



**MTA Reload Card – Everywhere Cash Customers Want To Be**

**IBTTA Interoperability  
Conference  
May, 2011**

# MTA Bridges and Tunnels (B&T)

## **B&T is part of the Metropolitan Transportation Authority**

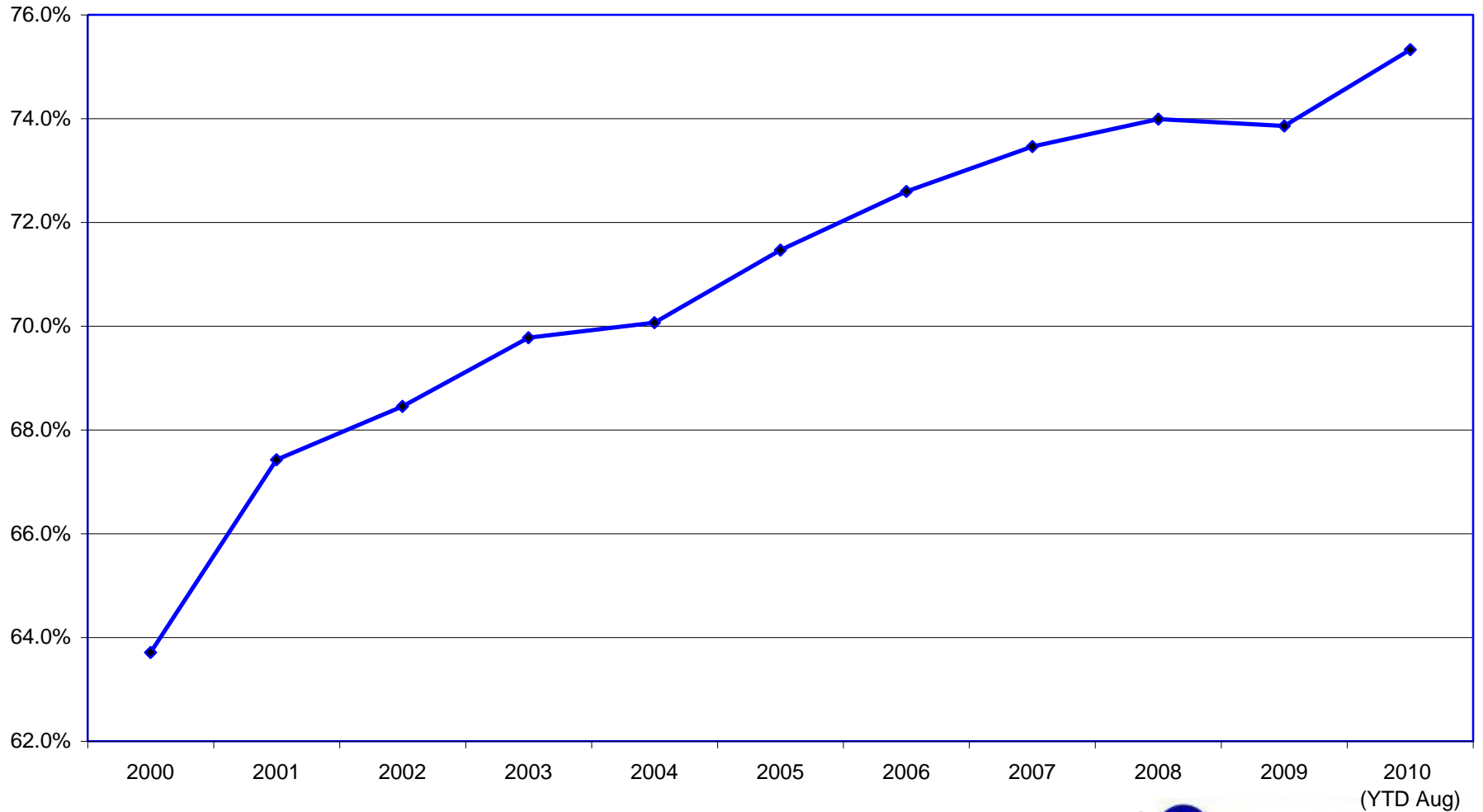
- Surplus revenue used to support mass transit (\$843M)

