

Bond Case Briefs

Municipal Finance Law Since 1971

Fitch: Coronavirus Muddies 2021 Outlook for U.S. Transportation Infrastructure

Fitch Ratings-New York-02 December 2020: U.S. transportation infrastructure faces a mixed outlook for 2021 with some segments returning to pre-pandemic levels quicker than others, according to Fitch Ratings in its 2021 outlook report for ports, toll roads and airports.

Fitch's 2021 Sector Outlook for U.S. transportation infrastructure is Improving, while Fitch's 2021 Rating Outlook is Negative. The Sector Outlook reflects Fitch's expectation for improved performance in 2021 as compared to 2020 for the two largest sectors - Airports and Toll Roads. "Toll roads and cargo ports are expected to recover to 2019 levels by 2022," said Senior Director Emma Griffith. "By contrast, airports and cruise ports face a more uphill battle with recovery not likely to materialize until 2024 or perhaps even later." The Negative Rating reflects 57% of U.S. transportation ratings carrying Negative Outlooks or Watches.

Cargo-focused ports have outperformed Fitch's expectations thus far, though performance will face pressure in 2021 due to a worsening economy and delays in fiscal stimulus. Conversely, the CDC's no-sail order in place for much of this year has severely hampered performance for cruise ports with pre-pandemic recovery not likely for several years.

Another resilient sector has been toll roads with traffic levels largely returning to pre-pandemic levels before leveling off somewhat last quarter. "Whether traffic recovers or backslides depends upon the path of the virus and related lock-downs, especially regarding commuter traffic from office workers," said Senior Director Scott Monroe.

The segment that may face the most formidable challenge over time is airports due to the unprecedented drop-off in passenger traffic. "Strong fee setting flexibility and liquidity will keep most airports numbers stable, though time will tell if that will be enough to sustain them with pre-pandemic recovery in passenger traffic to remain elusive for several years," said Senior Director Seth Lehman.

'Fitch Ratings 2021 Outlook: U.S. Transportation Infrastructure' is available at 'www.fitchratings.com'.

Contact:

Emma Griffith
Senior Director
+1 212 908 9124
Fitch Ratings, Inc.
300 W 57th St
New York, NY 10019

Seth Lehman
Senior Director

+1 212 908 0755

Scott Monroe
Senior Director
+1 415 732 5618

Media Relations: Sandro Scenga, New York, Tel: +1 212 908 0278, Email:
sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com

Copyright © 2025 Bond Case Briefs | bondcasebriefs.com