Appendix A – Preliminary RNM Option Evaluation Assessment

Contents and document organization.

This document is organized into five sections.

Section 1. introduces the document and provides an overview of its purpose.

Section 2. outlines the roles and responsibilities of the task force which were used to develop and refine the structure and is highlighted in Section 3.

Section 3. describes the other key factors and inputs that were used as the basis for design in developing the options. These include specific interviews, document review, as well as the desire to create a choice framework, consideration of good governance principles and what design variants and permutations are likely to exist under the structures.

Section 4. outlines how the assessment criteria was developed and the methodology used for scoring and assessment. This section also highlights what are considered to be key, decision relevant criteria for this phase of the process.

Section 5. individually describes and levies an assessment of each of the Regional Network Management (RNM) structure options against the evaluation criteria. A comparison summary table is included at the end of the appendix document.

1. Purpose

This Appendix provides supporting information to the July 21, 2021, *Regional Network Management Structures and Evaluation Criteria Memo*. It outlines a proposed set of potential structures for Regional Network Management, describes criteria used to assess the suitability of these structures to deliver on the roles and responsibilities outlined by the BRTF, and offers an initial high-level comparison of the structures against the criteria. This high-level assessment provides a comparative framework to inform the subsequent business case which would undertake a more detailed assessment of the benefits and costs of each structure.

2. Regional Network Manager Roles and Responsibilities

2.1 Blue Ribbon Task Force Outcomes
The BRTRTF has articulated key network outcomes the improved RNM should endeavor to achieve and has identified the relevant network roles and responsibilities that need to be managed at a regional scale to deliver on these. The consultant team provided a preliminary assessment in its May 24 Memo on Roles and Responsibilities.

NETWORK MANAGEMENT OUTCOMES	ROLES & RESPONSIBILITIES	
I. **FARES AND PAYMENT:** Simpler, consistent, and equitable fares and payment options attract more riders.	▪ Fare Integration Policy	
II. **CUSTOMER INFORMATION:** Integrated mapping, signage and real-time schedule information makes transit easier to navigate and more convenient for both new and existing riders.	▪ Branding, Mapping and Wayfinding ▪ Technology and Mobile Standards ▪ Marketing / Public Information	
III. **TRANSIT NETWORK:** Bay Area transit services are equitably planned and integrally managed as a unified, efficient, and reliable network.	▪ Bus Transit Priority ▪ Bus Network Management Reform ▪ Rail Network Management Reform ▪ Connected Network Planning	▪ Station Hub Design Review ▪ Capital Project Prioritization ▪ Data Collection and Coordination
IV. **ACCESSIBILITY:** Transit services for older adults, people with disabilities, veterans and those with lower incomes are coordinated efficiently.	▪ Accessible Services (including Paratransit) ▪ Centralized Program Eligibility Verification	
V. **FUNDING:** The Bay Area's transit system uses its existing resources more efficiently and secures new, dedicated revenue to meet its capital and operating needs.	▪ Funding Advocacy	

Figure 1- Refined list of outcomes, roles and responsibilities presented to the Task Force on June 28th

These desired outcomes and needed regional-level management roles are the touchstone for the options developed, and also for the evaluation framework assessing their outcome efficacy. Our work has not assessed whether some network roles are more important or more impactful than others. Developing a clear rationale for regional priorities will be a key action to be taken by post-BRTRTF processes, as the performance of the structures may be driven by the extent to which they support the most important outcomes near and long term. We have developed structure options that potentially could address all these responsibilities, acknowledging that each option will perform differently with respect to their capacity to address these effectively.

3. RNM Structure Options Overview

The following provides an overview of the development approach and key considerations in developing the RNM structure options.

3.1 Basis for Development

We have reviewed the many proposals for regional transport governance realignment from past reports, as well as the more current proposals prepared by individual Task Force members/organizations. No option presented is intended to entirely reflect any one RNM structure presented by a member of the BRTRTF members or their respective organizations.

In our view, there is no need to 'reinvent the wheel' on options. There is a subset of options and permutations to them for addressing the Bay Area's unique transport governance circumstance and needs. Our team instead has taken the approach of building on the good thinking and optioneering already presented and incorporated many of the design features included in those proposals and organized the option presented herein to illustrate the key option design choices (a "choice framework") for RNM, under which many design refinements may exist.

3.2 Creating a "Choice Framework"

Reflecting on the RNM outcomes and network management roles articulated by the Task Force, the structural options have all been developed to be capable of materially advancing RNM across the spectrum of responsibilities.

Our working assumption, founded on our experience in jurisdictions across North America, is that a region's ability to tackle the more challenging RNM responsibilities requires increasingly clearer and higher levels of authority, funding and organization to deliver. Accompanying higher levels of authority, funding and organization require more centralized organization and oversight models.

As discussed at the June Task Force Meeting, there are likely functional areas of responsibility that may be challenged to be region-wide at a comprehensive programmatic level (e.g. implementation of a region-wide bus transit priority program), but for which some elements (e.g. lanes or signals in cities or subareas, on a project basis) may be feasible to address through well-coordinated cooperative planning regimes.