## **Large Toll Authority in New York City**

- Operates 7 bridges & 2 tunnels
- Traditional toll plazas w/ ETC
- Introduced E-ZPass in 1995
- 2010 Annual toll revenue - \$1,416,580,527
- Overall E-ZPass Market Share (2010) – 76%

# E-ZPass Market Share

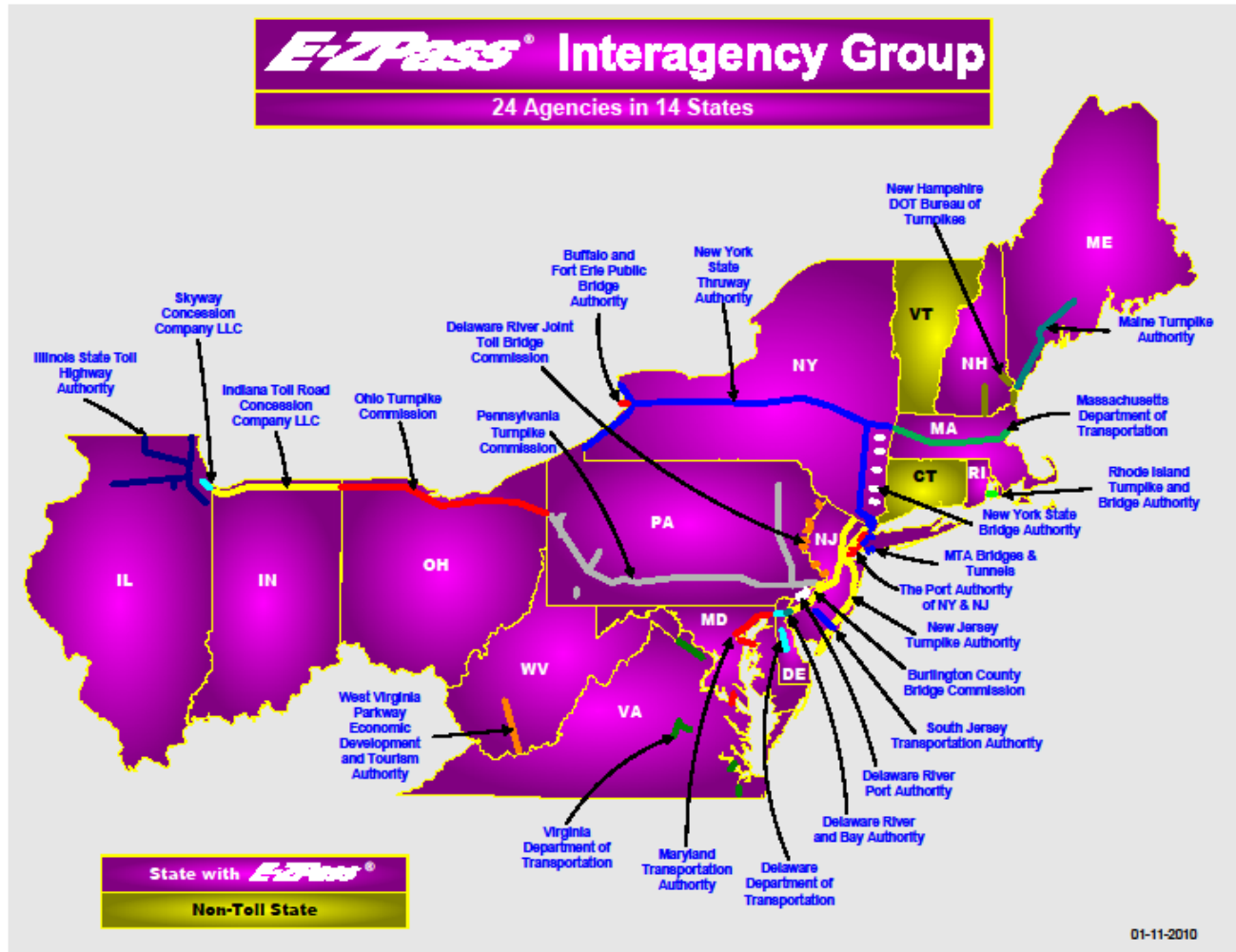
**E-ZPass Market Share  
2000 - 2010**



# E-ZPass Market vs. Cash Market

- **B&T's Cash and E-ZPass customers have similar trip frequencies and trip purposes**
- **B&T's E-ZPass customers have household incomes 1.5x those of B&T's Cash customers**
