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S&P Updated U.S. Transportation Infrastructure Activity Estimates Show Air Travel Normalizing By 2023 And A Stymied Transit Recovery.

Key Takeaways

- The prospect of a continued or permanent shift to remote or hybrid work and the growth of online shopping will limit the recovery in public transit ridership and contribute to the longest recovery compared with other U.S. transportation infrastructure asset classes.
- The recent surge in coronavirus infections from the omicron variant will likely delay the positive momentum gained in the second half of 2021 for air travel, as assumed in our downside activity estimates. However, we expect industry conditions will improve in 2022, leading to further recovery and normalizing activity levels.
- Our current baseline activity estimates show public transit recapturing almost 70% of pre-pandemic activity by the end of 2022 and only 75% by the end of 2024; and U.S. systemwide enplanements returning to near pre-pandemic levels in the second quarter of 2023, with the international component continuing to lag the broader domestic rebound.
- Our current downside activity estimates, which assume some pullback of recent gains and slower recoveries due to the threat of coronavirus variants, staffing shortages, or weakening consumer confidence, show public transit ridership returning to only 70% of pre-pandemic levels by the end of 2024 and U.S. systemwide enplanements returning to near pre-pandemic levels by the end of 2023.

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