



CUBIC™ | Transportation Systems

Secure Technology Alliance- Summit

Transportation Track- Mobility Applications and Strategic Partnerships

February 2025

TRANSPORTATION TRACK- MOBILITY APPLICATIONS AND STRATEGIC PARTNERSHIPS

- Panelists
 - *Carol Kuester- Kuester Consulting*
 - *Henry Shanks- WSP*
 - *Manish Chaudhari- Los Angeles MTA*
 - *Stephen Keefe- MasterCard*

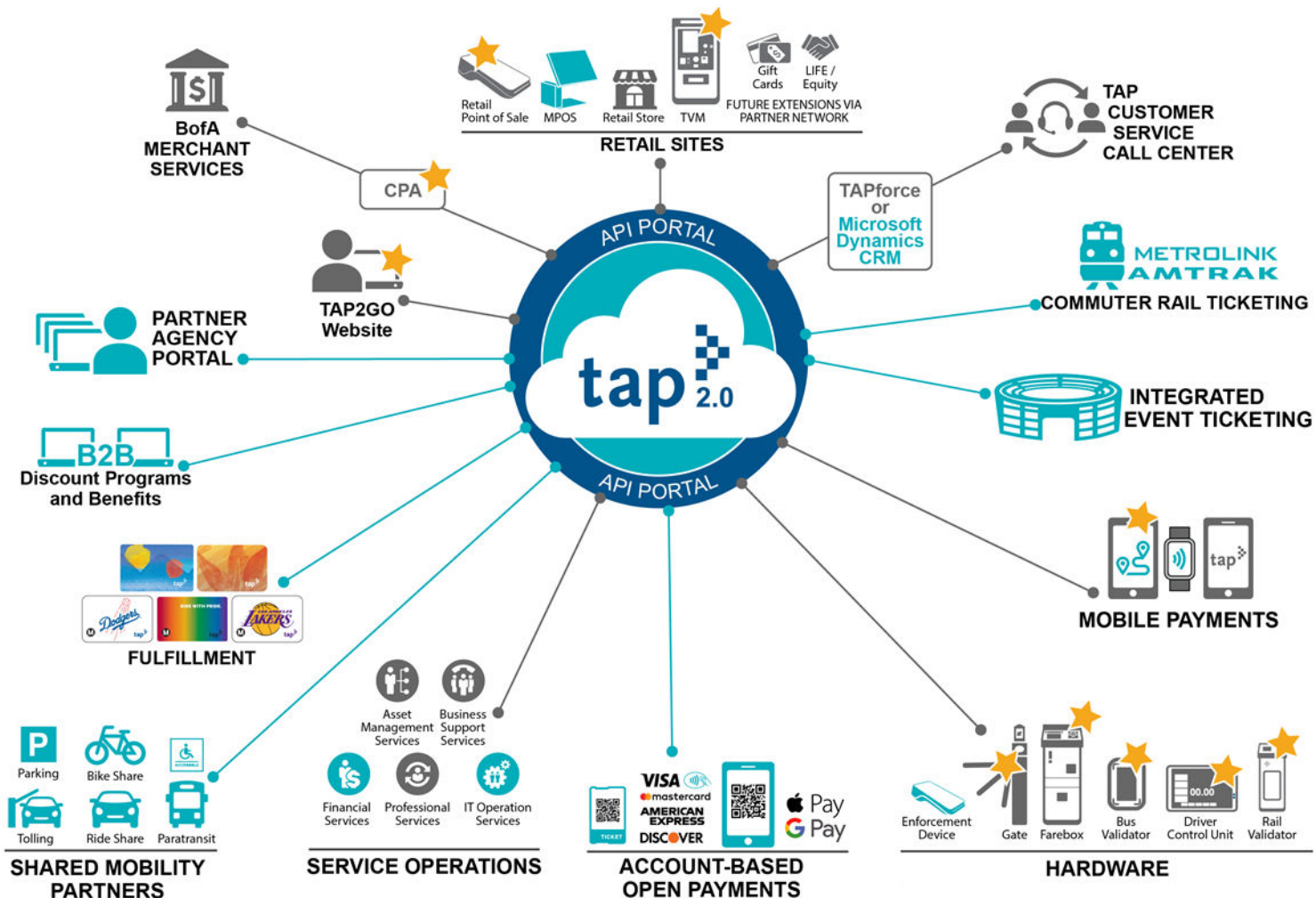
CURRENT STATE OF FARE TECHNOLOGY

Today

- Multi-agency pre-paid/closed loop account based and open payments
- Integrated payment processing
- Integrated mobile apps across bus, heavy rail, and commuter rail
- Introductory service tools and RTPI
- Multi-media (cEMV, ISO 14443, NFC, bar/QR code)