- **Primary barriers to E-ZPass use by Cash customers are financial in nature**
- **23% of B&T's Cash customers report having previously used E-ZPass and abandoning it**
- **Past successful initiatives include E-ZPass On-the-Go and simplified application**
- **E-Panels indicate retail cash replenishment would convert substantial # of Cash customers**

# E-ZPass: One Tag, A Multi-Regional Network



# MTA Reload Card

## Objectives:

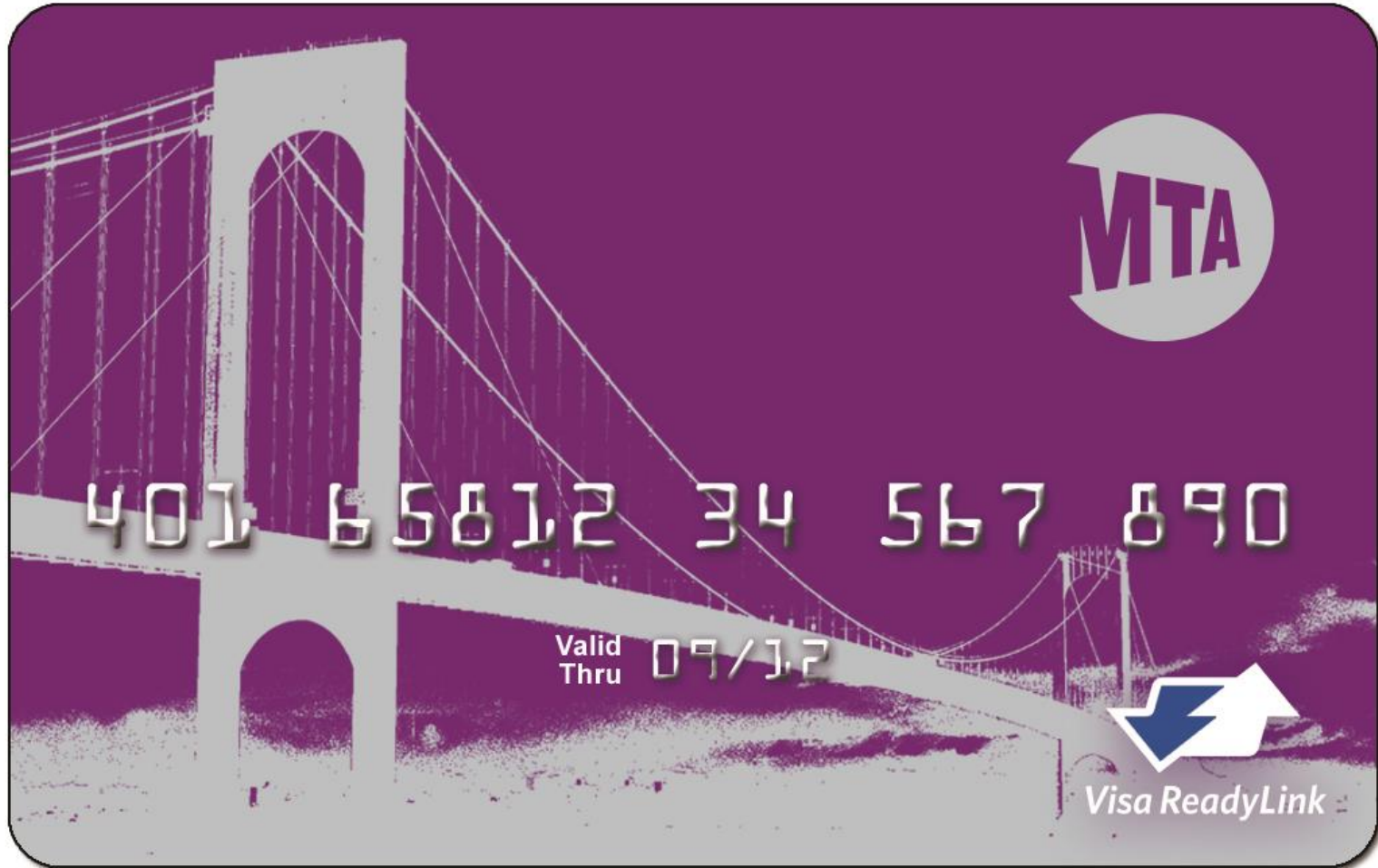
- Move existing cash customers to E-ZPass
- Provide a “national” retail network for E-ZPass cash reloads

