



# Fare Integration Task Force

October 17, 2022

Agenda Item 4a - Update on Clipper® BayPass and Review of Proposed Transfer Discount Policy



# Overview

## Focus of Today's Task Force Discussion

**Update on Clipper® BayPass:**  
Monitoring usage at educational institutions, preparing to launch at a dozen MidPen Housing affordable housing properties later this month

**Free/Reduced Cost Transfers:** FITF review of draft policy starting today, discussion of funding approach next month, possible endorsement of policy in December

## Future Work

**All-Agency Pass/Cap:** Explore options for an all-agency pass product, including possibility of near-term options such as a “day pass” or other concepts

**Further Develop Concept of a Common Structure for Regional Service:** Present the Task Force with concepts for discussion and further direction of work



# Pilot Status Update

**Phase 1 – Launched in August 2022 – Offered at no additional cost to participants**

**Pilot is underway at 4 universities/community colleges across the Bay Area**



**SAN FRANCISCO  
STATE UNIVERSITY**

**SJSU**  
SAN JOSÉ STATE UNIVERSITY



**SANTA ROSA  
JUNIOR COLLEGE**

# of participants: 12,000

9,000

7,000

All Students Eligible

**Launching 10/31**



All Residents of Participating  
Communities Eligible

**Phase 2 – Target to launch in first half of 2023 – Clipper BayPass to be sold to institutional participants**

- Focus on transit rich employment centers, geographic diversity, and equity by reaching employers or organizations that have not been well served by existing institutional pass programs
- Exploratory meetings and scoping work underway
- Price per pass during pilot will be negotiated based on size/location of employer









# Pilot Status Update

## Clipper BayPass Pilot Tips – Preliminary Data 8/15/2022 to 10/11/2022

- **Nearly 400,000 trips taken with Clipper BayPass since launch as of 10/11/2022.**
- **Allocation of funds to operators for BayPass participation this month by MTC**
- **Evaluation work is kicking off**
- **Project team will provide regular reports to the Task Force as we collect more data and conduct analysis**

Clipper Operator	 SAN FRANCISCO STATE UNIVERSITY	 SJSU SAN JOSE STATE UNIVERSITY	 SANTA ROSA JUNIOR COLLEGE	 Berkeley UNIVERSITY OF CALIFORNIA	Total by Operator (*rounded)
AC Transit	3,625	1,023	280	146,015	<b>150,943</b>
BART	43,209	6,342	747	44,290	<b>94,588</b>
Caltrain	1,920	1,830	75	429	<b>4,254</b>
Corridor 101	Under 50	Under 50	4,419	Under 50	<b>4,400*</b>
East Bay	395	51	34	352	<b>832</b>
Golden Gate Ferry	82	Under 50	358	137	<b>600*</b>
Golden Gate Transit	644	67	1,592	339	<b>2,642</b>
Napa Solano	194	Under 50	Under 50	57	<b>300*</b>
SF Muni	65,729	901	1,056	8,502	<b>76,188</b>
SMART	Under 50	Under 50	3,576	Under 50	<b>3,600*</b>
SamTrans	10,044	177	67	199	<b>10,487</b>
Sonoma	Under 50	Under 50	1,815	Under 50	<b>1,800*</b>
Union City	51	Under 50	Under 50	Under 50	<b>100*</b>
VTA	639	44,281	111	397	<b>45,428</b>
<b>Total by Institution (rounded)</b>	<b>126,600</b>	<b>54,700</b>	<b>14,100</b>	<b>200,700</b>	<b>396,000</b>

Source: Clipper data

Note: Some data is rounded to protect customer privacy on trip pairs with limited ridership.



# “No-cost / Reduced Cost Transfers”

## Bay Area Transit Fare Policy Vision Statement

Based on the draft findings of the Fare Coordination and Integration Study (FCIS), the Fare Integration Task Force (Task Force) recognizes that the implementation of more coordinated and integrated transit fare policies may offer cost-effective options for improving the transit customer experience, promoting transit ridership recovery from the COVID-19 pandemic, and reducing regional vehicle miles traveled, greenhouse gas emissions, and transit travel times for customers, in ways that are compatible with the equity goals of transit operators, local stakeholders, MTC, and the State of California.

