

# The Philadelphia Inquirer

MAY 28, 2007

Business

WWW.PHILLY.COM

## Area firm a leader in turning plastic sheets into smart cards

By Paul Nussbaum

INQUIRER STAFF WRITER

The biggest manufacturer of transit “smart cards” in the United States operates out of a nondescript, high-security building near Montgomeryville, turning sheets of plastic into electronic tickets.

Gemalto North America, a digital security company based in Arlington, Va., also makes credit cards and, in its biggest business, SIM cards for cell phones. It makes high-tech identity cards for governments and businesses, and components for electronic passports. And it makes smart cards for Philadelphia parking meters.

Because bank cards are essentially money, Gemalto protects its wares with high-tech security, monitoring its manufacturing floor with cameras and requiring badged workers to pass through multiple locked doors to enter or leave. All damaged or flawed cards have to be accounted for, and nobody can enter the vault, full of finished cards, alone. Armored cars roll up to cart away the finished bank cards.

And then banks give them away for free, by the millions.

The plant, which employs 300 people, starts with blank sheets of flimsy white plastic, which are cut, trimmed, illustrated, baked, hologrammed, laminated, pressed, drilled, glued and packaged. The final smart card emerges with a custom design on the outside and a microprocessor and an antenna on the inside, functioning as a mini-computer.



LAURENCE KESTERSON / Inquirer Staff Photographer

**Gemalto official Dave Ludin** with a Boston Transit “Charlie Card” his firm makes. He says transit smart cards “are a rapidly growing part of our business.”

Dave Ludin, vice president of Gemalto’s public sector, said transit smart cards “are a rapidly growing part of our business. . . . We see a lot of activity in transit.”

The advantages for transit agencies, Ludin said, are reduced theft and fraud and increased efficiency. The biggest plus is faster “throughput,” the speed with which passengers can move through turnstiles.

The cards can be as “smart” as a client wants. They can simply pay for fares, or they can be programmed to serve as electronic purses, storing money for other purchases as well. They can be compatible

with other transit agency scanners so passengers can switch from one system to another without changing cards.

“The smart-card technology is there now,” Ludin said. “The question is, how robust does the issuer want it to be?”

Gemalto, headquartered in Amsterdam, was formed in June when smart-card company Axalto Holding N.V. of the Netherlands merged with its larger rival, Gemplus International S.A. of Luxembourg.

Contact staff writer Paul Nussbaum at 215-854-4587 or pnussbaum@phillynews.com.