



Simple as a V



Wave

A new payment system is on the horizon to potentially revolutionize commuting.

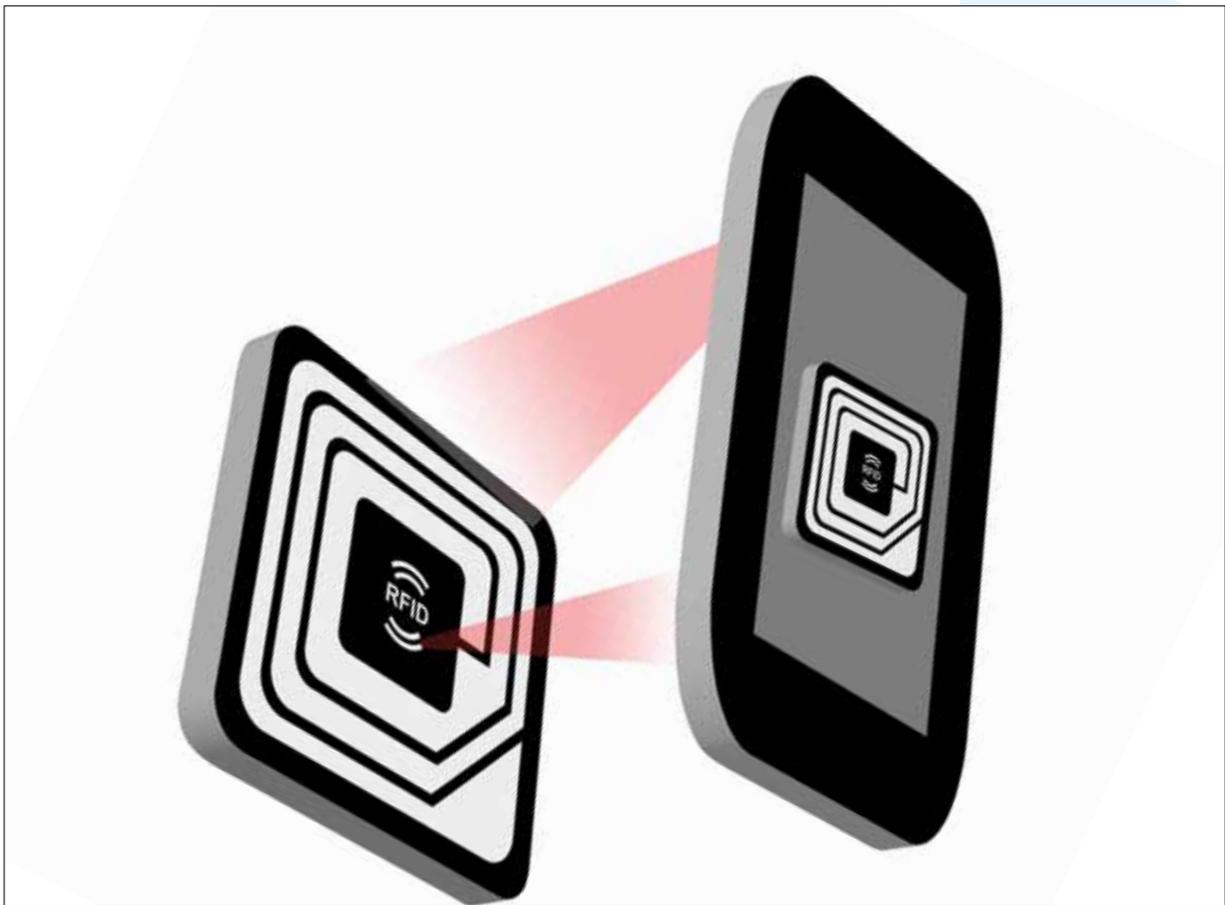
By **Monica Tanksley**

Wave and pay seems to be taking the world by storm, and the parking and transportation industry may be next in the revolution.

The basics: wave and pay is a contactless payment system that includes debit and credit cards, smartphones, key fobs, smartcards, and any other device that uses radio frequency certification (RFID) to make secure payments. These devices have embedded antennas and chips that enable users to wave their bank cards, keyfobs, or mobile phones over a reader at the point of sale.

Every day around the world, millions of people use public transit, whether bus, train, taxi, or subway, to commute to work, go shopping, sightsee, or visit family and friends. Although transportation mode convenience, speed, and safety are major considerations for passengers, so are the speed and convenience of the way they pay their traveling fares.

We can wave and pay for numerous items with our mobile phones by downloading an app or waving our bank cards. Retailers and banks have openly embraced this new technology; we can buy clothes, shoes, tools, and more with the wave of our hand. So why not wave and pay for other things in everyday life, including parking, riding a bus, train, or subway, or taking a taxi.



Pilot Program

A few years ago in Los Angeles, transit operations decided to take the hassle out of payment for mass transit commuters by piloting and implementing a wave and pay application. The LA Metro system offered riders special dual-use prepaid Visa payWave cards riders could use to pay transit fares and purchase fare products. Two types of cards were made available to riders:

- Ride, Pay, and Reload cards were sold through kiosks within the system. These cards are active and ready to use immediately for both transit fares and purchases everywhere Visa debit cards are accepted.
- Ride, Pay, Reload, and ATM Cash Access cards could be personalized and are ordered online or over the phone. They offer a maximum value limit of \$10,000. The cards have the added feature of a personal identification number (PIN) for obtaining cash at ATMs.