## Transit Fare Policy Initiatives for Further Development

The Task Force endorses continued work by transit operators and MTC staff to advance the following policy initiatives:

1. Deployment of an all-transit agency institutional/employer pass demonstration pilot in 2022, with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources/technical considerations.
2. Implement no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper® 2.
3. Continue to develop a proposal for implementing an all-transit agency pass product for the general public after the launch of the Next Generation Clipper® system/Clipper® 2 in 2023 or later (pending outcomes and data from the pilot noted in no. 1 above).
4. Continue to refine the vision of eventually creating a common fare structure (distance or zone-based) for regional rail, ferry, and express bus service after Next Generation Clipper® system/Clipper® 2 implementation. Direct transit operator staff and MTC staff to continue to evaluate the benefits and costs of a common fare structure for regional transit services in the context of a broader evaluation of post-COVID-19 pandemic ridership patterns, the role of regional transit service in the region, and the funding strategy for these regional transit services.

## Complementary and Necessary Objectives to Facilitate Delivery of Transit Fare Policy Initiatives

In collaboratively advancing these improvements for the benefit of the Bay Area’s transit customers, we also recognize the continued economic challenges facing the region, and the transit industry in particular. The Task Force recommends that transit operator and MTC staff work to advance the above policies while also acknowledging that successful delivery will require pursuit of the following complementary and necessary objectives:

**“Implement no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper® 2.”**

- Over the last two months the project team has worked extensively with the Staff Working Group, advocacy organizations, and the Transit Transformation Action Plan Subcommittee of MTC’s Policy Advisory Council to refine the above vision statement into a workable policy
- What you will see today is a slight revision from the initial concept policy presented in August 2022, informed by feedback from the Staff Working Group
- Focus today is on policy proposal; focus next month on financial concept for pilot

# **“No-cost / Reduced Cost Transfers”**

## ***Proposed Principles to Guide Rollout***

- 1. Deployment with the Next Generation Clipper system**
- 2. Goal is a 24-month pilot deployment at all operators on Clipper**
- 3. Financial model that mitigates or eliminates financial risk to transit operators during pilot with use of \$22 million in Transit Transformation Action Plan funding set aside by MTC**
- 4. Title VI analysis will shape final details**
- 5. Task Force and agency governing board approval will be needed in order to proceed**

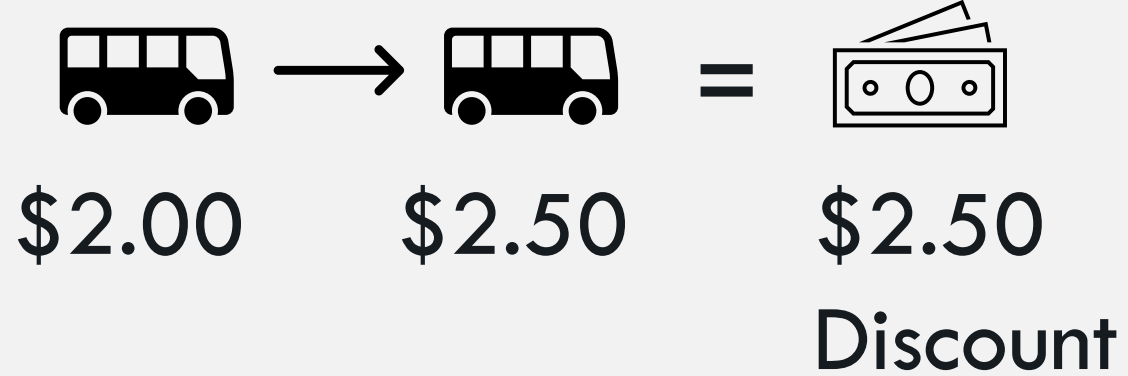
# “No-cost / Reduced Cost Transfers”

“When you make a trip that requires transferring between transit agencies, pay the full fare on just the first agency you use.

Any transfer to another agency within two hours of the first boarding is discounted up to a limit of \$2.50 per transfer”.

