

Permanent Citizens Advisory Committee

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PCAC Urges Adoption of Smart Card Fare Collection Technology

In its report released today, *In Your Pocket: Using Smart Cards for Seamless Travel*, the Permanent Citizens Advisory Committee (PCAC) to the Metropolitan Transportation Authority (MTA) recommended that the MTA move forward with incorporating smart card technology in its fare collection systems. With the MetroCard system at the midpoint of its useful life and the incremental cost of including smart cards in a next generation fare collection system low, MTA has a unique opportunity to increase both operational efficiency and customer convenience through the use of smart cards. The PCAC commends MTA's inclusion of \$43.9 million in its 2005-2009 Capital Plan for smart card implementation at New York City Transit and urges a firm commitment to follow through on this initial step.

Smart cards, as implemented in most transit applications, are semi-rigid plastic cards similar to credit cards that contain a microchip to store value or account information. Information on the card is accessed through a wireless connection to a card reader installed at the farebox or turnstile. Incorporating smart cards in fare collection systems can streamline fare payment, reduce administrative, maintenance, and customer service costs, increase throughput, and decrease bus dwell times for transit operators.

Transit operators may assume one of several roles in administering a smart card fare collection program, including being the sole issuer and acceptor of its proprietary fare media, a partner with a co-issuer of fare media, an administrator of a payment program that accepts fare media issued both by itself and by others, or a merchant accepting media, such as credit card based or linked smart cards, for fare payment. Once MTA defines its roles, it may draw upon internal resources, such as the EZPass system and the MetroCard Reduced Fare Mail and Ride program, and external resources, such as smart card pilot programs currently being conducted by major credit card issuers. MTA can also learn from the experience of other transit operators that have implemented

smart card based fare collection. The report reviews local efforts towards implementing smart card applications in transportation systems and discusses the experiences of transit systems in the Chicago, San Francisco, and Washington, D.C. areas as they introduced smart card technology into their automated fare collection systems. Out of these experiences the report develops a set of common programmatic features, lessons learned, and benefits realized that can be used as a foundation for planning.

Drawing on these experiences, the report presents recommendations for implementing smart card technology in the fare collection systems of MTA operating agencies. The recommendations are based on the principles of avoiding large irreversible commitments to a single technology, providing for increased consumer choice, introducing smart card technology as a new option within the framework of existing fare collection systems, taking advantage of planned system improvements to reduce the cost of smart card implementation, and considering cost effectiveness a primary objective.

The recommendations include making smart card implementation an MTA priority and supporting that decision with an inter-agency planning and coordination effort, cooperating in regional efforts to develop interoperable smart card systems, learning from the experience of other transit operators to incorporate desirable programmatic elements into an MTA system, coordinating planning, implementation, public information, education, and marketing across NYC Transit, the commuter railroads, and Long Island Bus, and undertaking coordinated planning efforts at each operating agency.

PCAC Chair James F. Blair stated "The PCAC has been interested in the potential benefits of smart cards for several years, but as the smart card becomes a mature technology it is time for the MTA to take advantage of these benefits and make travel more convenient and efficient."

Copies of the full report are available upon request from the PCAC office at 347 Madison Avenue, 8th Floor or can be downloaded from the website @ www.pcac.org.

The PCAC serves as the coordinating body for the three councils created by the New York State legislature in 1981: the Long Island Rail Road Commuter's Council, the Metro-North Railroad Commuter Council and the New York City Transit Riders Council. The 38 volunteer members are users of the MTA system and represent the interests of the riders. They are appointed by the Governor upon the recommendation of local elected officials.