

Sep. 15, 2011

Stockholm, Sep. 8, 2011, 09:18

The vision has just been presented to approx. 40 attendees of the 5th annual Pod Car City Conference.

Truth be told – I was expecting greater enthusiasm. Somehow the crowd did not go mad and their fatherly glances said "...It's good that there are children who dream...".

One guy got up the courage to say that he thinks my idea is correct. I thanked him.

Three Americans (of about 10 in the room) from whom I expected some encouragement actually gave me the cold shoulder. Prof. Alain Kornhauser of Princeton University said that the greatest competition to Dual Mode comes from Autonomous Vehicles, and that "...my students have almost finished solving all the problems...". Prof. Kornhauser said that the greatest challenge of public transportation is "to cause children to take a joint PRT car to school, rather than arrive with a driver (i.e. father, just like himself), and that "...I shouldn't become discouraged...".

It was fortunate that one of the bankers told me: "...You know what they say: physics and mathematics do not advance with the advent of a new theory. They advance when the old professor dies..." (the professor took this quite hard...).

David Muyres, who the day before said that Americans are looking for "new personal transportation", did not bother to respond.

Debbie Cook, former Mayor of Huntington Beach, who gave a presentation called "Thinking Out of the Box" and who scolded the audience with "...did you come to listen or only to be heard?..." responded only when I asked her whether the idea would be suitable for LA. She then chose to say only that "...it's not clear whether it will even get off the ground...".

I have no doubt that all the comments are factually (!) correct and I would be insane to deny them (the facts), but somehow I expected a little more courage, more openness, more willingness to even slightly consider an idea that would shatter the conventions that so shackle us to content because "we are going down the beaten path."

I think I finally understood why Steve Jobs shows up in jeans and a black shirt-for his presentations: all those "Suits" just don't listen to anyone else except themselves. And there is no point in "playing suits" with them. Steve Jobs comes to show them what is right.

I have no doubt that the only possible next step for AutoMate is: MONEY. Without a courageous strategic investor that understands the inherent long-term possibilities of the concept, nothing will happen.

And perhaps the idea is just ahead of its time. Perhaps it will take 10 or 15 years, with 20 to 30 operational PRT systems, before the "Suits" won't need someone to explain why "Private Capsule & Alternating Chassis" is the iPod Car!!!

Just Around the Corner

Despite the irate tone of the opening (I had to channel my anti-climax somewhere...), this newsletter presents an encouraging review of what is happening in the world of PRT. It is quite clear that within the next 12-24 months, the world will change! More and more people realize where sustainable transportation is heading. The growing availability and existence of PRT systems that are operational 99% of the time will definitely help close project contracts worldwide.

I hope you enjoy the read. The next newsletter will present the investor ☺.

(-) Neta

99%

“Ultra PRT” was, without a doubt, the conference’s big winner. These guys strutted their stuff like peacocks (rightly so) when they displayed recent figures of their Heathrow PRT system: from April (72%), through May (98%) and up to September (99.4%). Simply put, the system operates perfectly 20 to 22 hours a day, fulfilling its obligation to automatically and privately transport passengers between Terminal 5 and the vehicle parking area (current total: 100,000 passengers). And yes, there was a 2 year delay. And yes, they don’t have a PR campaign because they don’t want to jump the gun on their bragging rights.

“Twitter” showers praise and the managers are tweeting from extreme joy! And everyone is scrambling to translate this success to India. Yes, yes. “Ultra”, “Vectus” and “2GetThere” are currently competing for 35 (!) PRT systems across India.

It will be quite amusing to see how, through the cows and rickshaws, the system carries millions of Indians to the Great Sikh Temple ☺. However, one of the greatest challenges of the sales process is estimating the system services demand curve: quantifying how many Indian passengers (and why) would decide to pay 4 times more for PRT transportation along 3.6 km rather than pay for a rickshaw that takes the whole family round trip?!

The difficulty of the challenge is obvious to all concerned. The narrow streets (2m) only allow a single option: an overhead system with supporting pylons in the center of the street, far from pedestrians and sacred cows.

The “2GetThere” PRT system in Masdar City, Abu Dhabi is already operational and attains 99% operation time.

However, one of the most difficult questions that has yet to be answered is: "when do we go on to the next section?". In fact, both the London and Masdar systems are but a small and primary part of the whole concept. If project success is in doubt, it should fade when the customer orders the next section, confirming product satisfaction. Due to the financial crash, the future of the Abu Dhabi system is unclear although everyone agrees with the estimation that the London system will move forward within a year, more or less.

Korea

Korea will join the spree in 2012, when the “Vectus” PRT system becomes operational, carrying visitors to and from the Suncheon Nature Reserve. At the conference, “Vectus” displayed the new POD and system design. System construction has begun.

Airports

Peter Muller, a PRT consultant (and company owner) and Professor Alain Kornhauser of Princeton University, both gave very interesting lectures on the use of PRTs in airports. Both regard airports for what they are: profit “maximizers”. The bottom line is fattened by two operations: high parking fees and passenger concentration in designated shopping areas. In other words: “...you are mine for two hours and I’ll get as much money out of you as possible...”. This is the main reason for establishing PRT systems in airports: maximizing long-term parking profit (“..Now you won't have to walk because we have this fabulous system that doesn’t pollute the air! So now you’re happy to pay more for parking ...”). Passengers will also congregate in a central shopping area to enjoy a “superb shopping experience” and yet still make their plane at the last minute via direct PRT!

