

PA Turnpike Announces 500 Fare-Collection Layoffs Due to Coronavirus Impacts

Layoffs originally anticipated in early 2022 now accelerated given circumstances.

HARRISBURG, PA. (JUNE 2, 2020) — The Pennsylvania Turnpike Commission today announced that the cashless, All-Electronic Tolling (AET) system instituted March 16 to minimize the spread of the COVID-19 virus will become permanent — a decision that will result in the layoff of approximately 500 employees, primarily toll collectors and fare-collection personnel. The personnel action was unanimously approved by PTC commissioners today at a bimonthly public meeting.

“I deeply regret that we have reached this point, but the world has been irrevocably changed by the global pandemic,” said PTC CEO Mark P. Compton. “This pandemic had a much greater impact than anyone could have foreseen. The PA Turnpike has not been spared from COVID-19.”

There will be no return to cash collections on the PA Turnpike system. Customers will move through the lanes at posted speeds without stopping. Their tolls will be assessed via E-ZPass, or a PA Turnpike TOLL BY PLATE invoice will be sent in the mail.

Impacted employees were notified of the decision earlier today; the contractual layoff process is expected to begin this week, with the first employee separations occurring on or after June 18.

“This is a painful day for all of us at the Commission,” said Compton. “I want to thank these men and women for their dedication and hard work over the years; I assure them we will continue to assist them during this transition.”

Compton noted that traffic plummeted because of the pandemic by almost 50% since March compared to 2019; toll revenues dropped by more than \$100 million for the fiscal year ended May 31.

“From the start, we have taken a phased, deliberate approach to offset revenue loss that offers a degree of flexibility to adapt depending on the crisis’ duration,” Compton said. “To date, the Commission has taken several steps to cut costs. However, it has become clear these steps are not enough.”

Measures the Commission has taken to mitigate the pandemic’s impacts include:

- cutting capital spending by 25%;
- reducing operating expenses;
- instituting a hiring freeze;
- offering a voluntary-retirement program; and
- delaying its July transit-funding payment of \$112.5 million to the Commonwealth.

In addition, the Commission restructured certain outstanding debt for FY21 to lower overall debt-service costs. Separately, the Commission secured a \$200 million line of credit to fund operating expenses if necessary, depending on the duration of COVID-19. It also partnered with its industry trade association and neighboring toll agencies to seek federal-relief funding, with no results to date.

Compton said the decision to permanently operate in AET was also driven by health and safety concerns for employees and customers alike.

“Ceasing cash collections in March to protect employees and customers was the right decision,” he explained. “But we did not know then how severe the impact would be; with the associated dangers, we cannot risk returning to cash collections. AET continues to be the best choice for our customers and this organization’s future.”

Compton noted that drivers are now accustomed to traveling through toll plazas without stopping, so reverting to a hybrid cash/electronic system could put customers and employees at higher risk of accident and injury.

Under these circumstances, ongoing cash collections pose other operational obstacles. When a collector tests positive, for example, the interchange must be shut down, leaving gaps in the Turnpike’s ticket-and-cash collections system.

“If one interchange is closed, the entire ticket system must be shut down. It doesn’t work any other way,” Compton said. “We cannot operate under these circumstances now, and we must look ahead to the fall with a chance this pandemic might return. There is simply too much uncertainty.”

Compton committed to helping impacted employees get through the transition. For instance, employees in layoff status will be able to retain certain health benefits for up to 24 months. In addition, the Commission is evaluating other assistance measures, including possibly extending its tuition-reimbursement program to help impacted employees get training for a job in another career.

“We are also reviewing internal positions that could offer an opportunity for impacted workers, such as opening vacant equipment-operator jobs now, rather than in the fall, to place as many qualified employees as possible,” Compton said. “Plus, we are working with the Commonwealth to identify job placements for impacted employees who hope to continue in state-related service.”

The PA Turnpike first explored AET options in a 2011 feasibility study. In 2013, conversion planning, design and employee engagement began in earnest. A series of pilot projects were implemented for testing and evaluation at the Delaware River Bridge in 2016; at the Beaver Valley Expressway in 2017; at two toll plazas on the upper Northeastern Extension and the Southern Beltway in 2018; and at the Greensburg Bypass and Gateway Toll Plaza in 2019.

“In mid-March, we made the decision to stop accepting cash in the lanes to protect employees and customers from COVID-19,” Compton said. “It was fully intended to be a temporary condition. However, with AET already our goal for the future, the decision to accelerate makes sense when faced with this extended pandemic.”

Compton reminded customers to visit the [No Cash Zone](#) web page for information on cashless tolling. Cash will not be accepted anywhere on the PA Turnpike’s ticket system. All tolls will be assessed electronically via E-ZPass or the PA Turnpike TOLL BY PLATE program as vehicles travel at posted speed limits through tolling points.

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