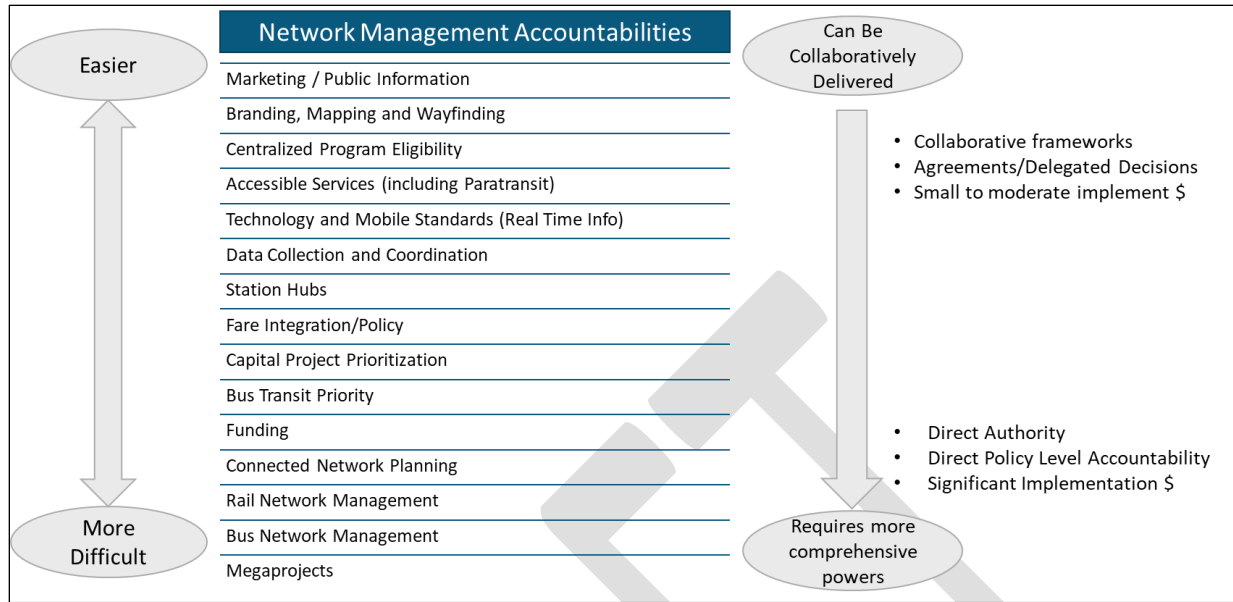| Network Management Accountabilities	Can Be Collaboratively Delivered
Marketing / Public Information	• Collaborative frameworks
Branding, Mapping and Wayfinding	• Agreements/Delegated Decisions
Centralized Program Eligibility	• Small to moderate implement $
Accessible Services (including Paratransit)	
Technology and Mobile Standards (Real Time Info)	
Data Collection and Coordination	
Station Hubs	
Fare Integration/Policy	
Capital Project Prioritization	
Bus Transit Priority	
Funding	• Direct Authority
Connected Network Planning	• Direct Policy Level Accountability
Rail Network Management	• Significant Implementation $
Bus Network Management	
Megaprojects	Requires more comprehensive powers

Figure 2 – conceptual mapping powers needed to achieve more difficult accountabilities

Our working hypothesis is that achieving some of the higher impact or transformational RNM roles (regional bus or rail) *in full* may require greater authority, funding, central organization to effectively deliver. The primary purpose of the business case will be to test that and assess *how much more* benefit and *at what cost/impact*, as well as general implementation feasibility and timing.

At the June 2021 BRTRTF meeting, we presented four options for discussion to address RNM, as outlined in **Error! Reference source not found.**. Each of these are described in detail below in the assessment evaluation section.

a) **Management versus Manager:** the extent of authority that the RNM organization has and therefore the completeness of its capability in realizing the full range of NM program outcomes from easy to hard; and then

b) **Aside the MTC or with the MTC:** how to organize and govern the entity (namely where policy authority lies and who has decision say).

The *Management* versus *Manager* choice is between:

- *"Management"* - A potentially "lighter lift" to implement RNM organization that can largely be realized through formalized collaboration within existing authorities and mandates of the region's transit two dozen transit agencies
- *"Manager"* - Identifying and establishing a singular regional transport entity to realize full-extent RNM activities independently, requiring much more effort to implement including new legislated authorities, the reorganization of existing transit agency organization accountabilities, and MTC.

The *Aside MTC* versus *Within MTC* choice is about where decision accountability should ultimately rest for RNM accountabilities. This reflects the importance of appropriately aligning policy accountability for regional network issues, and also about balancing creation of new independent structures versus adapting existing structures.

The options consolidate the main structural elements of proposals that have been discussed to highlight what the Team believe to be the two most salient and relevant transport governance decisions to make are about RNM:
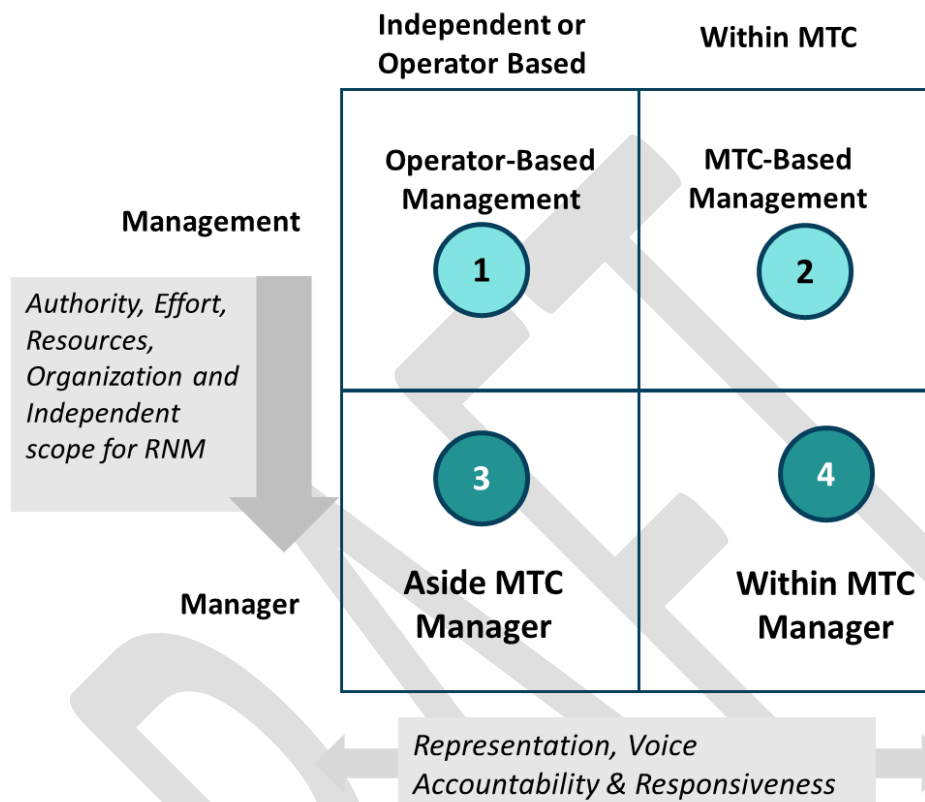

Figure 3 Structure options presented at June BRTRTF

3.3 End States and Transitional States

Governance reform is a significant regional investment and therefore should have a long-term focus. Our working premise is that governance reform should be capable of supporting achievement along the full spectrum of RNM roles over the long term to be truly effective. A key question for the business case to address: is some form of "*Manager*" RNM required to deliver on the most important benefits desired, or does "*Management*" satisfactorily achieve the majority of benefits, for the long term?

