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Fitch: Pricing Power Shields US Transport Infrastructure from High Oil Prices

Fitch Ratings-New York/San Francisco-18 March 2026: The Iran conflict and surging oil prices may increase U.S. municipal transportation infrastructure costs and reduce demand but will not materially alter credit profiles or result in rating changes. Strong liquidity and pricing power insulate ratings from negative pressure, Fitch Ratings says.

Flight disruptions have minimal impact on U.S. airports because they serve a higher proportion of domestic travel than international travel. Similarly, U.S. ports have low exposure to Middle East shipping, with any disruptions nominally affecting port throughput.

We do not expect a material impact on global growth or inflation under Fitch's baseline assumption of a temporary oil price spike and a return to near pre-conflict price levels in 2H26. However, the risk of prolonged tensions is significant. If oil prices remain above USD95/barrel, Fitch estimates global GDP would decline by 0.4% over four quarters. Broader inflationary pressures from higher oil prices and slower growth would dampen consumer spending and reduce transportation volumes.

While we expect the oil price shock to be short-lived, sustained high oil prices would directly increase operations and maintenance (O&M) and capex costs, including fuel and oil-derived products such as rubber and asphalt. O&M rarely has a material impact on transportation financial performance, as municipal transport assets operate with high margins. Ample liquidity and comfortable debt service coverage ratios (DSCRs) help absorb one-off shocks.

The municipal transportation sector broadly benefits from strong pricing power that reflects the legal ability to increase rates. While political considerations may make this more difficult in the short term, particularly if U.S. growth slows, we expect most issuers would adapt their rate and cost structures over the long term.

Rated ports operate as landlords and usually benefit from minimum annual guarantees with shipping lines. Shipping lines may be pressured. However, competing lines have historically back-filled ports quickly when shipping lines leave, given the economic importance of cargo imports.

Higher airline ticket prices in response to higher jet fuel prices may modestly decelerate enplanement growth. Many airports have strong cost recovery provisions, such as residual airline use and lease agreements that auto-adjust airline charges higher when volumes fall, or compensatory features that allow mid-year adjustments and extraordinary financial backstops from airlines.

High gas prices will not cause a major decline in toll road traffic or revenues considering the historically demonstrated low elasticity of demand due to the highly essential nature of automotive travel.