Envisioned Future

- Extended rider experience for information, trip planning and payment across more agencies & modalities
- Integrated on-demand / micro-mobility
- Extended sensor technology to enhance security and enrich data
- Integrated rewards



THE SMART PHONE AS AN ENABLER

Integrated service offerings through a seamless engagement tool

Real time info-Real time decision making

Integrating discovery, payment, access

Able to interface both locally and remotely

Multi-media support- NFC, QR, BLE

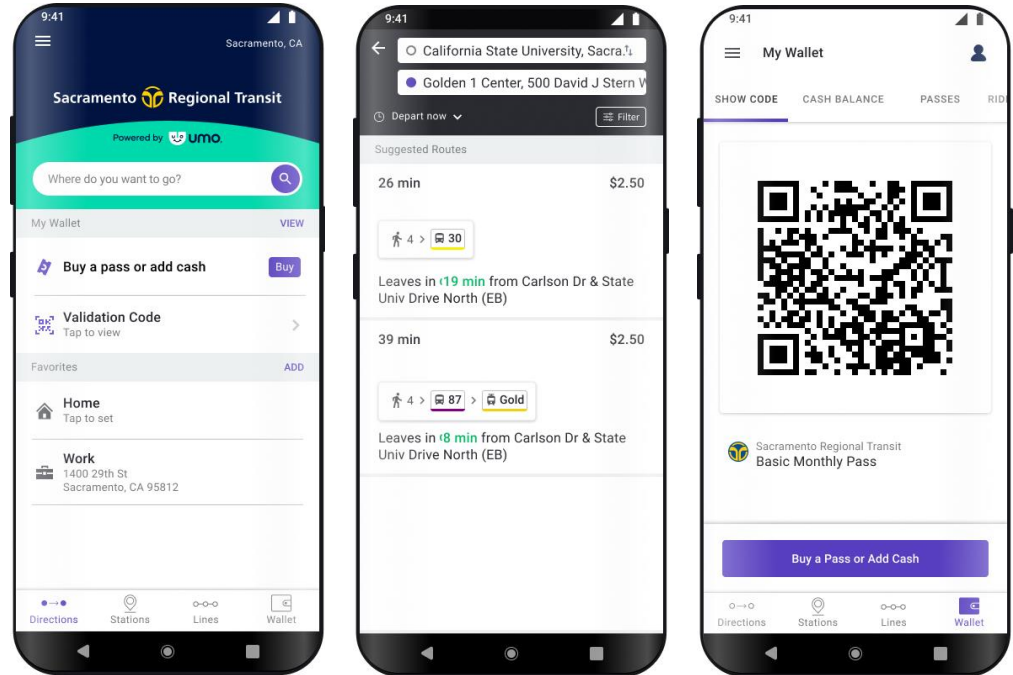
Native or web

Personalized experience

Bridging of business models

Linked apps and promotions

Multi-modal / micro-mobility integration





Identity & Payments Summit

February 26, 2025

Carol Kuester

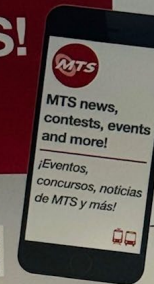
Kuester Consulting LLC

kuesterconsulting.com

The Transit Experience



FOLLOW US!
¡Síguenos!