To address this, we have developed the options and are evaluating them as theoretical 'end states' engaged in a practice of delivering both near and long term RNM objectives. We recognize that pragmatically, these roles and responsibilities would evolve over time.

The Task Force has expressed that there are near term 'quick wins' and priorities for implementation. We see all the options as capable of delivering on these quick wins. If the decision emerging from the Business Case process is that *Management* suits the region's medium to long term needs best, then it would be reasonable to assume that steps towards Management and the Task Force's near-term priorities would be advanced in parallel to efforts focused on pathways to address longer term regional priorities. Similarly, if a *Manager* approach is desired, but legislation and organization may take some time, it is reasonable to expect that some form of interim *Management* regime can be established pending new entity creation to take immediate implementation action in priority areas.

These 'stepping stone' approaches to implementation can be inherent to either model.

The operators' and MTC's respective actions to date (COVID response, Action Plan, etc.) are evidence of an ability to voluntarily collaborate. In other words, aspects of the Task Force's near-term priorities may be readily achievable under any option/choice and *the ability act in the near term is not, in our view, a driving factor for longer term structure decision making*. The region may 'get on with progress,' implementing what it can today through its current cooperative processes. Structural reforms needed to tackle actions requiring higher levels of authority can proceed in parallel.

3.4 Option Design for "Good Governance"

In considering the structural design for the options developed, the team has considered principles for good governance for municipal/regional service provision, including transit. These are founded on best practice and our learnings and adapted for this context.

These include:
- **Clarity of purpose:** Clear mandate and authorities with unambiguous roles and the ability to advocate for and act on mandate
- **Accountability:** Political and administrative linkages at level appropriate to regional network decisions made (e.g. operations, management, or policy levels)
- **Representation and Voice:** The balance of representation is reflective of the organization's functional and geographic mandate and reflect an appropriate balance of interests of constituents
- **Transparency and Responsiveness:** Public and stakeholders have a clear understanding of the governance / decision-making process and decision-makers are accessible to constituents
- **Efficiency:** Is capable of making cost-efficient processes and timely decisions in the regional interest

Three considerations with respect to these principles are particularly material at this stage of evaluation:

The first is on the matter of *local* versus *regional* accountabilities. In the June BRTRTF Ad Hoc workshop, we highlighted the importance of and explored how to clearly define the placement of local and regional decision accountabilities between the future RNM and local operators (e.g. developing and implementing a Connected Regional Network Plan will require collaborations on setting priorities and common approaches that build on local best practices, while implementation would occur more actively through local programs). Establishing these 'boundary conditions/decisions' that rest with respective bodies will be important to gaining clarity and acceptance. We note that with so many agencies in the region there will necessarily be grey areas, highlighting the need for productive relationships and collaborations.

The second is on the matter of *representation* and *voice*. We observe based on the stakeholder interviews and discussions to date that it is not clear whether existing policy bodies strike the right balance in their current composition to oversee new RNM functions envisioned. Consideration of this feedback is important to enabling a successful governance structure under all options. There are both legislative and non-legislative approaches to address this in the near or long term.

The third point is on the matter of *policy* versus *management accountability*. A key design principle is that all structures should directly link policy decisions (e.g. decisions/guidance matters related to funding/taxation, fees, major resource allocation/service levels, priority setting, etc.) to a policy body.

These decisions should have oversight by a body with direct linkages to the electorate, primarily represented by elected officials or their direct appointees. Greater policy and financial impact require higher policy oversight. Management bodies then work within the defined objectives and directions, and any delegated authorities of the policy bodies to implement and manage systems, process, and investments.

We noted a significant challenge on aligning policy oversight under Option 1 – Operator Based Management in our June 2021 presentation. While the transit operators on a Management Board/Council each have direct accountability to their respective boards or policy bodies, there is no direct linkage to a *regional* policy body accountable for RNM decisions. While each operator could strive to make a regional interest decision, each holds fiduciary and interest-based duty to its agency which could ultimately result a decision on an RNM matter in its local/operator interest. Lack of reporting to a regionally-constituted policy body that manages regional resources and decisions, would limit an operator-based management model's scope and capability. This is because it would depend on the consistent application of resources and coordinated action of many agencies across many RNM roles where interests may diverge.

To address this issue and provide an operator-based management option with greater opportunity for regional resources and scope, we merge Options 1 and 2 into a singular 'Management' option. For working purposes, we assume that it reports to the MTC as the oversight policy body as the MTC may be allocating significant regional resources for RNM activities.

At this point, in the absence of a ready-to-go option for *regional* policy level oversight, and with it as a necessary condition, we have nested policy oversight of for management-level decisions under the MTC. However, we note other regional policy oversight options for the Operator Council may be possible (e.g. delegated authority or other models within MTC or aside it). The details of how a structure like this would function would need to be explored through further analyses/option development in order to better understand the trade-offs.

3.5 Option Permutations and Design Variants

Within this choice framework there are design refinements that can be applied to an option's organizational makeup. These permutations could include:

- **Representation.** Variations to composition of policy oversight, management or advisory bodies in alignment with "good governance" principles highlighted above.
- **Legislation and authorities.** Management options are assumed to be deliverable absent legislation however, legislative 'tweaks' could be made over time to augment or clarify authorities. Delegation of authorities by existing bodies may address gaps related to authority to ensure RNM deliver.
- **Operational responsibilities.** Operational responsibilities for moderately scaled operations could be possible under any of the options (e.g. a new regional bus service layer), either directly operated or contracted service.
- **Organizational consolidation.** There may be outcome, efficiency or good governance rationales for organizational consolidation of Bay Area transit agencies. Examination of consolidation is outside the scope of this study, but it has been raised in the proposals of stakeholders. Options 3 or 4 are capable of operating as pure Network Managers (no operations) or having partial to significant consolidations at establishment or over time.

4. Assessment Criteria and Methods

The assessment criteria were developed by the consultant team and revised following input from BRTRTF members, MTC staff and operators. The criteria help denote how well the structure *effectively* performs as well as *implementation* considerations.

