



RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

INTELLIGENT TRANSPORTATION SYSTEMS

# T3 Webinar-

## The Emergence of Open Electronic Payment Systems in Public Transit

Mike Dinning

Director, Freight Logistics & Transportation Systems

**Sponsored by the ITS Professional Capacity Building Program, ITS Joint Program Office, Research and Innovative Technology Administration, U.S. Department of Transportation**

**John A. Volpe National Transportation Systems Center**



U.S. Department of Transportation

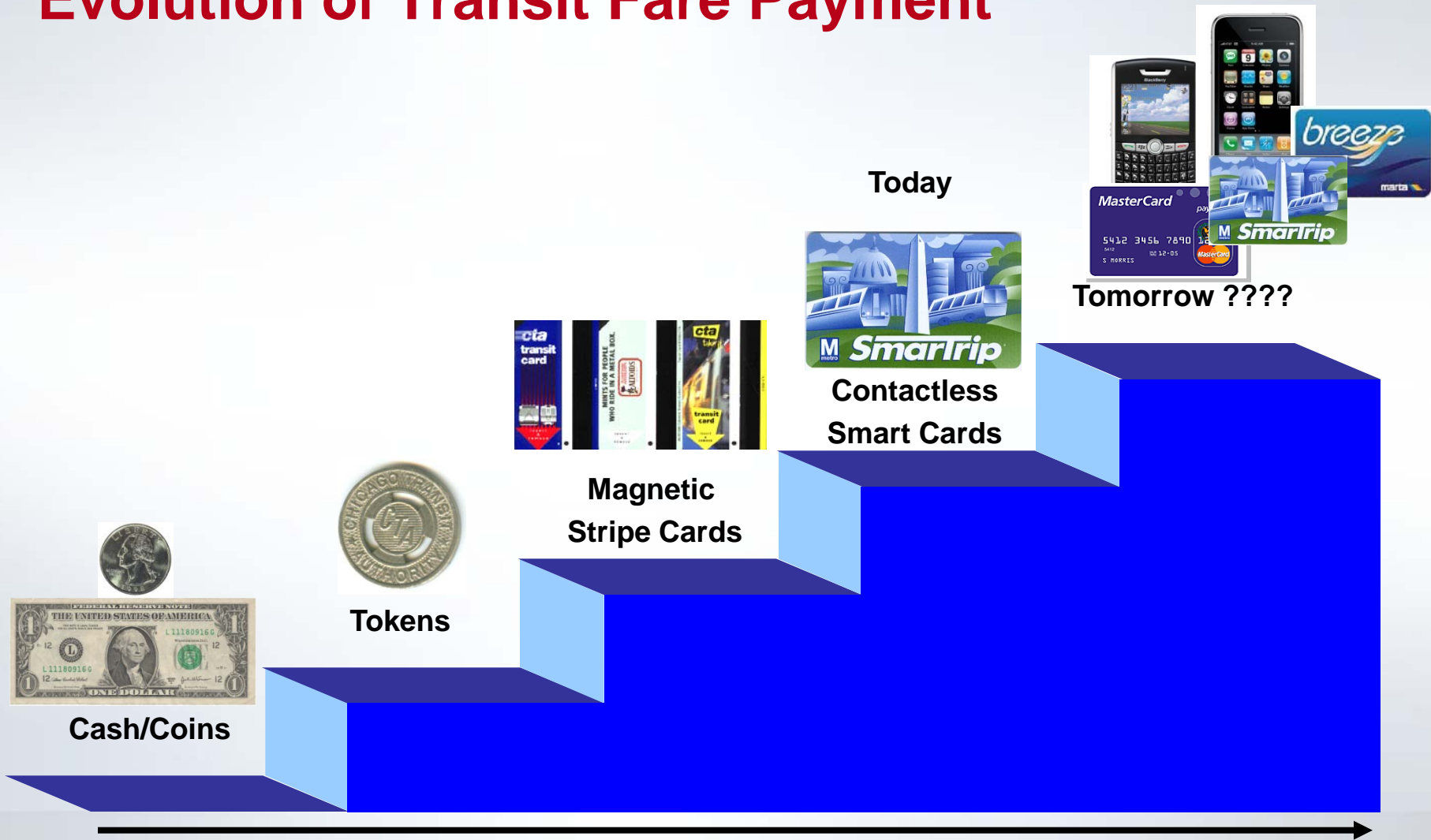
Research and Innovative Technology  
Administration