Piloting the contactless payment system proved that extending convenient, reliable, and secure payments to subways, trains, and buses could dramatically improve the commuting experience of millions of daily passengers. The system removes the burden of fumbling for cash or change, searching for tickets, standing in long lines to purchase a ticket, or paying for a ticket at a separate machine. Instead, commuters can focus on getting where they need to go. Transactions are completed via a global processing network, which reduces the chance of fraud and allows riders to speed through turnstiles and past fare boxes with a simple wave of their contactless cards. It's easy for them to reload their cards and manage their transit accounts online.

The London Experience

In December 2012, Transport for London rolled out a new contactless payment system for its bus lines using wave and pay technology. Riders whose bank cards can accept contactless payments can pay for their bus fares directly with their bank cards. London's transportation system built their own engine to interface with bank payment systems, allowing riders to use their bank cards or mobile phones to pay. And best of all, because transactions are small, riders do not have to sign or key in a PIN number to activate their purchases.

The parking industry is at the forefront of wave and pay contactless credit card technology. Smart technology is taking it to the streets, where cards can be used for change-free on-street parking at parking meters. Parking departments can say goodbye to stolen or broken meter heads, lost revenue because meters are jammed, and outdated meter equipment.

Drivers can pay to park their cars just by waving credit or debit cards at a meter. Contactless pay-and-display machines can be purchased, or already-installed pay-and-display machines can be fitted and modified with wave and pay card readers. Feeding the meter and constantly watching the clock while out and about to make sure your meter doesn't run out are no longer worries. Wave and pay is a keen new way to pay for metered parking and eliminates the carrying of loose change or rummaging through a vehicle to find spare coins to put in the meter.

The move to contactless parking meters is a perfect example of how secure contactless payments can



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make parkers' lives simpler, faster and more convenient for those buying everyday items such as parking spaces. Because there's no machine and no cash involved with the contactless parking meter, the meters never expire and never jam.

Meter users can download an app to their smartphone and simply wave or tap the device on enabled stickers on the meters. The meters have colored stickers that indicate they accept pay-by-phone payments. As part of this system, each vehicle's vehicle license plate and parking time are automatically displayed on a handheld device used by the parking enforcement officer. A history of transactions is also viewable at any time to the user by logging into his or her online account.

Parkers can pay with Android, iPhone, or BlackBerry devices, and drivers can elect to receive text message reminders 15 minutes before their parking terms expire, with the option to add extra time and reduce the chance of a parking citation.

Retailers love contactless payment because it shortens lines at peak times and lowers the cost of cash handling—less cash intake equals lower opportunity for theft. Because no signature or PIN is required for purchases less than \$25, commuters seem to spend more; that's chalked up to the ease of small transaction purchases.

Challenges

A bump in the road in contactless payments has been the lack of interest from certain banks. This seems to be changing, however. Visa recently announced that the newest smartphones (Samsung, BlackBerry, and LG) have been added to their list of Visa-compliant payment products. Mobil has offered its gas customers contactless payments since 1997 via its Speedpass. Since then, numerous other businesses and financial institutions such as McDonalds, Subway, Chase, American Express, Keybank, Citibank, and MasterCard in the U.S. and UK have adopted contactless.

Security

As with all payment devices, contactless cards have a number of security features such as payment limits on single transactions and cards being limited to a certain

number of uses before a customer is asked for a PIN. Contactless transactions are also run through the same networks as normal debit and credit card transactions and are protected by the same fraud guarantee as standard transactions, which makes their use even more appealing.

The primary goal of mass transit is to get commuters where they need to be as quickly, efficiently, and safely as possible.

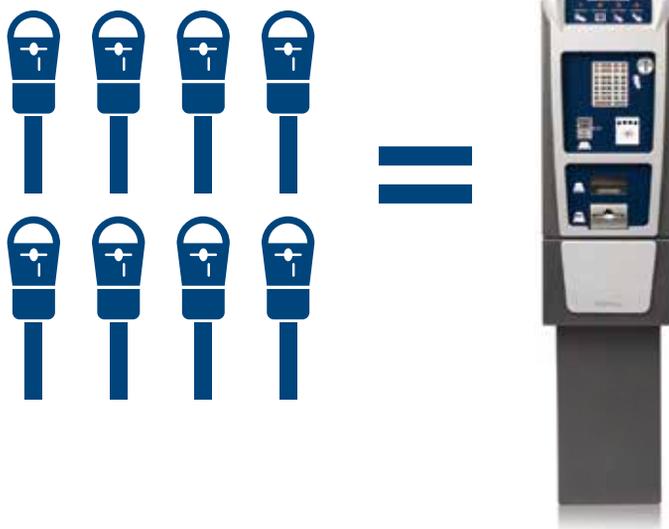
Wave and pay improves speed, security, and convenience.

When it comes to meter parking, riding a bus, train, or subway, or taking a taxi, wave and pay is fast, secure, and easy to use—there's no need to insert or swipe a card into a terminal or fare box, stand in long lines at the fare gate, sign your name, or enter a PIN. It's the new technology revolution, coming to a meter near you. 



Do more, with less

The LUKE II multi-space meter enables you to do more, with less. **More flexibility**, with LUKE II supporting Pay-and-Display, Pay-by-Space, and Pay-by-License Plate. **More convenience**, with LUKE II accepting coins, bills, credit cards, contactless payments, smart cards, coupons, and Pay-by-Phone. **Less clutter** on sidewalks, with LUKE II collecting fees for multiple parking spaces. **Less costly**, with LUKE II you spend less on maintenance, collections, and transactions.



Learn more about LUKE II at digitalpaytech.com