

### **The Swedish ITS Board's position on**

### **Common payment system within the transport sector**

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#### **1. Why a Common payment system within the transport sector?**

The fundamental idea behind a user friendly payment system is that the traveller, by means of different synergetic media, should be able to find price information as well as buy and receive ticket(s) for the entire journey, irrespective of whether the travel entails switching mode of transport or transport operator. Thereby, the objective is to facilitate for more people to use public transports, something which would be favourable for Sweden. Among the resulting benefits would be a decreased number of traffic accidents, reduced environmental impact and more efficient use of time and energy. At the same time, this would imply an increase in the society's resources available for maintenance and investments in the transport area.

A number of issues have hampered the development such that citizens experience difficulties regarding payment, travel rules and tickets for occasional travels within regions as well as over regional and national borders. Moreover, increased user friendliness also facilitates for the citizen who starts using public transports instead of the car for the daily commuting. Enhanced openness, technical standards and social demands creates potential for a stronger focus on increasing the benefit for citizens.

Within the EU, a number of projects aimed at simplifying travelling in Europe are underway. Among these initiatives, the introduction of a common payment system for public transport and toll charges has high priority. As for Sweden, collaboration between the stakeholders within public transport, the authorities concerned, academia and technology suppliers is a requirement for succeeding with this project. If successful, there are great opportunities on the Swedish side to support Swedish system suppliers in establishing abroad.

#### **The Government Instruction**

According to the Government Instruction<sup>1</sup>, the ITS Board should work for increased Swedish action within the area in the EU. The reason behind this instruction is that the Government sees a prospect of accelerating and influencing the introduction of various ITS services as well as coordinating the services on European and international levels. In the long run this will benefit Swedish industry, in particular our export industry.

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<sup>1</sup> The Government Instruction: [http://www.sou.gov.se/kommittedirektiv/2010/dir2010\\_67.pdf](http://www.sou.gov.se/kommittedirektiv/2010/dir2010_67.pdf)

# Position Paper

## December 2012

The position papers describe on a comprehensive level the Swedish position on ITS matters and how we act within various EU contexts as regards ITS. The documents should be useful for industry, public organizations, academia and its researchers as well as for professional organizations. Each position paper covers the multimodal perspective.

The following prioritized areas within a Common payment system within the transport sector were dealt with in the multimodal strategy and action plan for ITS<sup>2</sup> which was produced by the Swedish Road Administration at the request of the Government in year 2010:

*Common systems for booking and payment of tickets shall be designed. A Government negotiator should be appointed with the commission to reach agreements on how systems for payment of public transport travels should be designed to satisfy the travellers' need for simplicity, clarity and flexibility.*

### Ongoing work

The work to develop user friendly payment systems is conducted primarily within the public transport sector in cooperation with the Swedish Transport Administration. In addition, a number of activities are taking place within the EU and on the national level, in which bilateral consortia and UITP<sup>3</sup> are important actors.

- Presently, the public transport sector is working in accordance with the action plan for common payment systems which was presented two years ago. Among other activities, a harmonization of concepts is underway. An agreement on credit-card payment of small amounts without PIN code has been reached between the banks, with the objective to introduce a general Pay-As-You-Go solution based on EMV and NFC. This work shall be coordinated with the ongoing development within the European collaboration.
- In the autumn of 2012, the Urban ITS Expert Group within the EU Commission presented an outline of best practice and guidelines for the introduction of electronic tickets<sup>4</sup>.
- The EU Commission also promotes transnational solutions for the purpose of facilitating for the traveller to opt for employing more sustainable modes of transport in the future. In 2012, the Commission has for instance arranged a competition on the theme of travel planners and has initiated continued commissions and studies within the payment area<sup>5</sup> (see further the position paper on Attractive Travel Services).
- In the EU, the Swedish Public Transport organization is collaborating within UITP in order to, as far as possible; coordinate its development work with the EU activities within the area. Through UITP, national and global stakeholders such as GSMA<sup>6</sup> collaborate extensively, which provides greater potential for Sweden to gain knowledge and experience.

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<sup>2</sup> The Strategy and Action Plan for ITS: <http://www.sou.gov.se/its/handlingsplan.htm>

<sup>3</sup> <http://www.uitp.org/>

<sup>4</sup> [http://ec.europa.eu/transport/themes/its/road/action\\_plan/its\\_for\\_urban\\_areas\\_en.htm](http://ec.europa.eu/transport/themes/its/road/action_plan/its_for_urban_areas_en.htm)

<sup>5</sup> [http://ec.europa.eu/transport/its/multimodal-planners/index\\_en.htm](http://ec.europa.eu/transport/its/multimodal-planners/index_en.htm)

<sup>6</sup> <http://www.gsma.com/>

# Position Paper

## December 2012

- Presently, a common framework based on the EETS Directive<sup>7</sup> is being established in Europe. The objective of the framework is to facilitate an interoperable system for toll charges throughout Europe. Sweden is participating in both EETS and EasyGo as well as in various pilot projects domestically.

## 2. Prioritizations for the future

Within the position Common payment system within the transport sector, Sweden has chosen to focus on a few selected areas which will accelerate the progress within the field:

- Integration of payment solutions, for instance micropayments and “one Single contract”, for different parts of the transport system, irrespective of the mode of transport. Currently, this primarily concerns public transport with all its stakeholders but in the long run, congestion tax and toll charges as well as payment for parking should also be included in the plans. General and ideally existing systems for control and payment should be employed where such infrastructures are already in place, for the purpose of creating user friendly, secure and robust systems within reasonable time and at a fair cost.
- The development towards open and generic multi-application solutions needs to be monitored and included in the work, as well as testing activities for gaining experience. Except for credit-card issuers and cellphone operators a number of nations, for instance Great Britain, Germany, France, Norway, Hungary, Italy and Sweden, have also demonstrated great interest in this work and introduction is underway.
- In order to address the above challenges it is crucial that Sweden participates and interacts with ongoing initiatives in Europe (for example UITP, ITSO<sup>8</sup>, VDV and Norwegian Handbook 206<sup>9</sup>) and related standardization work (CEN TC278 etc.). Swedish participation in Europe ought to be ensured by supporting such participation and collaboration, not least within standardization and certification.

## 3. The position papers of the ITS Board

The following position papers have been produced to date. They shall be dynamic in nature and will be successively amended. These documents are available on the website of the ITS Council, [www.sou.gov.se/its](http://www.sou.gov.se/its).

- Publishing transport-related data irrespective of the mode of transport
- ITS for Goods
- Vehicle-related ITS
- Attractive Travel Services

<sup>7</sup> EETS: [http://ec.europa.eu/transport/publications/doc/2011-eets-european-electronic-toll-service\\_en.pdf](http://ec.europa.eu/transport/publications/doc/2011-eets-european-electronic-toll-service_en.pdf)

<sup>8</sup> <http://www.itso.int/>

<sup>9</sup> [http://www.vegvesen.no/\\_attachment/278761/binary/490806](http://www.vegvesen.no/_attachment/278761/binary/490806)

# Position Paper

## December 2012

- Common payment system within the transport sector
- Traffic management in metropolitan areas – all modes of transport
- ITS and Traffic Safety

#### 4. Contact persons

Roberto Bauducco  
Head of the ITS Office  
Swedish Transport Administration  
[roberto.bauducco@trafikverket.se](mailto:roberto.bauducco@trafikverket.se)  
+46 70 580 79 90

Alf Petersson  
Senior Advisor, the ITS Office  
Swedish Transport Administration  
[alf.petersson@trafikverket.se](mailto:alf.petersson@trafikverket.se)  
+46 70 558 01 22