Smart Card Fare Payment Solutions
For Public Transportation
We’ve designed a complete solution that relies on open standards that are already developed and proven.

Open standards in combination with open architecture enable agencies to select components that meet individual infrastructure and ridership needs, add new technology or scale up as required. And, because the financial payment industry standards demand interoperability across vendors, transit authorities have greater negotiating power and the ability to employ a competitive bidding process at any time, not just when they choose the initial supplier.

The open architecture using open standards enables the system to be used across all modes of public transportation and parking. As the system is based on central processing data can be fed into usage accounts that give agencies the comprehensive information they need to calculate carbon footprints, or set variable, dynamic pricing based on an individual’s use of public transportation and the demand at the moment. For example, if a commuter uses public transportation three times a week to go to work and drives a car twice a week, that person could be charged less for parking than the individual who drives a car into the city every day. By employing an account-based system across the board, transit entities have a key source of rider intelligence and the processing power they need to employ innovative fare structures with dynamic pricing, aimed at reducing congestion, protecting the environment and encouraging the use of public transportation – as well as a way to monitor results.

The combination of open standards and account based architecture enables transit agencies to accept payments like any other merchant. We therefore call this a Merchant System.

Moving away from proprietary payment cards

Although the industry has come a long way from tickets and tokens, proprietary payment card systems, while effective, still place significant administrative responsibilities on the transit agencies themselves. Instead of focusing on people movement, they must turn their attention to card issuance and maintenance, as well as cash movement from card sales machines. Cards have to be procured, inventoried and distributed – and replaced when lost or stolen. Customer service centers have to be available to answer rider inquiries or deal with fraud. This can be very difficult and costly to agencies who don’t have the bandwidth to support a proprietary card. At the same time, the transit operator is tied to one vendor and one proprietary system, with little negotiating room after signing on the dotted line.

The proprietary payment card has been an effective solution for some in the past, however a merchant system provides a viable alternative that brings true benefits to both riders and the transit operators alike.

Bankcard benefits to your riders.

Rider Convenience - Instead of asking riders to obtain and carry a single-purpose transit payment card, a merchant system uses something the majority of the ridership already has in their wallets - a MasterCard, Visa, American Express or other contactless bankcard. People understand how these cards work, where to go to check balances and the number to call if the card is lost or stolen.

Options for all your riders - Riders who want to pay with cash can still do so, but for riders who lack cards or bank accounts who still want transit bankcard convenience, there are many options. Unbanked riders can easily purchase prepaid MasterCard Paypass cards or Visa payWave cards at local retailers or at the actual rail, bus or metro station they use. These cards not only give unbanked riders a convenient cash-free way to pay their transit fares and participate in loyalty discounts, but they can also use the cards to purchase merchandise or food at any retailer that accepts bank cards.

Lowering Risk and Improving Customer Experience

MasterCard, Visa and AMEX have added chip technology to many of their cards that deters fraud for all merchants that accept these cards. Xerox has added an approval process to detect a bad card and to immediately prevent its use. Card approvals in a transit environment happens in less than a second. The rider is in the system and out and on his way without the hassle of purchasing a ticket beforehand.
Keeping costs down
Not only is the bankcard fare payment method much easier on your riders, it can be easier on you. Bankcard fare payment means agencies no longer need to support extensive fare media management and distribution systems, therefore reducing costs for media lifecycle management, including inventory storage, distribution, and security.
Bank payment networks not only reduce the need for your own custom built ticketing system and its associated costs, but often enable agencies to aggregate small transactions into fewer larger charges. In high-volume, small value transaction environments, this new approach can lower your costs for bank processing.

Improved customer service
Well-used public transportation systems reduce congestion, decrease pollution and save consumers time, frustration and money. But, fare collection continues to slow transit operators down. Although the industry has come a long way from tickets and tokens, proprietary payment card systems, while effective, still place significant administrative responsibilities on the transit agencies themselves. Instead of focusing on people movement, they must turn their attention to card issuance and maintenance, as well as cash movement from card sales machines. Cards have to be procured, inventoried and distributed – and replaced when lost or stolen.

Customer service centers have to be available to answer rider inquiries or deal with fraud.
In contrast the Xerox solution offers straightforward customer service. Riders who use their existing bankcards to pay for transit already know how the card works and who to call if it doesn’t work the way they expect - just like using the card at a retailer. Much of the customer service on the card is provided by the issuing bank, further reducing solution size and cost.

Flexible integration with your existing system
Bankcard systems can be “layered” on to most existing systems to allow customers to choose their preferred payment method. Implementations can be totally independent from existing legacy systems, or fully integrated to those with certified readers.

Benefits:
Agencies
- System offers true Open Standards: Fully developed and proven
- Improved customer service
- Reduction in operating costs
- Key source of rider intelligence to employ innovative fare structures and monitor results

Passengers
- Easy to use, just “Tap and Go”
  No need to buy a ticket
- Consistent with card use in other industries
- Seamless travel and transfers
- Pre-paid cards are available for those without a credit or debit card
- Greater customer satisfaction

Reporting from centralized repository of all transaction information

Ease of Implementation
- Fewer interfaces.
- Less complex system, intelligence is centrally held
- Fewer steps to implement
Why Xerox?

We have extensive experience with multiple types of smart card-based payment systems using the world’s most popular smart card technologies, as well as bankcard based systems. We can recommend a solution that best fits the specific needs of your agency. Our solution provides:

- Best-available technology combined with operational excellence
- Extensive transit industry experience, including 25 years providing transit fare payment systems, account-based toll collection, and parking systems
- Capability of providing one-stop end-to-end solution, or serving as integrator of preferred suppliers
- Reliable performance backed by financial controls, security safeguards, PCI compliant solutions, and communications links
- Executable pre-paid card program across population types and demographics, providing service to all

Why Bankcards?

- More choices and convenience for customers
- Already in wide use to purchase transit tickets - high comfort level for riders
- Account-based solution enables coordinated transit management and dynamic fare pricing
- Open standards allow for better integration and more flexible solutions
- Conform with well-established financial industry standards
- Truly interoperable payment potential - regional, national, and international

What’s Next?

If you’re interested in finding out more about bankcard transit fare payment or Xerox’s other ground breaking transit and transportation solutions, contact:

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