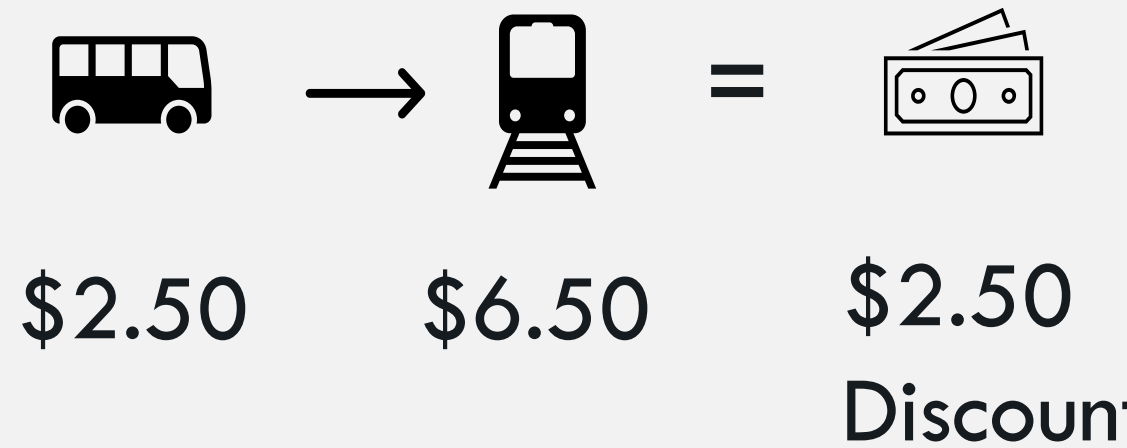


**“When you make a trip that requires transferring between transit agencies, pay the full fare on just the first agency you use. Any transfer to another agency within two hours of the first boarding is discounted up to a limit of \$2.50 per transfer”.**



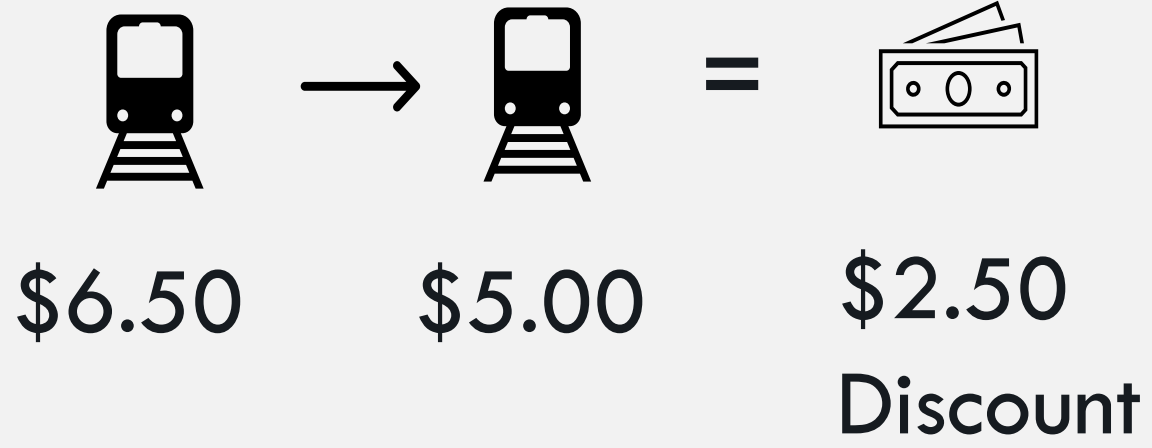
For local services, discount amount equal to the fare of the second and subsequent legs of a trip

**Local to Local Transfers**



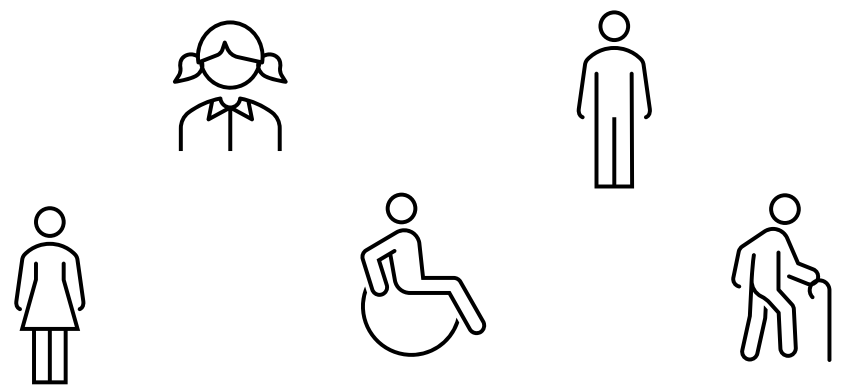
For transfers to regional services, discount is equivalent to local fare

