

# Philly Cabs Taking RFID Payments on the Road

VeriFone and Taxitronic are bringing RFID-enabled payment systems to Philadelphia taxicabs.

By Mary Catherine O'Connor

Nov. 29, 2006—Residents of Philadelphia carrying a [MasterCard RFID-enabled PayPass](#) credit card or keychain fob have a number of places they can use the devices to make payments. Among such locations are [Lincoln Financial Field](#) (home of the Philadelphia Eagles), [Sheetz](#) convenience stores, [McDonald's](#) restaurants and RFID-enabled vending machines around the city.

Now, residents can also pay their cab fares with a PayPass card or fob—or a similar device from [Visa](#) and [American Express](#)—thanks to a collaboration between payment terminal provider [VeriFone](#), taxi-technology vendor [Taxitronic](#) and the [Philadelphia Parking Authority](#) (PPA), which tests and certifies taxi and limo drivers and their vehicles throughout the city.

Roughly half of the 1,600 licensed taxis in Philadelphia are now equipped with VeriFone's Omni 7000 payment terminals, which link to a ViVOpay RFID payment-card reader made by [ViVOtech](#), a northern California firm specializing in RFID payment systems. The reader is ISO 14443-compliant and designed to communicate with MasterCard, Visa and American Express RFID payment devices. The remaining 800 Philly taxis are scheduled to be equipped with such terminals by the end of the year.

Philadelphia is one of the first cities to distribute MasterCard PayPass cards—680,000 MasterCard PayPass cards have been issued there to date, and MasterCard is working to inform its cardholders about the new cab-payment option. T.J. Sharkey, group head of national accounts, U.S. Commerce Development, MasterCard Worldwide, says VeriFone and Taxitronic approached the card company and asked it to participate in the rollout. This, MasterCard says, fit nicely into its strategy for instituting the PayPass program. Taxicabs are one payment market the company has been planning to enter since it first rolled out PayPass technology.

"One of the things we looked at... is [moving] PayPass acceptance to categories of merchants where the market is under-penetrated from a card-usage point of view," Sharkey says. "The original market for PayPass was McDonald's and similar merchants, as well as convenience stores and sports stadiums. We asked, 'Where else could we apply this?' From our perspective, [taxicabs are] a perfect fit."

This project is part of a larger collaboration between VeriFone and Taxitronic to equip taxis with electronic payment capabilities. The joint venture is called [VeriFone Transportation Systems](#).

The Omni 7000 terminals also process payments made with traditional magnetic-stripe cards. "We are not focused solely on contactless [payments], although we are very enthusiastic about the rate that contactless cards are being issued," says VeriFone spokesperson Pete Bartolik.

RELATED\_ARTICLES The Omni 7000 terminal—the same type of device installed at all McDonald's

locations accept RFID-enabled cards—is located in the taxi's backseat area, facing the passenger. To pay a cab fare, a passenger activates the terminal by presenting to it an RFID-enabled card or fob. The Omni 7000 is networked to a VeriFone MX870, a multimedia device installed as a console for the driver. The driver can use the device to complete the RFID-enabled credit and debit payment transactions initiated by the passenger, as well as for routing and navigational information, work scheduling (such as signing in and out of shifts), trip logs and even tracking lost-and-found items left behind in cabs. To process the electronic payment, the MX870 sends payment information wirelessly over cellular networks.

The passenger can also use the Omni 7000 to add a tip to the transaction total. When paying with PayPass, fares under \$25 do not require a signature, which helps speed the transaction time. VeriFone says its internal testing shows that using contactless cards for paying taxi fares can cut an estimated 45 seconds off the transaction time, compared with cash. It can also save 15 seconds when compared with swiping a traditional payment card. Such estimates do not account for the time required to print a receipt on the MX870, which the cab driver can do upon request. In addition, by using the Omni 7000, passengers can maintain control over their cards or payment fobs at all times, without having to hand it over to the driver.

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