The Consultant Team assessment of RNM structures against criteria is based on review of documents and proposals related to Bay Area transit governance pre-BRTRTF, the work of the BRTRTF to date, information gathered from consultant team interviews with BRTRTF members and the Team's professional governance experience/judgement. This qualitative approach highlights decision-relevant information and documents the relative opportunity or challenge each option might have in achieving the stated criteria.

Table 1: (Primary decision relevant criteria highlighted in blue)

CRITERIA	DESCRIPTION
Effectiveness	
System outcomes	**Transportation:** Improves local and regional mobility outcomes per BRTRTF, including ridership and user experience. **Equity:** Capable of materially advancing stated goals such as racial, affordability of access, geographic balance, etc. **Funding:** Capable of generating public confidence in outcomes being achieved, providing standing to drive new funding.
Regional Governance/ Accountability	**Oversight systems** embody sound principles and practices for responsiveness, accountability, transparency and trust (productive relationships). **Appropriately aligns oversight** (political versus management) with decision type (public policy versus operational). **For regional accountability.**
Institutional Authority/ Capacity	**Independence:** Possesses financial, policy, technical and administrative authorities to independently and expeditiously deliver on its assigned RNM mandate and duties. **Policy linkages** make direct, supportive policy and implementation connections between RNM and other formalized Bay Area growth, economic and environment mandates/organizations.
Nimbleness/ Agility	Can adapt pivot and adapt as circumstances change, to changing needs, opportunities and priorities
Durability	**Sustains** consistent singular vision, clarity of purpose, mission and resources for RNM over time.
Financial (cost effectiveness)	**Cost-effectively** deliver RNM outcomes at organization and system levels in its established, steady-state.
Implementation	
Readiness	**Deliverable in near term** initiating quick implementation of priority RNM, with little complexity, at acceptable initial implementation cost.
Capability	**Possess technical and organization capacity** to implement in transition and steady state operation.
Adaptability	**Transition state,** if required, sets stage for future end-state entity. Sets enabling behaviors, accountabilities and structures as 'proof of concept'. **Forward compatible** with longer-term expanded multi-modal mandate (active modes, micro-mobility, regional roads, etc.).
Politically supportable	**Broadly supportable** and capable of gaining necessary authorities for RNM duties; legislation and financial tools/resources from stakeholders and the public.

The financial dimensions of the assessment are captured in three areas within the criteria. It is important to distinguish between three important related but separately assessed dimensions:

- **Funding (System Outcomes) -** A net-new source of funding dedicated towards regional initiatives is a necessary condition for achieving the regional aspirations of the bay area. The makeup of a structure option will have an impact on the public mandate to generate and apply resource to regional initiatives and is assessed with these considerations.
- **Steady state costs (Financial cost effectiveness)** - Regardless of the amount or ability to generate funding, the ability to effectively deliver outcomes during a future, steady state is an important criterion. The consultant team has assessed each structure's likely ability to achieve this at a reasonable cost to the region.
- **Transition costs (Readiness) -** As an implementation criterion, the start-up costs have been assessed at a high level considering the ability to overcome these initial hurdles and proceed to implementation swiftly. Each structure will perform differently under this criterion.

While the criteria are not weighted, some dimensions of the assessment relate to more relevant questions for this phase of option development before proceeding with a more detailed business case. Important considerations at this stage include:

- *System outcomes: A*s defined by the BRTRTF goals and objectives, including ability to successfully pursue and obtain dedicated regional funding, will be a key measure of benefits and how effectively the structure will advance its purpose.
- *Cost effectiveness* as a proxy for testing the benefits against the costs that will need to be thoroughly examined at the next phase of analysis.
- *Institutional authority* The extent of authority, effort, resource, and scope relative to the RNM mandate and task. To aid in that determination, the consultant team suggests focusing on which option produces a structure that possesses the right level of and is
- *Politically supportability* with constituents and stakeholders in the Bay Area.
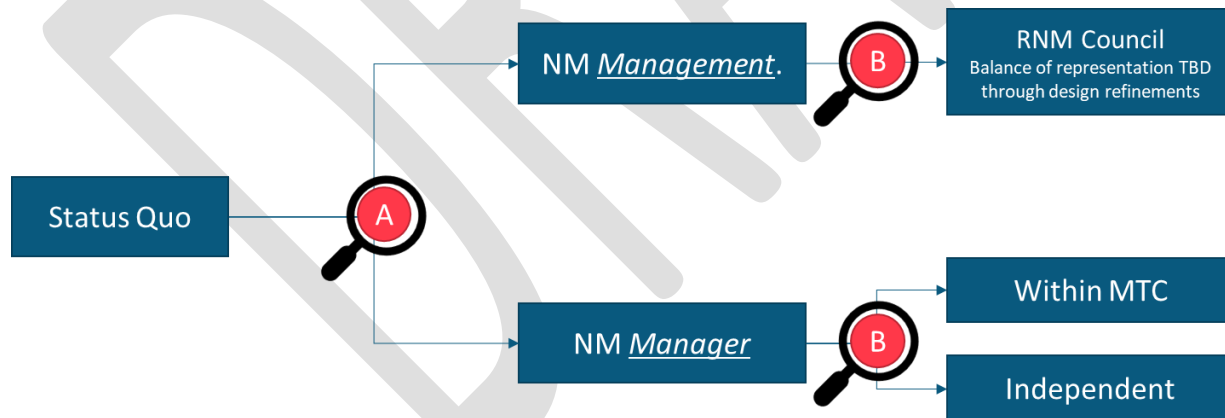

Figure 4: Decision tree

Design variants to all of the options as highlighted in section 3.5 are largely seen as downstream design optimization decision that flow from the decision on RNM scope. A material exception to this may be if a there is near term momentum for operational consolidation of major regional transit agencies. This may present opportunities or requirements for Network Manager scope, design and oversight (e.g. for defining respective network-wide roles and responsibilities or defining Network Manager-Operator model options further).