**Local to Regional Transfers**



For regional services, discount amount is \$2.50

**Regional to Regional Transfers**



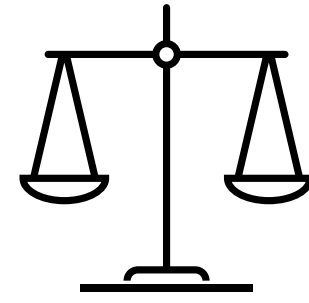
Single ride Adult Clipper fare discounted from trip, with commensurate discount for discount fare categories (e.g., Senior, Youth, etc.).  
8



Single agency passholders also receive a discount



Transfer window is 120 minutes after first tap



For funded pilot period, no interagency settlement model is imposed





# How would existing fares change?




## Local to Local Transfers

## Local to Regional Transfers

## Regional to Regional Transfers





Example Trips Under Current Inter-Agency Transfer Policies



Example Trip 1 Excelsior District, SF to San Bruno	Example Trip 2 Alum Rock, SJ to Redwood City	Example Trip 3 12 <sup>th</sup> St., Oakland to Santa Clara
<p><b>Local Agency #1</b> → <b>Local Agency #2</b></p> <p> </p> <p>Fare = \$2.50      Fare = <u>\$2.05</u></p> <p><b>Total Fare = \$4.55</b></p>	<p><b>Local Agency #1</b> → <b>Regional Agency #2</b></p> <p> </p> <p>Fare = \$2.50      3 Zones Fare = \$7.70</p> <p><b>Total Fare = \$10.20</b></p>	<p><b>Regional Agency #1</b> → <b>Regional Agency #2</b></p> <p> </p> <p>Fare = \$5.50      3 Zones Fare = \$7.70</p> <p><b>Total Fare = \$13.20</b></p>

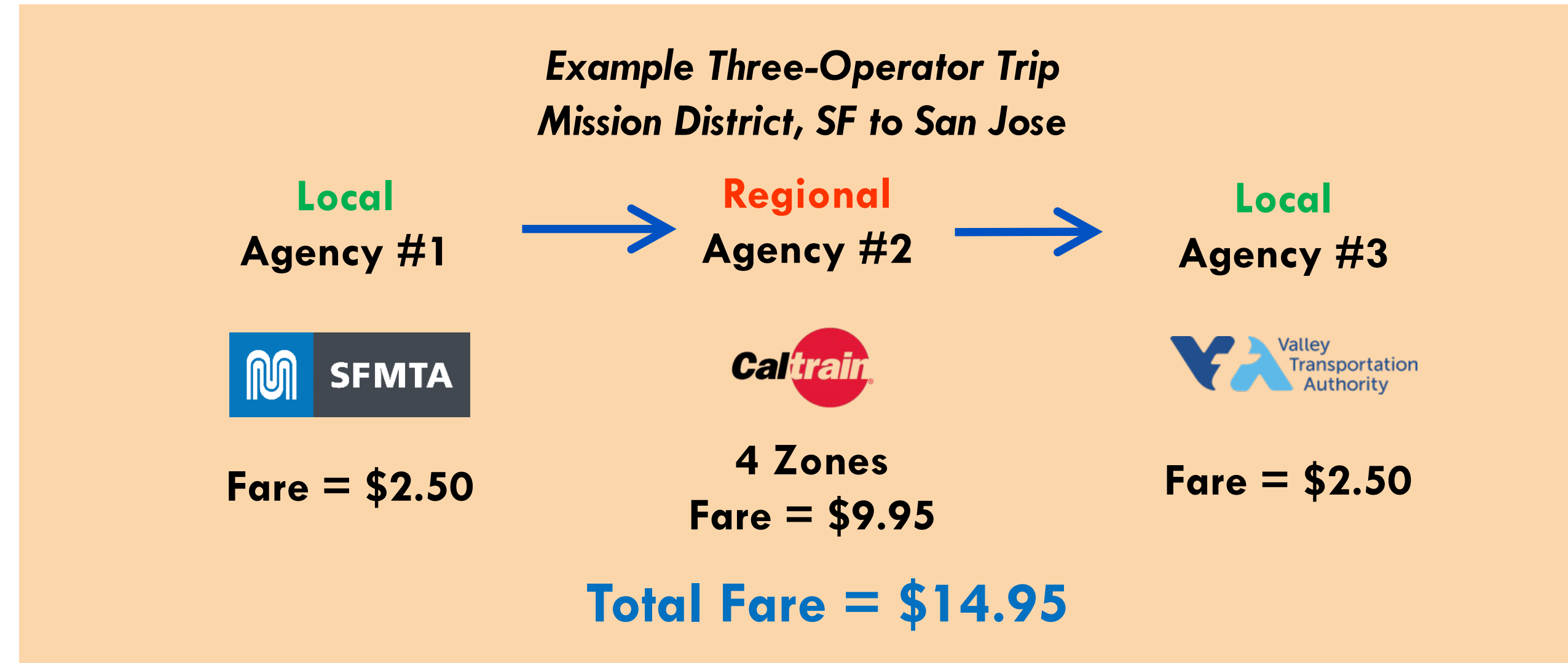
Example Trips Under “No-cost / Reduced Cost Transfers” Policy



