
S&P U.S. Transportation Infrastructure Toll Sector Report Card: Resilient Demand And Higher Tolls Underpin Credit Strength

Key Takeaways

- We expect the ratings on U.S. not-for-profit toll road operators will remain stable, given the almost-complete rebound in demand, supported by steady commercial vehicle traffic and toll-rate increases. Toll roads have been among the most resilient transportation infrastructure asset classes in recent years, with no downgrades during the pandemic.
- Revenue growth will be accompanied by increased operations and maintenance expenses, as well as capital spending for capacity expansions and continued conversions to all-electronic toll collection against a backdrop of higher financing costs.
- Our economic outlook no longer includes a recession but projects a shallower and more attenuated slowdown, which could translate into more muted transaction growth with remote work trends and a normalizing post-pandemic e-commerce trucking industry adding to uncertainty.
- Our analysis of fiscal 2022 financial metrics–including debt service coverage, debt to EBIDA, and liquidity–for U.S. not-for-profit toll road and toll bridge issuers that we rate, shows relatively stable performance that we expect will remain so.

Continue reading.

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