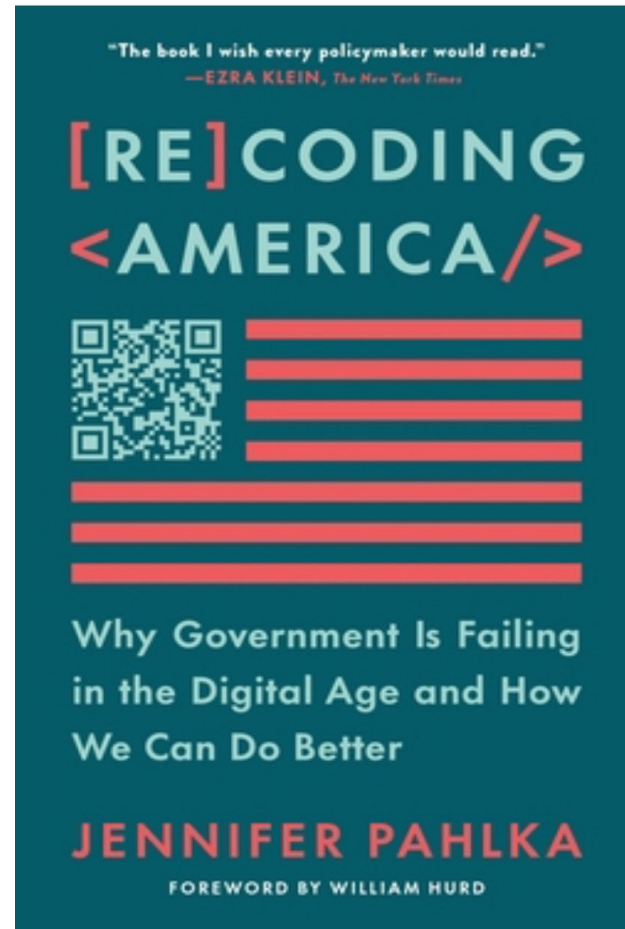
Delivering & Operating Multimodal Payment Systems

- ▶ System design
- ▶ Governance
- ▶ Funding
- ▶ Procurement strategy
- ▶ Vendor research
- ▶ Site preparation
- ▶ Paratransit
- ▶ Training
- ▶ Communications, customer education
- ▶ Stakeholder management
- ▶ Discount programs
- ▶ Life cycle management & innovation

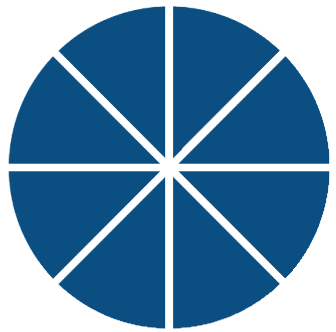


Longstanding (and Remaining) Questions

- ▶ What do transit riders want?
 - ▶ Tourists, price insensitive, event-driven trips
 - ▶ Commuters, regular riders
- ▶ Who manages the program?
- ▶ What is the business case?
- ▶ Why do we assume that these programs should be simple?
 - ▶ A book on delivery challenges
 - ▶ Re-Coding Government by Pahlka
- ▶ Vendors can you bring customized, operations-ready solutions?



Thank you!