## Approach:

- Private Label Visa “Load” card used for replenishment
- Piggyback on existing debit card network and infrastructure
- Retailer convenience for account replenishment
- Retailer charges a fee (Use MTA leverage to limit fees)
- Both in-person service and Kiosks
- Instant CSC balance update – funds guaranteed



# MTA Reload Card



# Visa ReadyLink (VRL)

## **Visa ReadyLink is an existing load network using debit card terminals**

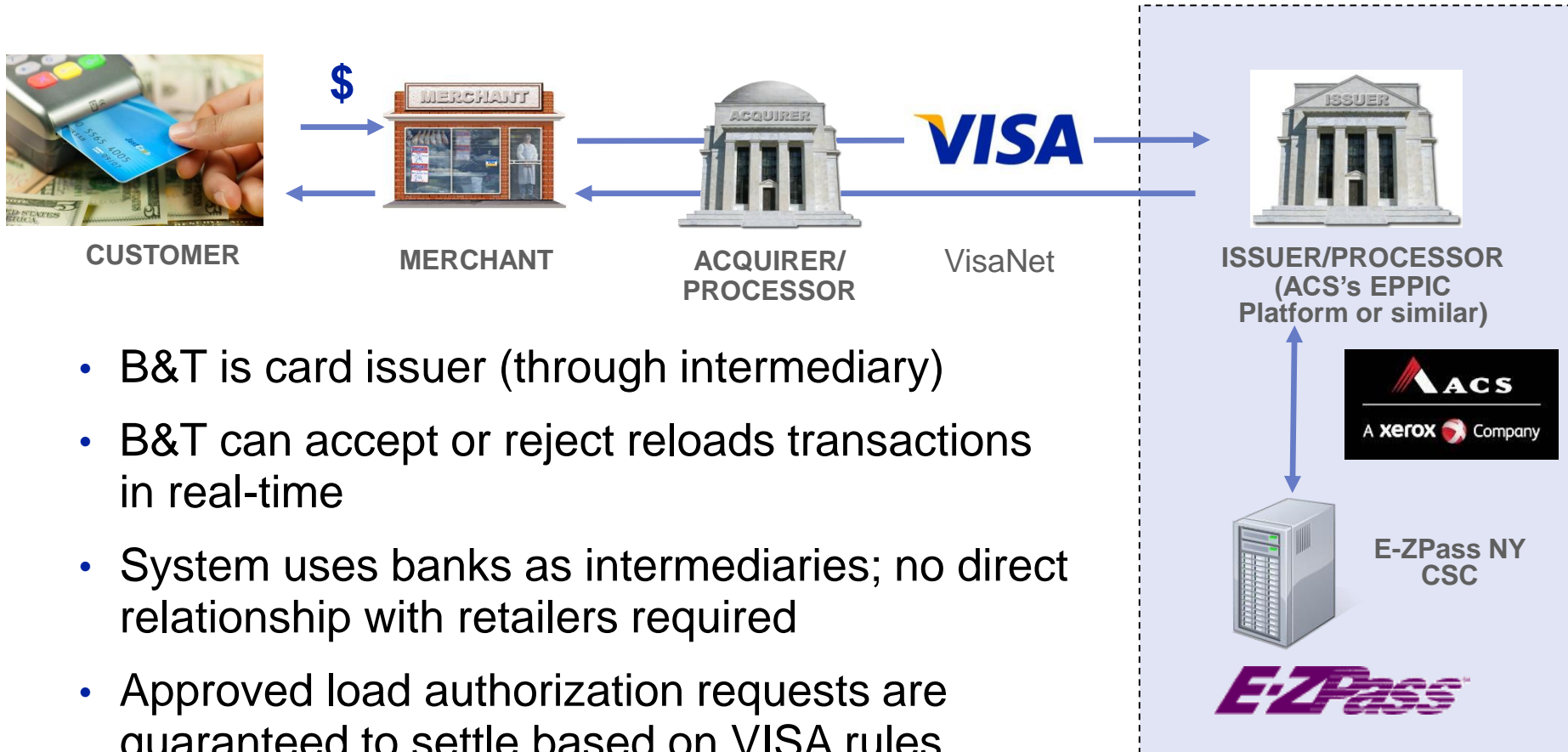
- Any terminal with connectivity to Visa could be a load point
  - POS (merchant) or ATM
  - Must be “card present”
- Needs no additional hardware
- Fees set by retailer