Example Trip 1 Excelsior District, SF to San Bruno	Example Trip 2 Alum Rock, SJ to Redwood City	Example Trip 12 <sup>th</sup> St., Oakland to Santa Clara
<p><b>Local Agency #1</b> → <b>Local Agency #2</b></p> <p> </p> <p>Fare = \$2.50      Fare = <u>\$0</u></p> <p><b>Total Fare = \$2.50</b> <b>Customer savings = \$2.05</b></p>	<p><b>Local Agency #1</b> → <b>Regional Agency #2</b></p> <p> </p> <p>Fare = \$2.50      3 Zones Fare = \$7.70 - <u>\$2.50</u></p> <p><b>Total Fare = \$7.70</b> <b>Customer savings = \$2.50</b></p>	<p><b>Regional Agency #1</b> → <b>Regional Agency #2</b></p> <p> </p> <p>Fare = \$5.50      3 Zones Fare = \$7.70 - <u>\$2.50</u></p> <p><b>Total Fare = \$10.70</b> <b>Customer savings = \$2.50</b></p>

# How would existing fares change on three or more operators?

Example Trips Under Current Inter-Agency Transfer Policies



Example Trips Under “No-cost / Reduced Cost Transfers” Policy



# Transfer with Operator Monthly Pass Products

## Example Trips Under Current Inter-Agency Transfer Policies



*Example Trip*  
Sunset District, SF to Downtown Berkeley



<p><b>Local</b> Agency #1</p>  <p>Muni Fast Pass</p> <p>Fare = \$0 (Already Paid For)</p>		<p><b>Regional</b> Agency #2</p>  <p>Fare = \$4.50</p>
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**Total Marginal Fare = \$4.50**

## Example Trips Under “No-cost / Reduced Cost Transfers” Policy



*Example Trip*  
Sunset District, SF to Downtown Berkeley

<p><b>Local</b> Agency #1</p>  <p>Muni Fast Pass</p> <p>Fare = \$0 (Already Paid For)</p>		<p><b>Regional</b> Agency #2</p>  <p>Fare = \$4.50-2.50</p>
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**Total Fare = \$2.00    Customer savings = \$2.50**

## Policy Issues for Consideration:

- The new transfer rules could introduce an imbalance in foregone revenue between agencies
- Any financial impacts of monthly passes on the policy could be mitigated if operators transition to single agency “fare caps” or “accumulators” with Next Gen Clipper
- To adjust for this imbalance, some additional structure may be required in the pilot or a future permanent policy.

