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## **Fitch: Moderate Growth to Continue for U.S. Transportation.**

Fitch Ratings-New York-03 October 2016: Growth for the remainder of 2016 will remain healthy for all three U.S. major transportation sectors (airports, ports and toll roads) albeit at a slightly lower rate than the first half of the year, according to Fitch Ratings in a new report.

Fitch expects passenger traffic growth to increase around 3% for the second half of 2016 (2H16), with the bulk of air passenger growth coming from international hub airports. All but one major U.S. carrier has seen positive traffic growth through the first part of 2016, though a wide range of performance continued. JetBlue (12.1%) and Southwest Airlines (7.8%) led the way with strong increases in revenue passenger miles while increases among American Airlines (1.9%) and United Airlines (-0.1%) were more marginal.

Ports nationwide will continue to benefit from a stronger dollar driving imports, with 20-foot equivalent units (TEUs) growing at a level above GDP for the 1H16. A primary focus for ports remains "big ship readiness". That said, shippers, logistics providers and ports will be keeping close watch over the expanded Panama Canal, which opened for commercial traffic this year. While large-scale shifts in cargo are not expected, some adjustments are possible.

As for toll roads, low fuel prices have boosted growth in traffic (6.3%) and revenue (7.0%) for the 1H16. The Southeast and Southwest U.S. have and will continue to lead in traffic performance. The higher rate of growth in revenues is reflective of typical inflationary toll rate increases, which Fitch expects to average roughly 2% over time.

A degree of uncertainty always remains for the long-term direction of the broader economy.

The Transportation Trends report includes an expanded data set in its appendices, including six-month year-to-date 2016 volume and revenues, six-month percentage change year-over-year for volume and revenue, 2015 full year volume and revenues, 2010-2015 five-year compounded annual growth rates, and recessionary peak-to-trough data. 'U.S. Transportation Trends' is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

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