Kuester
Consulting

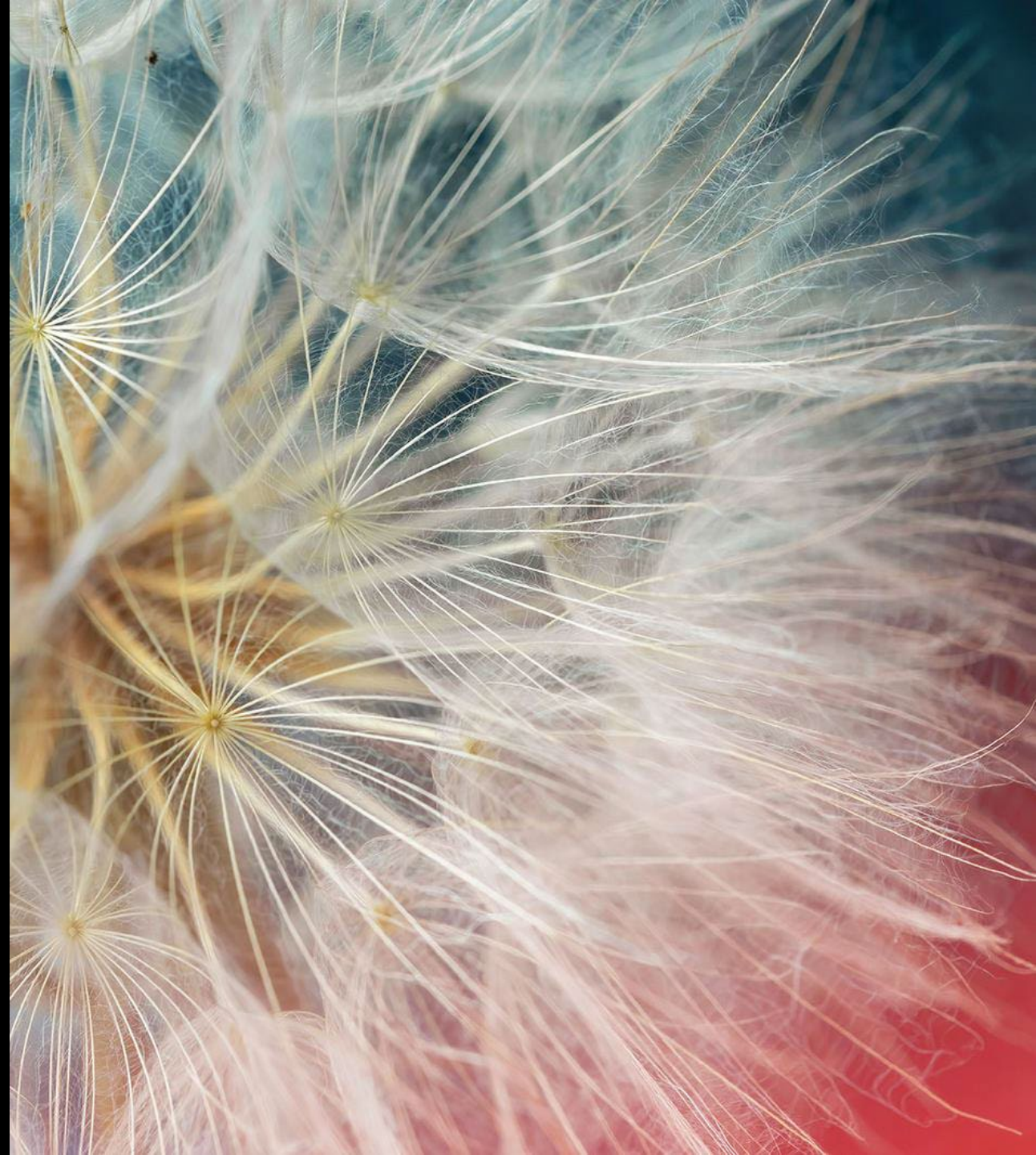
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INTEGRATING PARTNERS INTO A SINGLE SOLUTION

IDENTITY & PAYMENTS SUMMIT

Presented to Henry Shanks | Feb 2025





What Partnerships are being Sought

- Outsourcing financial mgmt.
- Agency to Agency transfers.
- Micro-Transit for on-call service
- Paratransit on-call service
- Plan / book / pay all from one interface (web or mobile)
- Reducing cash mgmt.





Listening to Agencies



Passengers

Passengers are seeking frictionless, door-to-door urban mobility experience



Actions Taken

Agencies are trying to reinvent themselves, to handle the new dynamic load of passenger demands, enhance the rider experience.



Current Project Scope

- Using white label bank cards as fare media
- Plan / search / book for intermodal journey
- Small footprint vehicles/ on demand journeys



Future Project Scope

- Use AI
 - Make passengers' life easier
 - Detect fraud
 - Settle funds faster
 - Integrating Fare Systems with Personal AI