4.1 Scoring RNM structure options

We have applied a simple assessment scale to evaluate the proposed options to the Status Quo. Scoring in the assessment (as compared to status quo) is denoted on a three-point scale as:

- Neutral or unlikely to be better than status quo: ○
- Better than the status quo with some pros/cons: ◐
- Significantly better than the status quo: ●

In some cases, more information on the function/make-up of the proposed Governance Structure would be needed to fully substantiate scoring, and these are noted. Additionally, the team notes where issues remain unresolved, and further analysis would be appropriate for the future business case.
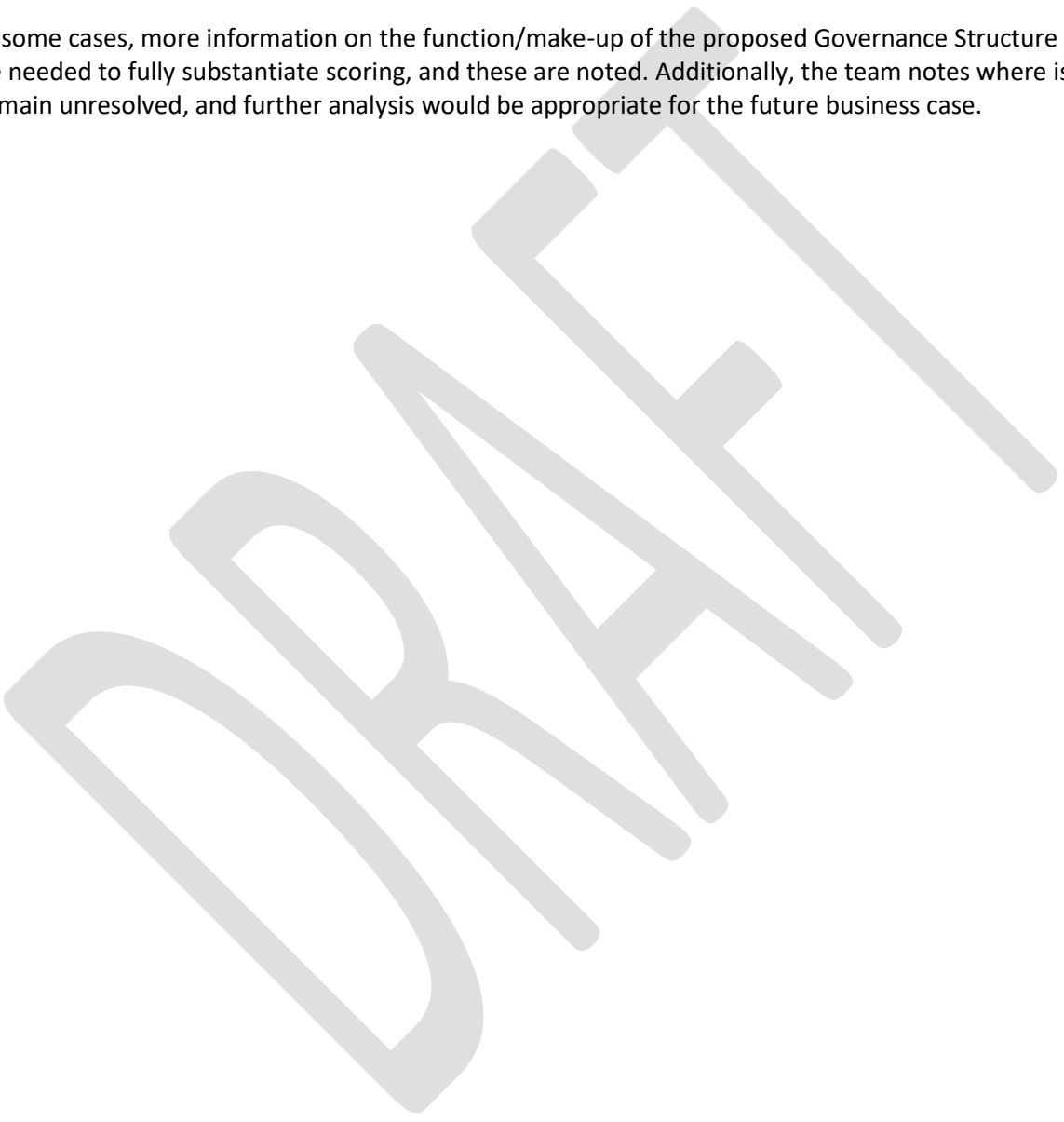
5. Regional Network Manager Options Description and Assessment

5.1 Regional Network Management Status Quo

Objective

Today, regional collaboration is achieved through an ad hoc model of regional consensus and shared decision accountabilities with MTC, transit operators and many city and county stakeholders. Regional initiatives have been overseen by groups and task forces such as the recent BRTRTF, Fare Integration Task Force, the Clipper Executive Board and the MTC Transit Sustainability Project Implementation. These active collaborations, especially during the COVID pandemic have achieved notable progress, forecasting positively for regional momentum building. Strong shared commitments among Blue Ribbon Task Force members to the BRTRTF outcomes may further strengthen agency collaboration, resource sharing, and potential intra-agency efficiencies.

Mandate, Authority, and Decision Accountability

Authorities for transit network management rest with more than 25 transit operators in the Bay Area. MTC has the mandate and authority to plan, finance and coordinate transportation regionally. MTC implements the State legislated transit coordination requirements through Resolution Res3866. It contains three key elements: (1) transit coordination implementation requirements applicable to 511 traveler information, regional transit hub signage, Clipper® implementation, maintenance of coordinated service, transit rider surveys; (2) fare and schedule requirements; and (3) regional transit information displays.

MTC is accountable to the public by way of elected officials or their appointees who have voting rights on the commission. Transit operators are responsible for delivering operating infrastructure, setting services, routes, policies, and fares. Some transit operators oversee both local and regional routes. They are accountable to their respective transit boards, comprised of elected officials (BART, AC Transit) or appointees (SFMTA). These boards are accountable to the public and their riders within their respective governing electorates though municipal, county, or transit district elections.

Funding and costs for regional collaboration

Transit operators and the MTC collaborate through a number of forums, which has stepped up during the pandemic and required additional resourcing by individual authorities. Transit operators have informed the consultant team that this is not sustainable in the medium to long term.

Funding for regional initiatives and implementation

While MTC covers regional costs, operators are expected to cover the costs and implement their own coordination roles and responsibilities. This has meant leveraging existing budgets in coordinated effort to achieve regional outcomes, such as the cost of transfer fares. There is no currently dedicated source of regional funding, specifically targeted to regional initiatives.

