

# **Bond Case Briefs**

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## **Fitch: US and Canadian Ports Able to Withstand Recent Disruptions**

Fitch Ratings-New York-18 October 2024: Ratings and medians for U.S. & Canadian ports remain steady heading into next year despite sector disruptions, according to Fitch Ratings in its latest sector peer review.

As cargo volumes began to revert to more normalized levels relative to pandemic highs, East Coast ports were hit by the March 2024 collapse of Baltimore's Francis Scott Key Bridge. The collapse triggered an uptick in volumes and short-term rerouting congestion for neighboring ports. However, the ports withstood fallout from the bridge crash with little impact on their ratings or operating performance.

The outcome of ongoing labor contract negotiations between the International Longshoremen's Association and United States Maritime Alliance remains to be seen. The January 2025 deadline for extended negotiations is approaching, raising the possibility of resumed port strikes.

"Despite a few months of breathing room, East and Gulf Coast ports will face increased focus. A resumption of the strike could slow volume growth or force shippers to reroute cargo to West Coast ports," said Associate Director Jennie Mu.

Fitch's latest medians show continued stability for the sector. During its 2024 review cycle, Fitch upgraded two ports (Florida's Port Canaveral and Port Tampa Bay), revised the Rating Outlook for one to Positive from Stable (Texas' Port of Galveston) and did not take any negative rating actions. Fitch also affirmed the rating for Canada's Montreal Gateway Terminals with a Stable Outlook. This is good news for the Quebec and Ontario markets serviced by the terminal operator at the Port of Montreal.

The report summarizes the operating and financial performance of Fitch-rated ports in the U.S. and Canada, as well as an overview of rating changes since the last publication of the peer study in 2023. Fitch has also released a corresponding data comparator tool for standalone U.S. and Canadian port credits. Both are available at [www.fitchratings.com](http://www.fitchratings.com).

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