

# **Bond Case Briefs**

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## **Fitch: Friendlier Skies for US Airport Metrics Post-COVID**

Fitch Ratings-New York/Austin-11 May 2022: Most U.S. airports are approaching pre-pandemic passenger traffic despite the most recent COVID variant stunting growth during the early months of 2022, according to Fitch Ratings in its latest peer review for the sector. However, the sector is still up against inflation and a hesitant full return of business and international travel.

Since its last peer review Fitch has revised the Rating Outlook for nearly all U.S. airports to Stable from Negative. A notable outlier is New York's John F. Kennedy International Airport (JFK) Terminal One Group Association, L.P., which still has a Negative Outlook even after two downgrades since the pandemic began. "The JFK terminal still has heightened exposures to international traffic and is less financially flexible than other U.S. airports due to limited liquidity and heightened dependency on volume driven airline fees," said Director Jeffrey Lack.

Increased debt issuances are also signalling a return to normal with many airports already coming to market in 2022, among them Myrtle Beach, SC; Pittsburgh, PA (Allegheny County); and Syracuse, NY. While airports are seeing improved leisure traffic, international and business travel is still lagging. "With broader economic inflation on the rise, customer facility charge rates may increase moderately over a debt term to support rising debt and/or operating project costs," said Lack. This is especially true for midrange and smaller airports.

Fitch's 'Peer Review of U.S. Airports' is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

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