## **VRL utilizes a specific Visa “load” message type**

- Can be used for loads to Visa-branded accounts or private label accounts
- VRL message is not mandatory for merchants and ATMs



# Flow of an E-ZPass Load through Visa ReadyLink



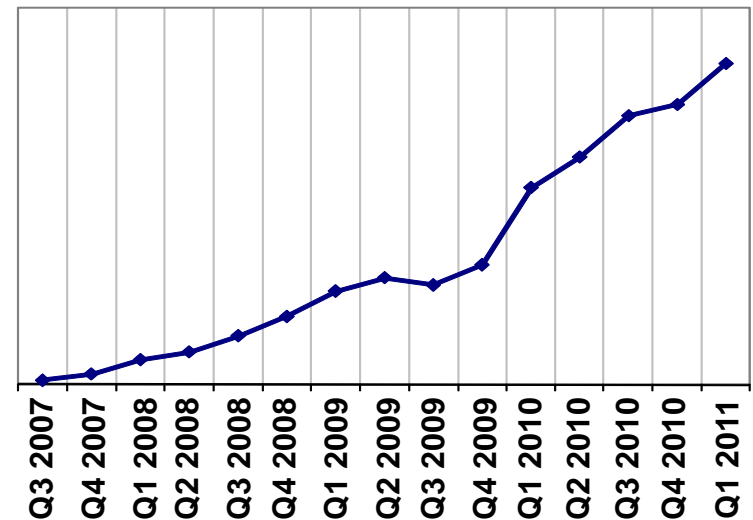
- B&T is card issuer (through intermediary)
- B&T can accept or reject reloads transactions in real-time
- System uses banks as intermediaries; no direct relationship with retailers required
- Approved load authorization requests are guaranteed to settle based on VISA rules
- Swipe-based transaction

# Current Status

- **National reload network with over 50,000 participating locations**
- **Over 100 participating prepaid programs today**
- **Supporting issuer and acquirer processors including:**
  - FIS, Fifth Third, Fiserv, First Data, Galileo, Heartland, Metavante, Visa DPS, i2C, TxVia, and others
- **Average frequency of loads – 2x per month (on Visa-branded programs)**
- **Average load amount - \$165 (on Visa-branded programs)**

