Bond Case Briefs

Municipal Finance Law Since 1971

S&P: Activity Estimates For U.S Transportation Infrastructure Show Public Transit And Airports Most Vulnerable To Near-Term Rating Pressure

Key Takeaways

- Based on our analysis of various factors influencing future activity levels for each U.S. transportation infrastructure subsector we believe the public transit and airport sectors are generally the most vulnerable to downward rating pressure in the near term.
- Our current 2020 and 2021 baseline activity estimates relative to pre COVID-19 levels show annualized declines of approximately 55% and 30% for public transit; 50% and 25% for airports; 45% and 15% for parking; 25% and 10% for toll roads; and 20% and 10% for ports. However, due to the high degree of uncertainty about the rate of spread and peak of the coronavirus outbreak, the recession and their combined impacts on transportation infrastructure, our activity estimates will change as more data become available.
- Rating actions of one or more notches are likely for those credits we believe will experience materially lower, uncertain, or volatile activity in the medium to long term. Conversely, modest downward rating actions or none at all are possible for those credits we believe demonstrate recovery to financially sustainable but lower activity in the near term.
- Due to the challenges posed by the pandemic-induced recession and concerns of COVID-19 outbreaks and associated impacts, we believe activity levels could be unpredictable or materially depressed beyond 2020. Consequently, many of the negative outlooks on debt ratings of transportation issuers with this exposure are likely to remain on negative outlook beyond this year.

Continue reading.

4 Jun, 2020 | 19:55

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com