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## **Fitch Ratings: U.S. Port Ratings Largely Resistant Thus Far to Trade Policy Changes**

Fitch Ratings-New York-20 December 2019: Prolonged trade tensions between the U.S. and China has created quite a bit of headline risk for U.S. ports, though Fitch Ratings' latest sector peer review shows that it has not trickled down to financial or rating performance.

Both ratings and Outlooks have largely remained intact for Fitch-rated ports, perhaps most surprisingly for those located on the West Coast. Despite volume declines, which were expected seeing as West Coast ports are the most susceptible to U.S./China trade disruptions, financial and rating performance has remained quite stable. 'Landlord ports are generally not directly exposed to volume volatility, which has insulated cash flow for ports like Long Beach and Los Angeles, CA despite their tariff-related declines in volume,' said Director Stacey Mawson.

The lone rating revision was to Alabama State Port Authority, which Fitch downgraded earlier this year, largely reflecting its exposure to coal. The 'A' category remains the most common rating level for stand-alone U.S. ports. Additionally, prospects for rating change over the next year are highly unlikely with all Fitch-rated ports now having a Stable Outlook.

Fitch has also released its 2019 update to the interactive peer study for standalone U.S. port credits, the Fitch Analytical Comparative Tool, or FACT, concurrently with release of today's peer review.

FACT uses an interactive interface to easily review and compare key credit metrics that underpin Fitch's analysis of U.S. ports, allowing users to select subsets of Fitch's rated ports for comparison. The interactive FACT tool contains key financial information for Fitch-rated standalone port issuers in the U.S., graphical plotting function for annual and median performance and a radar chart that indicates key risk levels. The tool allows selection of medians by rating category as well as by market size.

For more information, please access the 'U.S. Ports - 2019 Fitch Analytical Comparative Tool (FACT)', as well as the complementary report 'Peer Review of U.S. Ports (Attribute Assessments, Metrics and Ratings)' at [www.fitchratings.com](http://www.fitchratings.com) or by clicking on the above links.

'United States Seaports - Peer Review' is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

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