



## Electronic Fare Management in Public Transportation Financial and Operator Models

The 15th kontiki Conference in Saarbrücken, Germany largely focused on the second version of the Recommendations for Action. 81 participants from 6 European countries discussed decision-making models, models for electronic fare determination and applications, and systems engineering models.

In his welcome, Dr. Walter Keudel, chair of Stadtbahn Saar AG, illustrated the public transportation situation in Saarbrücken, especially emphasizing the current and future expansion of Saarbahn public transportation as an essential step in European competition.

Albert Hettrich, State Secretary of the Ministry of Trade and Commerce in the German state of Saarland, focused his remarks on the state government's stance on high-quality public transportation with competition in the field of operation, taking into consideration qualitative standards and not just the lowest cost. Railways will also be included in this competition. The principle of separation between ordering and providing transportation service will be implemented, with a goal of improved trans-border connections (France, Luxembourg, the German state of Rhineland-Palatinate). The state government is pursuing two basic goals with this fundamental philosophy: to remain competitive in Europe and maintain the superior level of the region's transportation companies.

In his lecture on the public transportation core application, Dr. Ackermann, Association of German Transportation Companies (VDV), explained how the organizational prerequisites for interoperable electronic fare management (eFM) are being created in Germany under VDV's leadership. This involves the realization of cashless payment, the electronic ticket, and automatic fare determination. 80% of transportation companies in VDV have already committed to using the core application. Interoperability is to be fostered by centralizing certain functions, such as clearing. The core application will head into a test phase, to be completed in December 2003 with testing of interoperability.

Dr. Klaus Röder, Siemens Business Services, presented mobile telephone-based electronic fare determination, which promises to integrate a variety of devices (mobile telephones, PDA's, credit cards, tickets, internet access...)



Especially for public transportation, mobile telephones offer the opportunity of integrating communication, organization, information, and acquisition, payment, and proof of authorization. From the point of view of the public transportation service provider, mobile telephones represent a new sales opportunity, an increase in revenues, decrease in sales costs, payment according to service provided, flexible fares, and investment security. Dr. Röder presented an eFM business model. Such a study inherently involves a range of undecided issues, for example, in terms of designing the user interface or effective communication between mobile telephone and vehicle. After the presented study has been completed, development will be continued in a pilot project.

In his closing summary, Dr. Manfred Ritschel, Chair of the kontiki Executive Board, stated that the second version of the kontiki Recommendations for Action will be available in electronic form by the end of the year. In the future, working results will no longer be published as an anthology, but will be made available promptly to interested parties in up-to-date form.

The following principles apply to kontiki's future activities: strict product and system neutrality, and membership composed of international transportation companies and networks, financial institutions, industry, consultants, institutes, associations, standardization bodies, and responsible agencies. Great importance will continue to be attached to activities in the working groups. The topics will continuously be refined and adapted to changing requirements. At the next kontiki conference, areas of focus include customer acceptance and customer loyalty.

**Upcoming kontiki conferences:  
February 20-21, 2003 in Wuppertal, Germany**

**May 8-9, 2003 in Lyon, France**

**September 18-19, 2003  
(location TBA)**

\* eFM = electronic fare management

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