2007 EPRG Contactless Forum

May 21, 2007

ROUNDTABLE DISCUSSION
Sea Change in Payment Public Transport

The First Step

Contactless Forum
Federal Reserve Bank of Boston

May 21, 2007
Boston
Evolution of transit fare payment in US...

Value proposition -
- Consumers
  - Speed and convenience
- Agencies
  - Operational efficiencies

Coins -> Tokens -> Magnetic Stripe Cards -> Contactless Smart Cards -> Open Platform Merchant

100+ years
Programmatic goals…

Long term goal
• Become a “retailer” for transportation services
• Become a “merchant” accepting payments in many forms

Value for customer
• Convenience of multi-function card
• Reduces perceived cost of transit trips
• Alternative methods of payment accepted; flexibility

Value for agencies
• Increase ridership through convenience
• Cost savings merchant, not card issuer
• Process electronic transactions; cost savings over cash

Change payment paradigm for public transit
Characteristics of demonstration with Citi…

Developed and approved May 2004; launched November 2004

Single card for payment of transit fares and parking fees
  • Credit capability for retail transactions

Up to 20,000 cards issued
  • Current and acquired accounts

Pilot runs up to 30 months

Shared responsibilities between Citi and WMATA
  • Pre-deployment activities
  • Customer service and marketing

Same functionality as current SmarTrip card; branded

Use the same card for ALL payments…
Contactless merchant adoption continues to grow with West Coast merchants starting to show interest...