

Rock Hill Herald Online

[Previous Story](#)

[Next Story](#)

Fitch: U.S. Transportation Trends Demand New Funding Solutions

March 12, 2014

[Facebook](#) [Twitter](#) [Google Plus](#) [Reddit](#) [E-mail](#) [Print](#)

NEW YORK — Public transportation investment strategies will need to transform if trends toward increased multifamily housing, declines in driving, and increasing public transportation usage continue over the long run, Fitch Ratings says. This week's U.S. Census Bureau data showed a shift to more multifamily development in urban areas and that public transportation usage hit an all-time high. In our view, the transportation needs of the next 50 years will be markedly different from those of the past 50 years. U.S. policymakers must begin adapting their current decisions to these future needs. If these trends persist and meaningful policy changes are not made, the risk to the public transportation system would have negative implications for the entire economy.

For example, some toll roads could earn lower revenues and thus support less capacity for investment. In our view, stability for vital transportation backbones such as the interstate highway network is essential. While tolling is an important policy option, in some cases stability will require the public subsidies that are common in many other developed countries. The market has limited appetite for project risk when repayment is in question.

However, important corridors for interstate commerce could see smaller effects from these trends. So would bridge systems that are essential to cities like San Francisco and New York City, as they have capacity constraints and established transportation options. Regional and local corridors may be more exposed these shifts.

According to U.S. Census Bureau data on construction spending, approximately one-third of the nearly 1 million new-home construction projects in the U.S. last year were of multifamily units. That was the highest rate since the bureau began tracking construction spending. Many of these units are in urban areas.

Also in 2013, Americans took 10.7 billion trips on public transportation, the highest annual public transit ridership number in 57 years according to the American Public Transportation Association. The report notes that transit ridership has increased faster than population growth since 1995.

Last year, a study by U.S. Public Interest Research Group called "A New Direction" found that Americans drove more miles nearly every year between the end of World War II and 2004. However, Americans drive no more miles today than in 2004. The study also showed that people ages 16 to 34 drove 23% fewer miles on average in 2009 than 2001.

These trends are in the early stages of development but could begin making an impact on transportation infrastructure soon.

Additional information is available on www.fitchratings.com.

The above article originally appeared as a post on the Fitch Wire credit market commentary page. The original article, which may include hyperlinks to companies and current ratings, can be accessed at www.fitchratings.com. All opinions expressed are those of Fitch Ratings.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS

AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

[Facebook](#) [Twitter](#) [Google Plus](#) [Reddit](#) [E-mail](#) [Print](#)

Join The Conversation

The Herald is pleased to provide this opportunity to share information, experiences and observations about what's in the news. Some of the comments may be reprinted elsewhere in the site or in the newspaper. We encourage lively, open debate on the issues of the day, and ask that you refrain from profanity, hate speech, personal comments and remarks that are off point. Thank you for taking the time to offer your thoughts.

[Commenting FAQs](#) | [Terms of Service](#)

Today's Circulars



TARGET
2 DAYS LEFT



TIGER DIRECT USA
2 DAYS LEFT



JCPENNEY
3 DAYS LEFT



FRED'S
VALID UNTIL MAR 24

[View All Circulars](#)

[Email Newsletters >](#)
[Manage newsletter subscriptions](#)
[Tablets >](#)
[Apps and services for tablet devices](#)
[Mobile >](#)