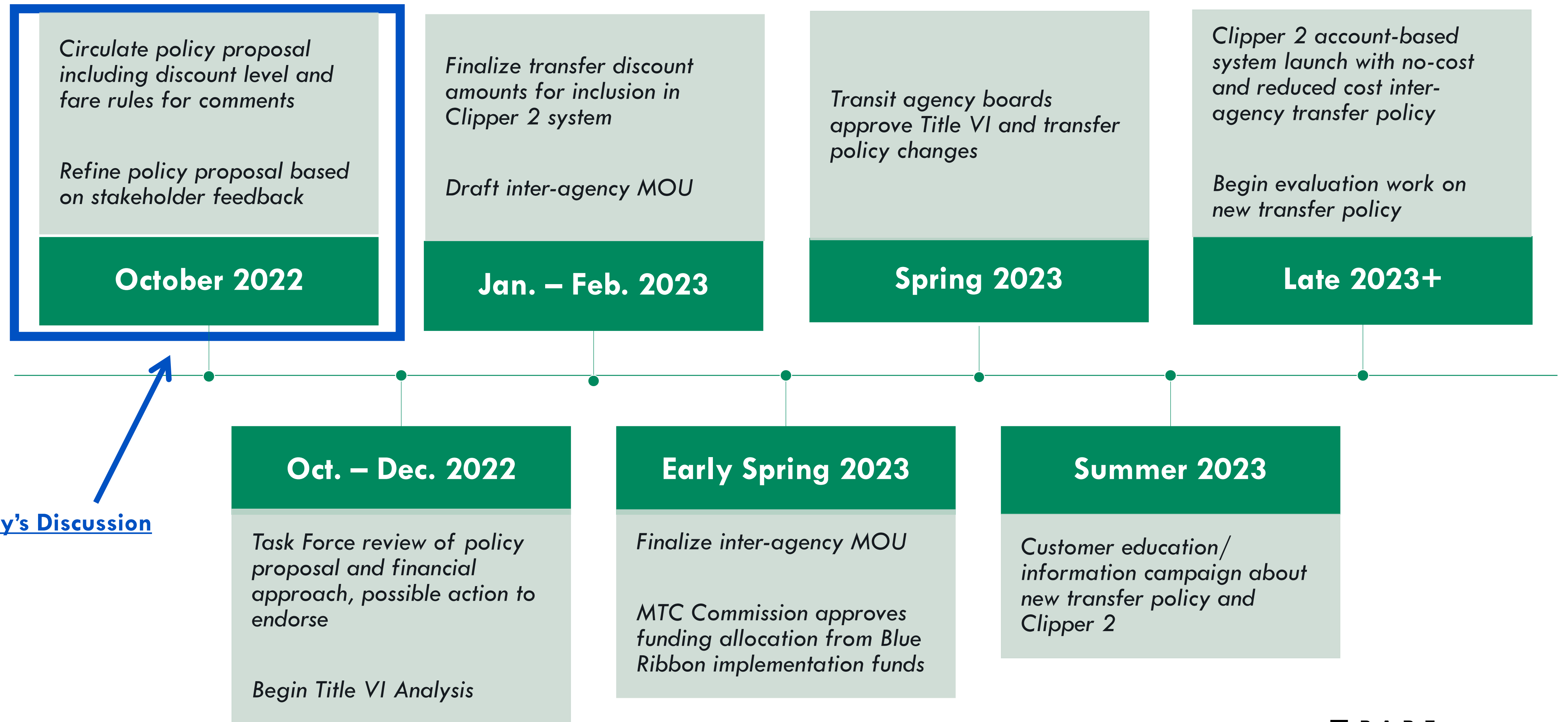


# Funding Model Considerations

- **FCIS Business Case gross revenue impact estimate was \$28.5M, offset by an estimated \$6M in revenue from new trips generated, for a net impact of \$22.5M (2021 dollars).**
- **MTC identified \$22.5M to support this policy through the Transit Transformation Action Plan funding pool.**
- **The FCIS project team proposes to use these funds to mitigate or eliminate financial risk to transit operators for participation in the proposed pilot.**
- **The pilot duration that this initial funding could sustain depends upon :**
  - **The specific funding allocation approach**
  - **Real-world outcomes (rate of growth in ridership / transfer activity, future fare increases )**
  - **The degree to which revenue from new trips generated is factored into the estimates of revenue impact**
  - **Additional funding opportunities (The FCIS project management team agencies will also seek to identify and pursue additional funding opportunities)**
- **Detailed discussion of funding model options to follow starting at the November Task Force meeting**

# Steps to Deliver “No-cost / Reduced Cost Transfers”

## Path to a 2023 Launch



# Recap: Next Steps

- **Detailed policy proposal is included in packet as Attachment A**
- **Project team will return in November to discuss a financial approach to deliver the no-cost and reduced cost transfer policy proposal**
  - **Financial approach will be for information only in November**
- **Goal is to have a policy and financial approach refined and ready for possible endorsement by Task Force as soon as December**

Draft No-Cost &  
Reduced Cost  
Transfer Policy  
Proposal

POLICY & PILOT DETAILS

