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## **S&P: U.S. Public Transportation Issuers Maneuver Around Obstacles To Maintain Stability In 2016.**

The U.S. public transportation sector dealt with a lot of uncertainty in 2015, stemming from uncertain federal funding, fluctuating transaction volumes, and a continued slow economic recovery. Standard & Poor's Ratings Services believes the sector will continue to face some minor turbulence and bumps in the road in 2016, and with perhaps some positive news for certain grant anticipation revenue vehicle (GARVEE) bonds.

We define the transportation sector as consisting of seven categories. The three largest, by the number of entities that Standard & Poor's rates, are airports, toll roads and bridges, and ports. Other categories include bonds secured by parking systems, transit systems, special facilities (such as cargo or passenger airline terminals, as well as fuel farms at airports), and GARVEES, which are bonds backed by direct federal payments for highway and transit programs (GARVEES are grant anticipation revenue vehicles). Standard & Poor's expects 2016 to be another year of stable credit quality for the Transportation sector. The GARVEE category, however, is bifurcated as bonds rated 'AA' and higher are stable and 'A' rated credits may have upside potential.

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