

New Generation Payment Systems Options and Implementation Strategies

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Media Options:

Traditional:

Coin and Currency

Tokens

Paper Tickets

Barcodes

Magnetic Media

Contactless SmartCards (also called closed-loop systems)

Contactless Limited Use Smartcards

Next Generation (where are we headed?):

Contactless Credit/Debit Cards (also called open payment systems)

Near Field Communication Devices

Passive and Active RFID Technologies

Cell Phone Apps

Open Systems Benefits:

Eliminate Inventory purchase costs

Eliminate Inventory fulfillment costs

Reduce Customer service costs

Reduce cash collection costs

Provide convenience and flexibility to riding patrons

Decreased maintenance by moving to solid state technologies

Gaining major card issuers as marketing partners

Leveraging scale of retail networks for Credit or Debit cards

Can be a significant revenue producer for the Agency:

Transaction sharing revenue

Advertising revenue

Co-branding revenue

Challenges:

- ✓ **New concept**
- ✓ **Not many choices of mature Account Based Systems**
- ✓ **Financial models still uncertain**
- ✓ **Need for speed – real-time transaction validation**
- ✓ **Cost and media distribution models for unbanked customers**
- ✓ **Making everything works seamlessly:**
- ✓ **Customer service (Agency vs. Card Issuer)**

BUT ... Agencies are realizing the benefits and making commitments to boldly venture into this space:

Salt Lake City St. Louis are already account based

**Chicago SEPTA WMATA FDOT LYNX
have either awarded or are in process**

Implementation Option:

Future proofing your investment?:

- ✓ Account Based Back-Office
- ✓ Contactless ISO/IEC 14443 Media readers

Major Media Options (Future Desires)

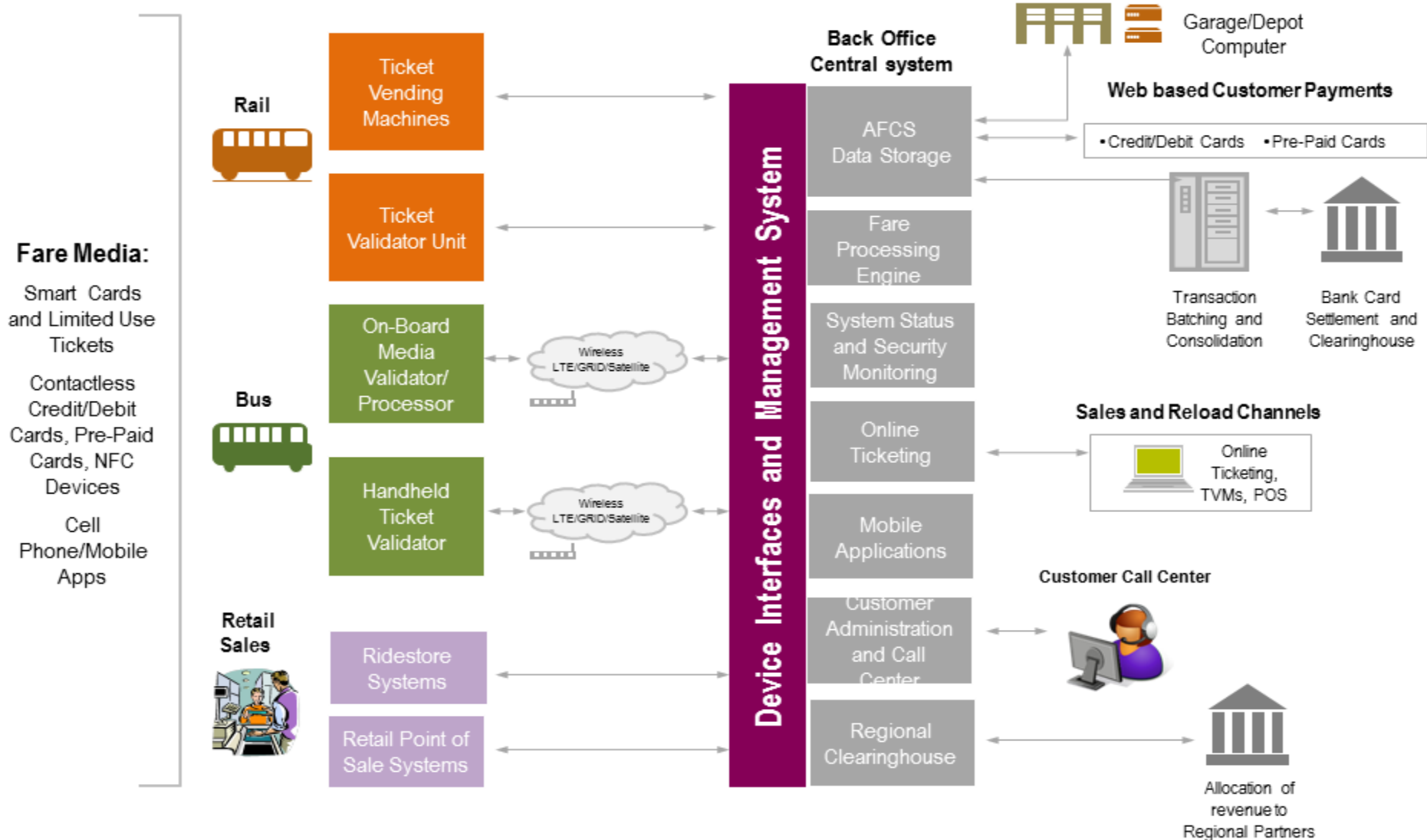
- ✓ Contactless Bank Issued Cards
- ✓ Smartphone Apps for Mobile Ticketing with Token Based Device Authentication/Validation
- ✓ (NFC)??

Secondary Media Options (Bridge the gap)

- ✓ SmartCards and Limited Use Media
- ✓ Magnetics
- ✓ Bar Codes
- ✓ And of course Cash Acceptance

Architecture:

Account Based "Back Office" System



Thank you!

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