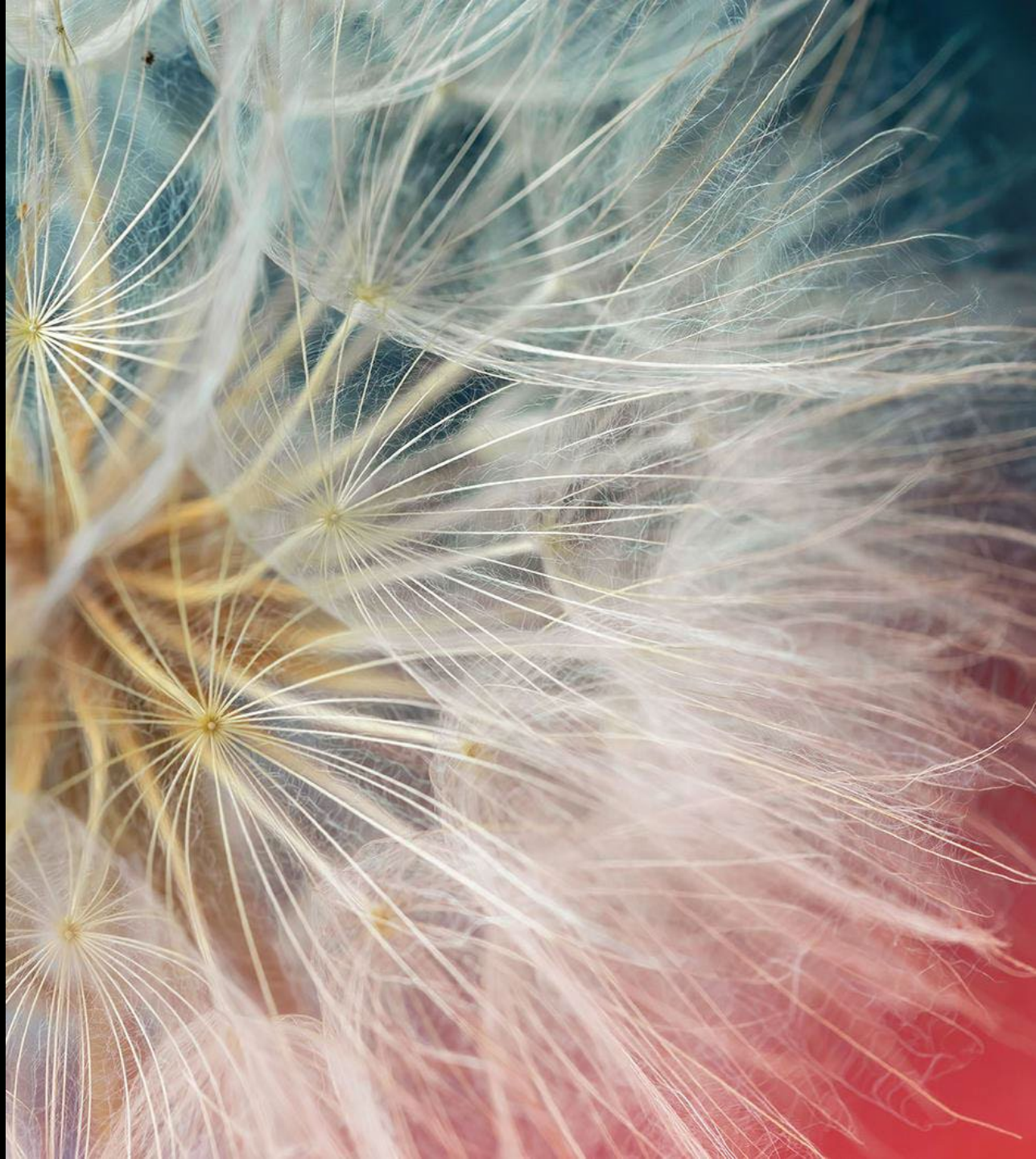
Open API Integration with Partners



- **Most system providers today have “Open APIs”**
- **Someone must do the work to integrate the other half of the API bridge**
- **Time / cost / test / risk / maintenance**



**THANK
YOU**



Mobility Applications and Strategic Partnerships

Manish Chaudhari, Senior Executive Officer, LA Metro TAP
at the Identity & Payments Summit, San Diego 2025