I am not a socialist yet this concept is totally wrong. Instead of finding ways to reduce time at the airport so as not to waste two hours, everyone agrees to take advantage of the situation and extract more money from the passengers. You can’t always be guided by “...money makes the world go ‘round...”.

An interesting anecdote was told about Las Vegas, the “definitive Airport City” (a city built around the airport located at the city center). It seems that 30 years ago there was a proposal to build a PRT in Las Vegas, then the fastest growing city in the world. Think about it: inexpensive and convenient transportation!. Even finance would not have been an obstacle: a slot machine in every carriage!! The PRT proposal was shot down by the Taxi Drivers Association (who else?) AND by the casino owners! The casinos **did not want** to make it easy to get around the city! "Stay and spend your time with us! Why go elsewhere?!"

The Mexican Model

I believe that the was most inspiring project at the conference was Mexican.

In Mexico, Alexander Kyllman, a pleasant, smiling Bolivian, together with his partner founded a company named “ModuTram”. After 20 years at “Siemens”, Alexander left work for a sabbatical. During his sabbatical he defined a GRT/PRT project for the Mexican market (**GRT** standing for **Group Rapid Transit**). “LINT”, the project name, hints at its objective: Lean Intelligent Transport.

Mexico is enormous, encompassing 56 urban areas in dire need of improved public transportation. Current public transportation comprises mainly buses with a number of railways and stations that are extremely rare and in between. The Mexican government understands the situation and it is looking high and low for a solution to quickly remedy the situation (“quick” being relative as we are dealing with infrastructure).

The main goal, as defined by Alexander, is “establishing an operational system that can be characterized, built and sold in Mexico”. In other words, they’re not gunning for the best, greenest, sexiest technology. They want a working, inexpensive product suitable for the local market (mandating a GRT system, because the Mexican government goes bonkers at the word “private”...).

At the end of an 18 month period (following the sabbatical), the two partners created a consortium comprising 12 entities: 5 companies, 5 universities and 2 independent research centers. These 12 entities work together under Alexander’s close supervision.

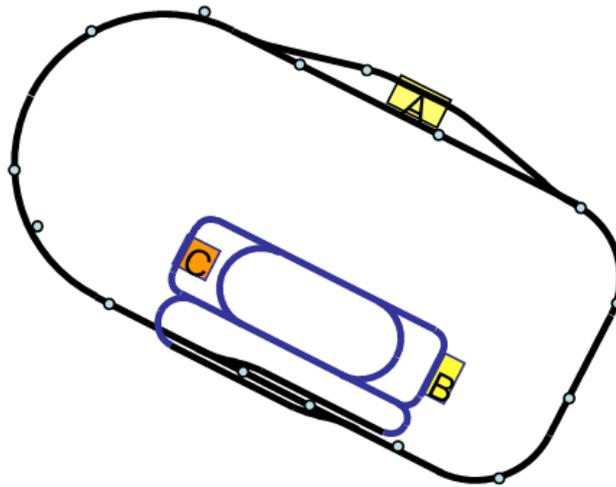
5 UNIVERSITIES:	2 RESEARCH CENTERS:	5 COMPANIES:
Applications, Simulation* 	Control 	System integration Electronics and software 
Automotive mechatronics 	Regulations* 	Vehicles 
Industrial engineering, Economics* 		Guideway  
Instrumentation, Measurement* 		Energy stations* 
Industrial design, Civil engineering, Urban architecture 		Passenger stations* 

In my opinion, the magic is in the business model: each company keeps its rights for project developed IP, whereas profits are shared between the partners. To my surprise, more than 50% of financing comes from the Mexican government (!!!). Money is awarded for achieving pre-defined milestones. When these goals are not reached, the government demands that money be returned. When these goals are achieved, the money becomes a government grant!

The Mexican government stipulates a minimum of 25% self financing and that the pre-defined milestones must be achieved. Every year the partners receive \$3 million in government financing!

Next year (when hopefully I will travel to meet Alexander) the Mexicans will have a 1:1 operational system. The illustration on the right depicts the “slow” route in blue and the “fast” route in black.

It’s not hard to guess my thoughts when I cast my eyes on this superb model (hint: just replace the country name...).



Para ver esta película, debe disponer de QuickTime™ y de un descompresor .

Some (More) Interesting Facts

- The Swedish Minister of Infrastructure, Catherina Elmsater, declared that by 2030 all vehicles “must be free of fossil fuels”. The last time the Swedes made such a courageous decision was in 1980, with their “Vision Zero”, declaring that there will be zero fatalities caused by car accidents. Today Sweden is the safest country regarding car accidents (probably explains why we prefer Volvos for the kid’s first car...)!
• Los Angeles has an urban plan named “30/10”, calling for 30 train lines within 10 years. Good to know.
• Did you know that a large portion of Stockholm’s young people (under the age of 30) do not have a driver’s license? They simply don’t need to drive. Public transportation is excellent, they ride bicycles and they walk. Think about it...

And to Conclude, Links

This is the link to our new Web site: <http://www.automate.co.il/> (thanks again, Shay!).

My Stockholm conference presentation will soon be uploaded to our site. I’ll keep you posted.

I’d be most happy to receive your comments (of all types ☺).

(-) Neta