internal control areas were significant to our audit objective:

- **Control environment.** Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
- **Risk assessment.** Management should identify, analyze, and respond to risks related to achieving the defined objectives.
- **Control activities.** Management should design control activities to achieve objectives and respond to risks. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
- **Information and communication.** Management should internally and externally communicate the necessary quality information to achieve the entity's objectives.
- **Monitoring.** Management should establish and operate activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

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We developed audit work to ensure that we assessed each of those controls. This included assessing whether the company established an organizational structure, developed risk management documentation, implemented controls to conduct program management and oversight, and communicated information with internal stakeholders. We have noted in this report the internal control deficiencies our audit work identified. We also identified three internal control deficiencies that were not significant to the audit objective and communicated those in writing to the appropriate senior officials at the company. Because our review was limited to these internal control components and underlying principles, it may not have disclosed all the internal control deficiencies that may have existed at the time of the audit.

Computer-processed Data

Our analyses and findings did not rely on computer-generated data from company information systems.

Prior Reports

In conducting our analysis, we reviewed information from the following OIG reports:

- *Major Programs: Amtrak Is Establishing a Structure for Managing the Frederick Douglass Tunnel Program, but Better Planning Would Improve Oversight and Reduce Risks* (OIG-A-2024-010), September 27, 2024
- *Major Programs: Portal North Bridge Project is Progressing, but Opportunities Exist to Improve Company Oversight and Reduce Risk* (OIG-A-2024-007), May 2, 2024
- *Amtrak: Insights on Fraud Risks as the Company Expands Its Mission* (OIG-SP-2023-007), May 15, 2023
- *Governance: Company Needs a Comprehensive Framework to Successfully Manage its Commitments to the Gateway Program* (OIG-A-2022-006), February 4, 2022
- *Governance: More Effective Planning and Coordination of Track Outages Would Help Achieve a State of Good Repair* (OIG-A-2020-016), September 14, 2020
- *Governance: Early Planning and Oversight Deficiencies Led to Initial Program Failures and Continued Risks to the Moynihan Train Hall Program* (OIG-A-2020-014), August 17, 2020
- *Acquisition and Procurement: Gateway Program Projects Have Certain Cost and Schedule Risks* (OIG-A-2015-002), December 19, 2014

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- *Acquisition and Procurement: Gateway Program's Concrete Casing Project Progressing Well; Cost Increases Will Likely Exceed Project Budget (OIG-A-2014-004), February 11, 2014*

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APPENDIX B

Management Comments

NATIONAL RAILROAD PASSENGER CORPORATION

Memo



Date:	December 5, 2025	From:	Laura Mason, EVP Capital Delivery
To:	John Marzullo, Assistant Inspector General, Audits	Department(s):	 Capital Delivery
		cc	Roger Harris, President Kuvesh Ayer, VP CPO & SCO Costin Comeanu, EVP CFO Eliot Hamlish, EVP Marketing & CCO William Herrmann, EVP Chief Legal and Human Resources Officer (CLHRO) Jennifer Mitchell, EVP Strategy & Planning Steven Predmore, EVP CSO Gerhard Williams, EVP Service & Delivery Ops Tracie Winbigler, EVP Chief Transformation Officer Christian Zacariassen, EVP CIO

Subject: Management Response to *Major Programs: Company Has Made Progress Supporting the Hudson Tunnel Project but Has Opportunities to Reduce Its Risk* (Draft Audit Report for Project No. 013-2024).

This memorandum provides Amtrak's response to the draft audit report titled, "*Company Has Made Progress Supporting the Hudson Tunnel Project but Has Opportunities to Reduce Its Risk*." Management agrees with the four Office of Inspector General (OIG) recommendations below and appreciates the opportunity to provide a response.

To address the issues noted in the audit report, the OIG recommends that the EVP, Capital Delivery, take the actions listed below.

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NATIONAL RAILROAD PASSENGER CORPORATION

Recommendation #1:

Assess where the company and its partners' expectations of the company's role differ. Based on this assessment, take steps to clarify the company's role, as appropriate.

Management Response/Action Plan:

Amtrak concurs with this recommendation and has worked with the Hudson Tunnel Project (HTP) partners over the past year to clarify our unique role on the project as the future acceptor, owner, operator, and maintainer of the assets. Amtrak will continue to closely monitor the situation through the project's established governance systems, and no additional action is necessary at this time.

