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## S&P: The Recovery Route For U.S. Transportation Sectors Is Likely To Be Slow

The industry that makes it possible to move people and things–U.S. transportation infrastructure providers–could be stuck in the slow lane for a while. Standard & Poor's Ratings Services believes that the largest sectors–ports, airports, and toll roads–will likely deliver weak operating and financial results into 2010. Moreover, in our view, the timing and strength of a recovery may vary widely for these sectors and their issuers. In sum, we think it could take years for business to return to 2008 levels.

Generally, we have observed that transportation demand improves with the economy, with some lag. Typically, we see port activity bounce back first as sales of consumer goods stimulate shipping, followed by airports and toll roads as people travel more with improvement in employment and incomes. Already, we have seen that the rate of erosion in all three areas has slowed. And Standard & Poor's Chief Economist David Wyss believes the recession may have ended in September.

Continue reading.

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