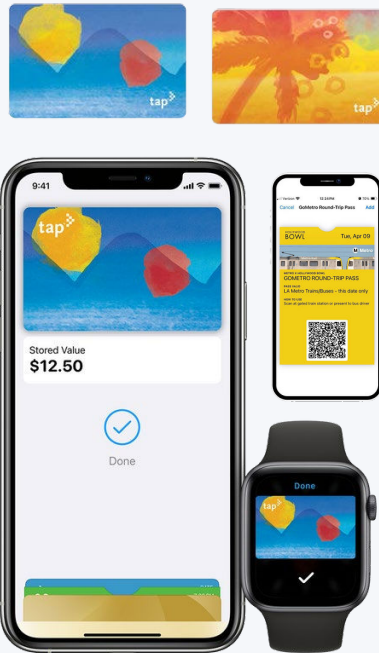
TAP | How it works today

Two legacy
systems



TAP Cards & QR Codes*

*integrated ticketing only



Several
customer
groups

Regular Riders: Anonymous,
Registered

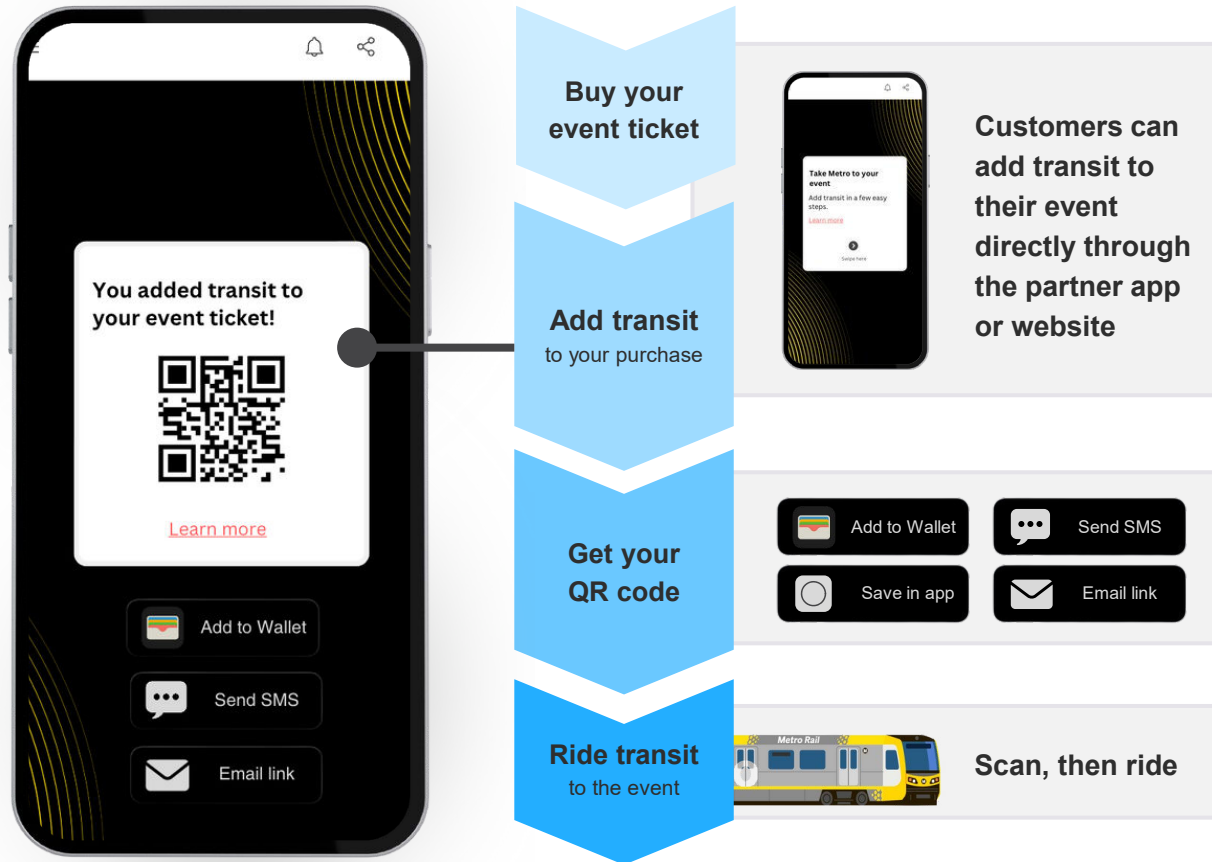
Discount Riders: Low-Income
Households, Seniors, Students, etc.

Supported mobility
services



Bus, Rail, BikeShare, MicroTransit

Integrated ticketing now:



Highlight: Go Metro to the Hollywood Bowl

The screenshot shows the Go Metro app interface for the Hollywood Bowl event. At the top, there's a link: "Check out the campaign [here](#)". The main screen displays the event details: "HOLLYWOOD BOWL" on "Tue, Apr 09". Below this, it says "METRO X HOLLYWOOD BOWL GOMETRO ROUND-TRIP PASS". The pass is valid for "LA Metro Trains/Buses - this date only". A QR code is shown at the bottom. To the right of the app screenshot, there are two promotional images: one with the text "Go Metro to the Hollywood Bowl. More jams. Less traffic jams." and another with the text "The best seats to the show. And back. Learn more at metro.net/hollywoodbowl."