There is now greater alignment among the partners about Amtrak's role on the project, specifically in design, procurement, and construction oversight of contract packages Amtrak is not leading. Primary evidence includes Gateway Development Commission's (GDC) approval of Amtrak's Fiscal Year (FY) 2024 annual budget, quarterly reports, and labor backup report, which documents Amtrak labor costs associated with each contract package for work consistent with corresponding provisions of the Project Development Agreement (PDA) (Coordination is ongoing with GDC regarding review and approval of Amtrak's amended FY 2025 annual budget and corresponding quarterly reports with labor backup).

Amtrak continues to reaffirm our role through the project's governance cycle, including the annual budget (submitted to GDC 60 days prior to the start of each FY) and quarterly report (within 45 days of the end of each quarter) process, monthly and quarterly project committee meetings, as well as annual updates to the Project Management Plan (PMP).

Responsible Amtrak Official(s): Derick Hallahan, PE, AVP, Major Programs, Tunnels & Systems

Target Completion Date: Completed

Recommendation #2:

Work with GDC to ensure that the company has adequate, ongoing visibility into project risks on the construction packages it is not leading.

Management Response/Action Plan:

Amtrak concurs with this recommendation and is prioritizing efforts to gain access to risk registers for all contract packages, including packages Amtrak is not leading. Coordination with GDC is ongoing to develop a mutually agreeable approach toward this objective. This may include controlling access to a select group of Amtrak personnel to prevent broader distribution of potentially sensitive information.

Responsible Amtrak Official(s): Derick Hallahan, PE, AVP, Major Programs, Tunnels & Systems

Target Completion Date: June 30, 2026

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NATIONAL RAILROAD PASSENGER CORPORATION

Recommendation #3:

Identify and document all relevant internal stakeholders and their related HTP support activities and assign accountable departments and individuals for each activity identified.

Management Response/Action Plan:

Amtrak concurs with this recommendation and will prepare and maintain a memorandum to document roles and responsibilities of internal stakeholders at both the department and individual levels. This will be a living document reviewed routinely and updated as required.

The formal documentation of internal roles and responsibilities will complement ongoing inter-departmental coordination. The project team continues to proactively and successfully collaborate with internal stakeholders, including regular meetings with Procurement, Accounting, and Financial Planning & Analysis (FP&A). As an example of positive outcomes from this effort, Amtrak identified a long-lead item during preliminary design development of a Design/Build contract package and coordinated closely with Procurement to acquire rail systems equipment as an early acquisition ahead of contract award.

Responsible Amtrak Official(s): Derick Hallahan, PE, AVP, Major Programs, Tunnels & Systems

Target Completion Date: March 31, 2026

Recommendation #4:

Finalize the HTP internal document management system and related guidance consistent with Capital Delivery procedures.

Management Response/Action Plan:

Amtrak concurs with and has fully addressed this recommendation. Amtrak remains committed to continuous improvement and, as of November 2025, completed the following actions:

- Hired a dedicated document management official (lead project controls specialist) in May 2025;
- Issued an Email Management Policy in July 2025*;
- Issued a Document Control Policy in September 2025 (version 1) and November 2025 (version 2);
- Convened multiple training workshops for each policy in July and September 2025; and
- Convened multiple email management and document control refresher sessions in October and November 2025.

*Please note that the policies mentioned above are consistent with Capital Delivery procedures and are not considered enterprise-wide policies.

Responsible Amtrak Official(s): Derick Hallahan, PE, AVP, Major Programs, Tunnels & Systems

Target Completion Date: Completed

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APPENDIX C

Abbreviations

DOT	Department of Transportation
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FY	fiscal year
GDC	Gateway Development Commission
HTP	Hudson Tunnel Project
IIJA	Infrastructure Investment and Jobs Act
NEC	Northeast Corridor
NJ Transit	New Jersey Transit Corporation
OIG	Amtrak Office of Inspector General
PANYNJ	Port Authority of New York and New Jersey
RAISE	Rebuilding American Infrastructure with Sustainability and Equity
RRIF	Railroad Rehabilitation and Improvement Financing
the company	Amtrak

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APPENDIX D

OIG Team Members

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OIG MISSION AND CONTACT INFORMATION

Mission

The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits and investigations focused on recommending improvements to Amtrak's economy, efficiency, and effectiveness; preventing and detecting fraud, waste, and abuse; and providing Congress, Amtrak management, and Amtrak's Board of Directors with timely information about problems and deficiencies relating to Amtrak's programs and operations.

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