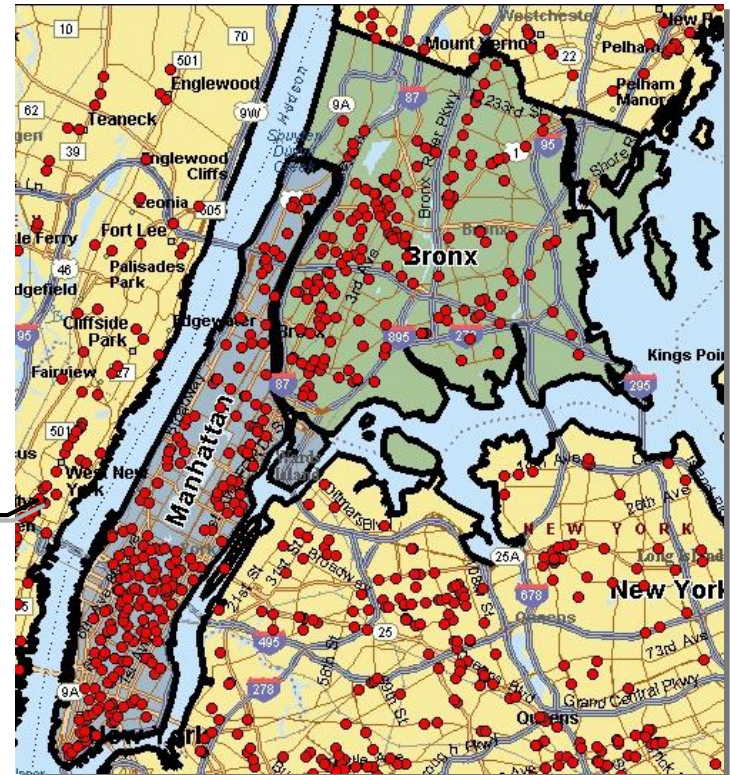


**Active Merchant Locations**

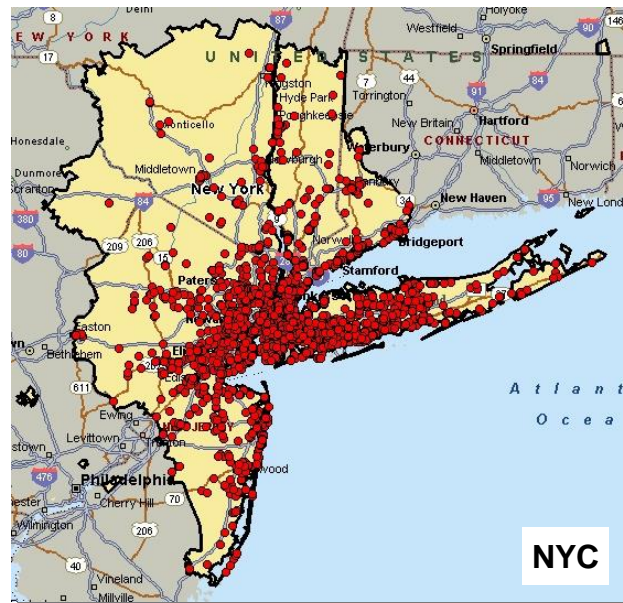


**Quarterly Load Activity**

# Visa ReadyLink: Over 50,000 US Load Locations



Each red dot is a Visa ReadyLink load location



Over 400 locations in Manhattan & the Bronx\*: (# locations)

- Duane Reade (110)
- The Check Cashing Place (6)
- CVS (41)
- 220 other locations at small chains and independents
- Cash Zone (12)
- Moneygram Of New York (8)

\* As defined by 187 USPS zip codes; also in discussions to add 7-Eleven locations

# Visa ReadyLink: 1,318 ReadyLink merchants in NJ

- The top four merchants are presented below:

Merchant	Count
7-Eleven	281
CVS*	243
Wal-Mart*	50
Acme*	49

\* At a MoneyGram Agent

- Other Merchants
- ▲ CVS
- ▲ 7-Eleven
- ▲ Wal-Mart
- ▲ Acme



# Meets Many Customer Needs

**“Don’t like automatic deductions” → no mandatory replenishment**

**“Like to have control over cash flow” → real-time transaction to account  
→ immediate balance info**

**“Inconvenient to use cash/checks” → wide-spread retail network**

**“Don’t like pre-paying tolls” → immediate credit, next day settlement**

**“Don’t have a credit/debit card” → reload with cash**

**“Convenient reload locations” → pharmacy, grocery, gas stations**

# Program Benefits

## Security

- Authorization and (overnight net-) settlement through Visa system
- Approved load authorization requests are guaranteed to settle
- Swipe-based transaction, minimal key-punch error

## Most convenient

- Existing national footprint of locations that continues to expand
- Broader demand for pre-paid debit cards drives market expansion
- Real-time authorization of transactions, immediate customer feedback

## Future-proofing

- Open-loop, general purpose, widely-used system and technology
- Availability of wide network of ATMs, retailers, etc.
- Potential to be re-purposed to support transit fare payments

# Open-Loop E-ZPass Reload Network

**Questions?**