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Fitch: Post-Pandemic Bumps Minimal for US Toll Roads

Fitch Ratings-New York-23 March 2022: U.S. toll roads were first out of the gate on the road to pre-pandemic recovery and are well-positioned to return to normal traffic and revenue growth, according to Fitch Ratings' latest sector peer review.

"Toll roads were able to restore traffic and revenue growth off of peak declines at the outset of the pandemic very quickly, which bodes well for the sector in the coming months with travel restrictions being lifted," said Director Anne Tricerri. Toll traffic and revenue levels are also positioned to move beyond pre-pandemic levels over time.

One area of potential concern for toll roads, like all other major transportation sectors, is rising gas prices. "High gas prices could curb growth coming out of the pandemic, especially for discretionary leisure traffic as we head into the summer travel season," said Tricerri.

U.S. toll roads proved to be one of the most resilient infrastructure sectors to the pandemic's stranglehold on the broader economy and one of the quickest to return to pre-pandemic traffic movement. Since its 2020 peer review, Fitch has taken two positive rating actions, revised the Rating Outlook on five toll roads to Stable from Negative, and revised the Outlook on one to Positive from Stable. Perhaps the most notable sign of the sector's strength is that Fitch has not taken any negative rating actions on toll roads during this period.

Fitch has also released an update to the interactive peer study for U.S. toll roads, available in the 'U.S. Toll Roads - 2022 Fitch Analytical Comparative Tool (FACT)'. Going forward, Fitch will conduct its annual peer reviews using a more granular five-point volume assessment scale as detailed in its 'Transportation Infrastructure Rating Criteria Exposure Draft' that was published last month. Fitch's 'Peer Review of U.S. Toll Roads' is available at 'www.fitchratings.com'.

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