



**Division of
the Budget**

ANDREW M. CUOMO
Governor

ROBERT F. MUJICA JR.
Director of the Budget

SANDRA L. BEATTIE
Deputy Director

December 13, 2017

Ms. Lucy Garliauskas
Associate Administrator for Planning and Environment
Federal Transit Administration
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

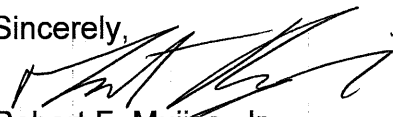
Mr. John Porcari
Interim Executive Director
Gateway Program Development Corporation
c/o Port Authority of New York & New Jersey
4 World Trade Center
150 Greenwich Street, 19th Floor
New York, NY 10007

Dear Ms. Garliauskas and Mr. Porcari:

As you know, the underlying 50:50 framework agreement for the Gateway Tunnel project that was established in 2015, was for the new tunnel to be funded by a Federal cash grant from US DOT for 50 percent of the project costs, with a financing plan for the remaining 50 percent local project share (to match the US DOT cash grant) to be developed by the Gateway Development Corporation (GDC) and the Port Authority of New York & New Jersey (Port Authority).

The State of New York's Division of the Budget, on behalf of the Governor, commits to (i) propose in the State's executive budget an appropriation each year over a 35-year period to pay debt service on a \$1.75 billion fixed-interest loan to the GDC with a 35-year term under the US DOT Railroad Rehabilitation & Improvement Financing (RRIF) loan program, which is to be used toward construction of a new tunnel, and (ii) use good faith efforts to obtain New York State legislative approval of these appropriations. The State expects to recoup its debt service costs from the new infrastructure revenues and offsets.

Sincerely,


Robert F. Mujica, Jr.

cc: Richard Bagger
Anthony Coscia
Steven M. Cohen