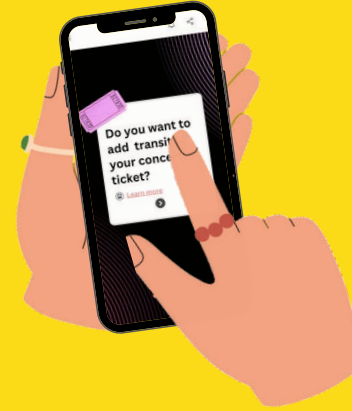
Current Challenges



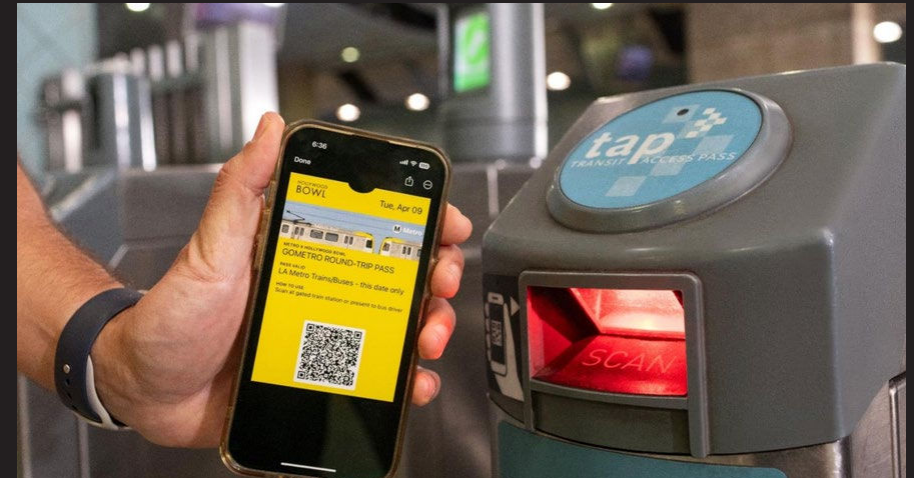
Every venue has **different technology**



Fare media **varies by customer experience**



Some venues prefer **TAP cards**. Others prefer **QR codes**.



The future of TAP is **Open-Payment & Account-Based**

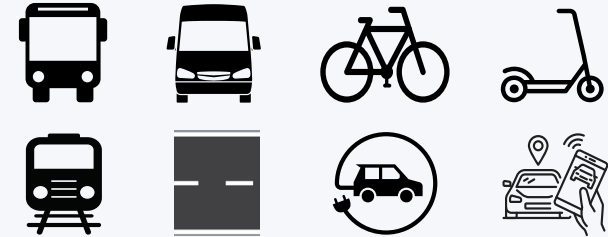
How it benefits partnerships:

We can leverage our existing connections to allow customers to pay for different services at a reduced price.

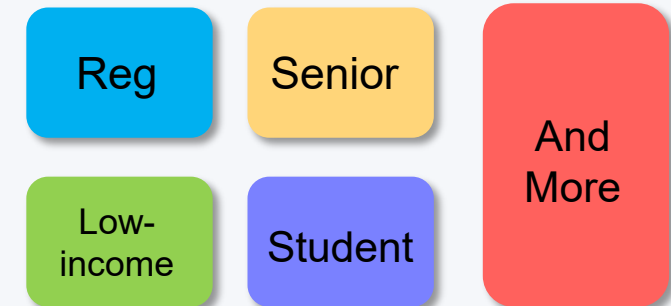
Venues



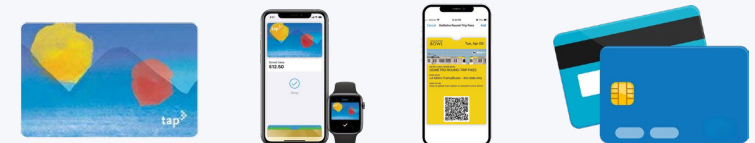
Mobility Services



TAP Rider Groups



Fare Media



Current Challenges with Open Payment

Manish Chaudhari, Senior Executive Officer, LA Metro TAP
at the Identity & Payments Summit, San Diego 2025

Challenges with Existing Open Payment Financial Products



Many cash customers **struggle to meet the requirements** to open or use a financial product, such as a bank account or debit/credit card.

Pre-paid cards often have additional challenges, including:



Higher transaction and reloading fees



Card registration is required to reload



Limited distribution network



We're looking for a **financial product** that



Is valid for transit and general purposes



Supports custom branding



Has card distribution



Is compatible with digital wallets



Has lower fees and threshold amounts



Requires minimal customer data



Supports rewards and gamification



Mobility Applications and Strategic Partnerships

February 19, 2025

Open Payments is Bringing New Stakeholders into the Transit Equation

Current State

Limited Local Rebates
& Rewards



Value of Scale

Expanded Partnerships & Investments

Future State

'Always-On' Global + Local
Rewards



Transit Only
Closed Loop



Value of EMV Tech Stach

↑ Value; (↓→) Total Cost

Multi-Modal EMV Private Label



Un/Underbanked &
Limited Usage



Value of Financial Inclusion

Entry Point to Financial Health

Responsible Banking
Entry Point



What: Mastercard announces a new spend & get benefit for cardholders when they Tap & Go on public transportation.