Representation

The Metropolitan Transportation Commission is governed by mostly elected officials from either municipal government or county supervisorial boards. With a mandate to plan and coordinate multiple modes of transportation in the Bay Area, the Commission's representation has evolved over time to fit an expanded scope.

Transit Authorities do not have direct linkages or representation on the Metropolitan Transportation Commission. However, transit agencies may have board members that also sit on the MTC by virtue

their positions on supervisory boards, or city councils. This means neither BART nor AC transit are likely to have representation because of their own directly elected boards.

Operators are commonly described as being 'large' or 'small' defined as having ridership greater or less than 5 million boardings per annum. They are not directly represented on the Commission but have several indirect avenues to report and collaborate with MTC. MTC hosts the Bay Area Partnership Board and various standing technical regional working groups that transit operators participate in (such as the Transit Finance Working Group). Additionally, the operators meet within their respective groupings, collaborate frequently and sometimes report to groups such as the BRTRTF representing the views of their small/large operator peers.

An example of formalized oversight, direction and subject-specific decision making occurs through the Clipper Executive Board. It is composed of GMs from large and small operators plus MTC's Executive Director and has a narrow policy scope. The Executive board consists of six large and two small operator representatives.

The MTC also has a Policy Advisory Council composed of appointed Bay Area residents, which directly advises the commission on a range of topics including regional planning, housing, land use, greenhouse gas reduction, public transit improvements, and new revenues for transportation in the Bay Area. The Council has two sub-committees focused on Equity and Access as well as Fare Coordination and Integration.
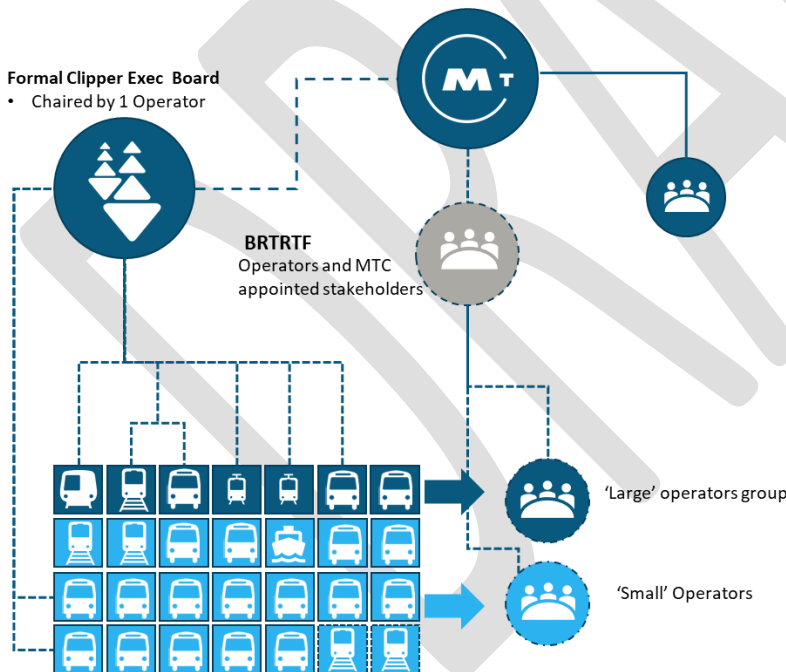
Figure 5 – Conceptual structure of existing MTC – Operator reporting linkages

5.2 Network Management | (Formerly Design Options 1 & 2):

Objective
The *Network Management* Option builds on the momentum of BRTRTF and Operator Forums for coordinated and structured decision making on defined RNM actions. It seeks to go beyond the status quo "collaboration" to formalize centralized and comprehensive leadership on regional transit coordination. This works within the existing legislative framework and respective authorities' implementation tools.

Mandate, Authority, and Decision Accountability
In the good governance principles laid out, formalized RNM requires accountability to a regional policy body to affect regional decisions effectively, and to tackle more difficult or costly NM decisions. This is a necessary condition.

There may be a number of options to establish this regional policy accountability. For the purposes of this analysis, the MTC is assumed to be the policy body. At this time, it is the only regional transport body 'ready-to-go' able to provide this oversight. With time, other variations of policy oversight could be explored such as creating a new policy oversight body within the MTC, or aside it.

For the purposes of this evaluation, the MTC could act as the ultimate accountable policy body, taking recommendations from a Network Management Board/Council. The MTC has fiduciary responsibilities for regional funding allocations upon which RNM may in part rely on, and would need to remain accountable for where regional dollars are spent. To formalize this relationship with the *Network Management* body, MTC could publicly resolve to work on specific set of activities directed by the BRTRTF action plan, setting timeframes, and delegating decision recommendations to a Board/Council. This would grant the Board/Council a clear mandate and scope for regional network management, while simultaneously outlining where transit agency boards would retain authorities that could not be fettered by the regional network management Board/Council nor MTC. These clearly defined boundaries would delineate which initiatives the group would have license to recommend which MTC-controlled funds would be allocated towards in service of regional objectives.

In this respect, existing powers and decision authorities are largely intact, although a formal authority and mandate to act is delivered through a Regional Network Management body by delegated agreement, rather than held across more than two dozen authorities.

In the near term, the sphere of influence in *Management* may be focused on the roles, responsibilities and actions identified by the BRTRTF, including but not limited to:
- Marketing / Public Information
- Branding mapping and wayfinding
- Centralized program eligibility for accessible services and discounts
- Fare and service integration

RNM roles would grow over time as regional expertise, and new funding and authorities grow.

There may be some challenges to establishing authority in this model.

- It relies on clear delineation (and agreement with two dozen operators) on the 'boundary conditions' of local/operator versus regional decision accountability.

- It may be challenged to advance actions where there is no consensus from respective transit boards. Specifically, those areas requiring significant amounts of funding and resource prioritization or where policy or implementation interests diverge, and where agencies ultimately retain authority and can choose to opt in or out.

Funding needs and costs for RNM administration
Resourcing for this structure option would be a step up from the status quo. It assumes permanent staff, either with dedicated FTEs, project staff and/or with seconded/reimbursable staff from operators. It is also anticipated that the consultants will be required on an as-needed basis and dedicated funding for resourcing costs would be provided by MTC on a case-by-case basis.