# Welcome and Introductions

- Today's Speakers
  - Mike Dinning, John A. Volpe National Transportation Systems Center
  - Tim Weisenberger, John A. Volpe National Transportation Systems Center
  - Brian Stein, Senior Manager, Accenture
- Webinar Purpose
  - First in a series of T3 Webinars to investigate the current state of the transit fare payment systems industry
  - This Webinar will focus on the two predominant approaches to contactless smart card-based fare collection systems today:
    - Traditional, card-based, transit agency-issued smart card systems (so called “closed loop” systems)
    - Account-based, payment industry purchase card systems (so-called “open loop” systems)
  - Highlight industry trends and the array of innovative approaches and products that are in the industry today



# Evolution of Transit Fare Payment



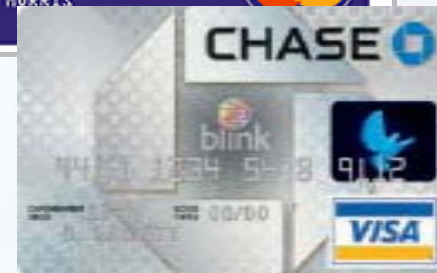
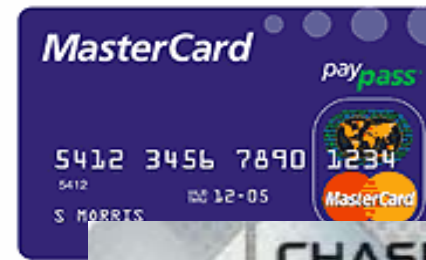
# Contactless Technology Is the Key!

- **Contactless smart card value proposition**
  - **For consumers...**
    - **Speed and convenience**
    - **Enhanced flexibility and security**
  - **For transit agencies...**
    - **Faster throughput**
    - **More secure**
  - **Generates valuable planning data**
  - **Enables regional fare integration**
- **Concurrent key event - financial industry introducing contactless smart cards**



# At the Crossroads of Innovation

- Many innovations in fare payments and in the payment industry in general
  - Contactless bank cards
  - Mobile payment applications
  - Multiple form factors for payment devices
  - Smart cards for credentials





# Industry Trends for the Future

- Continued implementation of contactless smart cards in transit
- Move towards open payment systems, accepting financial cards, identity credentials and mobile payment devices
- New approaches may enable multi-modal payment strategies (transit, tolls, parking, dynamic pricing, etc.)



# First Presentation

- Traditional Card-based Smart Card Fare Collection Systems
  - Tim Weisenberger, John A. Volpe National Transportation Systems Center



# Summary

- Contactless smart cards are being implemented in transit worldwide
- Financial institutions are introducing contactless payment media
- Strong interest in open payment systems in transit
- Initially, both “open” and “closed” approaches may be applied and be tailored to regions
- Other mobile payment capabilities emerging
- New approaches may enable multi-modal payment strategies (transit, tolls, parking, dynamic pricing, etc.)





# Upcoming Industry Association Meetings

## Smart Card Alliance Mobile and Transit Payments Summit

February 15-18, 2011

Marriott City Center Hotel, Salt Lake City, UT

<http://www.smartcardalliance.org/>

## APTA Fare Collection Workshop and TransiTech Conference

March 28-30 and March 29-31, 2011

Hilton Miami Downtown, Miami, FL

[www.apta.com](http://www.apta.com)



# Future T3 Webinars in This Series

## Suggested Topics

### Open Payment Systems Implementations in North America; February/March 2011

- Learning objectives include:
  - System descriptions
  - Goals
  - Lessons learned

### Opportunities and Issues in Fare Payment; April 2011

- Learning Objectives include:
  - Open payment system fare engines
  - Mobile payments
  - PIV credentials in transit fare payment