Receive a \$2.50 credit (~1 standard ride) after spending \$10 in a month using contactless payment at point of entry in transit across 5 US markets

Eligibility: All contactless Mastercard Consumer & SMB credit and Debit card transactions

Benefit period: October 1, 2024 – December 31, 2025

Key markets: Boston, Chicago, Dallas, Miami, Philadelphia

Bulletin Publication: August 27, 2024

Fulfillment: Statement credit will be fulfilled by Mastercard's MRS solution



Replace closed loop transit cards **with EMV based alternative** to streamline payment acceptance for transit agencies & enable multi-modal journeys

Card issuance

- **Physical** issuance via transit agency vending machines, retail network, partner entities (e.g. universities, local employers, ...) & online portals
- **Digital** issuance via agency mobile app. Can also be digital-only

Fare processing

- **Real-time decisioning** for public transit use in <500ms
- Supporting **concession fares**, including but not limited to reduced fare, free travel & fare capping

Card top up

- Reloadable with cash or card at transit agency vending machines, retail network, online portals and mobile app

Commuter Benefits

Ability to use funds for multi-modal journeys

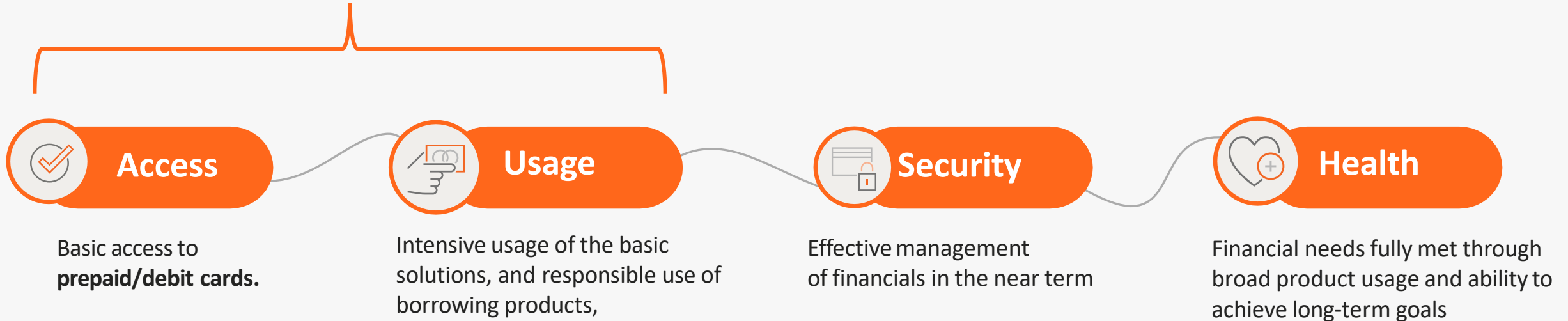


Transit Agency Benefits

- **Streamline fare acceptance** by leveraging EMV protocol for all payment credentials
- Enabling incentive-based **demand management**
- Unlock **new revenue stream** from use of card outside public transportation

Transit as an Entry Point to Financial Health for Over 30M Underbanked Consumers

Transit “Tap & Go” is the New Everyday Spend Category



Existing Barriers to Un/Underbanked



Trust



Education

Things to Consider with Partners

- Explore ways Transit spend can accelerate this Journey (Credit Building, lower access barriers)
- Engaging Nonprofits
- Promote Education (multi-lingual)



Opportunities to Connect

- ☐ **Interested in Rewards but not sure where to start?** We are looking to expand to new cities – would love to hear from you.
- ☐ **Looking into Closed Loop Innovation & Cost Efficiencies?** We have worked with external experts to help develop a costing tool to understand cost-outs & cost drivers of an EMV type of solution. Interested? Would love to hear from you.
- ☐ **Looking for how to best serve Un/Underbanked population?** We have nonprofit partners, FinTechs, and Financial Institutions that can help. Would love to hear from you.

Contact Info: stephen.keefe@mastercard.com