Funding for initiatives and implementation
Implementing priority actions and initiatives will require shared implementation and capital costs. In the near term, reprioritization of existing funds, redirecting MTC funding or seed funding (in part or full) from federal stimulus, could potentially fund regional initiatives. A sustainable source of regional funding streams will be necessary to deliver on some of the larger and more long-term actions identified by the Blue Ribbon Transit Recovery Task Force.

Structure and representation
It is envisioned that the makeup of the RNM Board/Council would, be composed of several key individuals representing transit agency interests. However, the final composition and makeup of the Board/Council is subject to design refinements and could vary in how it is constituted in terms of number of operators or appointees. The Council would work under the policy guidance in an adopted Regional Transit Vision and supporting plans and policies adopted by the policy body (e.g. MTC or other) and would be charged with making implementation policy recommendations and overseeing program management, delivery and progress. The Council may have some authorities delegated to it to aid timely implementation.

There are two broad representation approaches, neither of which require legislative mandates:
1) Operator-Based Council – this is bringing primarily operations-based perspective and expertise to recommendations and implementation.
2) Stakeholder-Based Council – this is bringing broader stakeholder and community interest and perspectives to the Council, which may include operators, to guide recommendations and implementation.
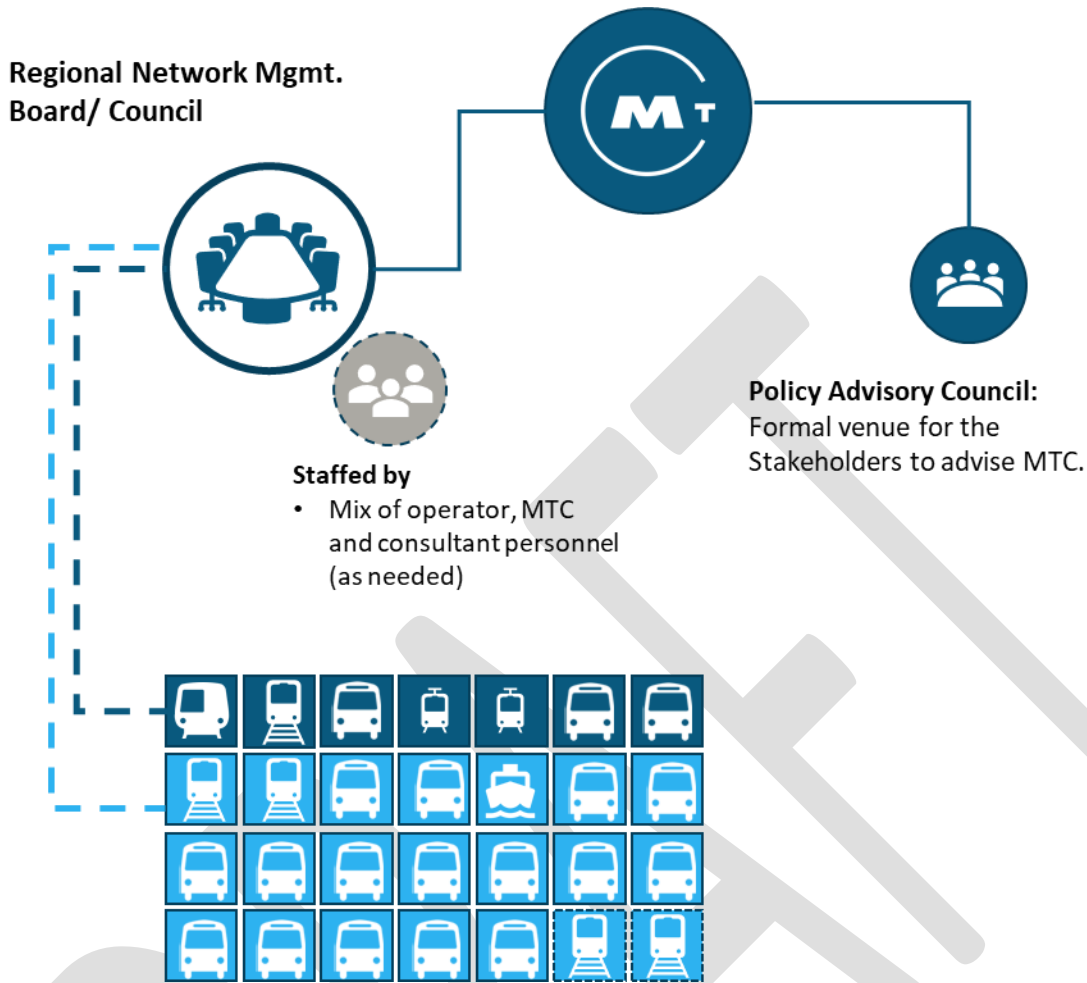
Figure 6 - Conceptual structure of Network Management Board/Council reporting structure

Outstanding questions and unresolved issues:

- **How would disagreement on decisions between the RNM and individual transit boards be resolved?**
  Under a *Network Management* Structure, transit operators remain accountable to both their local boards as well as the MTC on regional initiatives. There would likely be overlap, or lack of full definition in some areas of decision accountability between these boards. It is not clear at this stage if adequate decision accountability delineation could be agreed upon between all 27 agencies. If disagreements did arise, processes would be needed to identify which decision authorities take precedent if MTC-adopted decisions are not binding on operators.

- **When and how would new funding be secured?**
  This option also relies on extensive dialogue and collaboration for funding initiatives. The Board/Council structure could be positioned and empowered to pursue new regional funding sources. Securing new, dedicated regional funding through a ballot measure, is unlikely to be obtained before 2024, and will require MTC sponsorship. Additionally, if the Council primarily or solely consists of operators, they may be constrained or restricted from direct lobbying and using government funds to solicit support for new funding sources.

- **How would the Network Management body evolve to tackle larger, more challenging initiatives?**
  Currently the sphere of influence for *Network Management* is likely to involve RNM objectives as defined in the Transformation Action Plan as near-term priority actions. It is unclear how this structure would effectively pivot to new mandates over time.

Criteria	Assessment – Option 1/2 Network Management	Finding
System outcomes	With appropriate mandate and authorities, the body can advance many of the RNM *transportation* initiatives aimed at increasing ridership and improving customer experience. System outcomes focused on *equity* may be more limited by the accountability structures of the potential council members. Public interest in **funding** measures for new NM may be possible but may be more challenging to propose and succeed on.	◑
Institutional Authority	This structure would allow the management option to *progress independently* and progressively on several key RNM workstreams. Lack of identified regional **funding** and fuller authorities/organization for more challenging matters may limit Management's scope and pace of action. Representation of operators in either Council brings ready-made operation and delivery expertise into NM, and builds organizational **policy linkages**. Having decision-making (or recommending) body composed of individuals who serve multiple governing interests to whom they hold primary accountability can blur accountability lines, or potentially dilute regional interest decisions.	◔
Financial (cost effective)	Leveraging and formalizing the collaboration in the Bay Area on a defined list of activities should allow a right sizing of effort, (i.e. scaling up or down shared resources as needed) resulting in a more *cost-effective delivery* of outcomes and organizational administration. There will likely continue to be some duplication and redundancies of networks and systems, as well as organizations. Many participants in complex project decision-making (e.g. rail) may increase project complexity, time, cost.	◔
Politically supportable	While there is **broad public support** for many of the BRTRTF initiatives in the Bay Area, there isn't a clear preference for an ultimate end-state structure. The benefit to this proposal is it is pragmatic and workable (at least in the short-medium term) solution that could deliver actions to desired by the public and stakeholders. There may be very different levels of support of Operator or Broad Stakeholder-based models amongst those groups.	◑
Governance	This option's ability to *embody sound governance principles* requires careful consideration. With MTC acting as the policy body, this should *appropriately align oversight* on regional policy matters to a regional policy body. Other oversight options may be feasible. Ensuring appropriate representation/voice in decision-making particularly with more challenging NM roles requires consideration. Requires agreement among many parties to establish boundary conditions for operator/local vs regional decisions. Requires broad support, achieved consistently across many Council participants with primary accountability to their agency/interest. May result in suboptimal regional decision or no decision. Decision process and ultimate accountability may not be transparent to public/constituents.	◑
Nimbleness	By virtue of structuring a mandate around a fixed set of initiatives, the decision-making ability of this group will be confined to areas resolved by the MTC as the boundaries of RNM activities. This will hinder the ability to adapt to emerging directives, without new broadly supported agreement. At the same time, there remains opportunity for separate collaboration on certain types of initiatives that may over time.	◑
Durability	This structure should be able to *sustain a consistent, singular vision* and purpose short to medium term. Challenges may arise as more difficult NM roles are tackled. There may be challenges related to forging consensus between agencies of diverse sometimes divergent interests and vision.	◑
Readiness	A Network Management structure can be *deliverable in the near term*, able to implement priority actions and build on already established momentum. It is able to do so leveraging existing organizational resources, supporting quick and cost effective implementation	●
Capability	Properly resourced, this structure would possess some of the requisite *technical and organizational capacity* to address the roles and responsibilities. Some operation and technical competencies can be shared between agencies and built within the Council and more broadly MTC over time. New capabilities to address *regional* planning and implementation will need to be built over time.	◔
Adaptability	A *Network Management* structure is well positioned to act as a testbed for amassing more authority, responsibility, and mandates in the future to be able to *transition* into a *Network Manager*. This structure is forward compatible with the range of transit focused responsibilities but may struggle long-term to take on new transportation system roles and responsibilities (e.g. other modes).	◔

5.3 Network Manager | Design Option 3

Design Objective
Option 3 proposes a new agency, separate from the MTC with independent powers and authorities to lead Regional *Network Manager* activities in the Bay Area. To centralize accountability, authority, and supplement organizational resources within a reformed governance framework, Option 3 proposes a new, separate, and stand-alone entity with the legislated authority to lead a full suite of RNM initiatives. Specifically, activities that require a greater extent of authority, resources, and organizational energies relative to *Network Management* (such as implementing bus and rail management reforms, major funding and capital project prioritization).

While the new entity does add a new organizational structure to transit governance in the region, its purpose can be viewed as consolidating the current Regional NM roles held by two dozen agencies in part or full into one agency. The benefits would be to reduce existing duplicative efforts, create a strong decision authority to enhance regional decision efficiency and effectiveness, and support distributional compromise that would otherwise be subject to extensive debate. This option also provides a measure of independence for a regional forum that could build evidence-based support of transit initiatives in response to trips that cross jurisdictional boundaries. Sitting "aside the MTC" means that it has a clarity of purpose not diluted by the broader functions of an MPO and the interests it serves. These productive MPO-transit agency relationships are demonstrated elsewhere, for example in Los Angeles, Seattle, San Diego (and under different regulatory and legislative frameworks Vancouver and Montreal).

Mandate, Authority, and Decision Accountability
As principle, this structure would be set-up as a policy body with accountability to the public – that is, officials on the governing board are primarily elected official or directly appointed as delegates. As MTC currently has the mandate and some authority to plan, finance, and coordinate transportation, some of these powers may need to be transferred to the new body to avoid conflicting mandates. As well as the activities advanced under a *Network Management* Option, this new authority would be empowered through legislation to implement and undertake larger mandate and more complex activities such as:
- Comprehensive bus transit priority
- Bus/Rail reforms,
- Capital project prioritization and
- Project delivery and oversight.

Funding for RNM activities
It is envisioned that this new entity would be funded through a new, dedicated regional source likely approved through ballot measure in 2024.

With legislated powers, this structure would have the authority to coordinate with stakeholders and seek voter approval of new RNM funds. This control of purse would also extend to direct or influence a reprioritization of some existing funding, now controlled by various entities.

Structure and Representation
As a new agency separate from the MTC, this new entity with independent powers and authorities may take the form of a special district or other legislated structure. This built-for purpose board/oversight committee would make public policy decisions concerning regional network management. The entity would need all-new staff and would need to recruit to build technical and administrative capacity. The experience of other regions is that this expertise may come from pre-existing or predecessor agencies, bringing institutional knowledge and operating expertise and allowing for cross-fertilization of ideas. As a policy body, it is necessary to have political

representation in order to remain publicly accountable, but the board/oversight committee could encompass subject matter appointees or representatives from the Bay Area's transit operators.
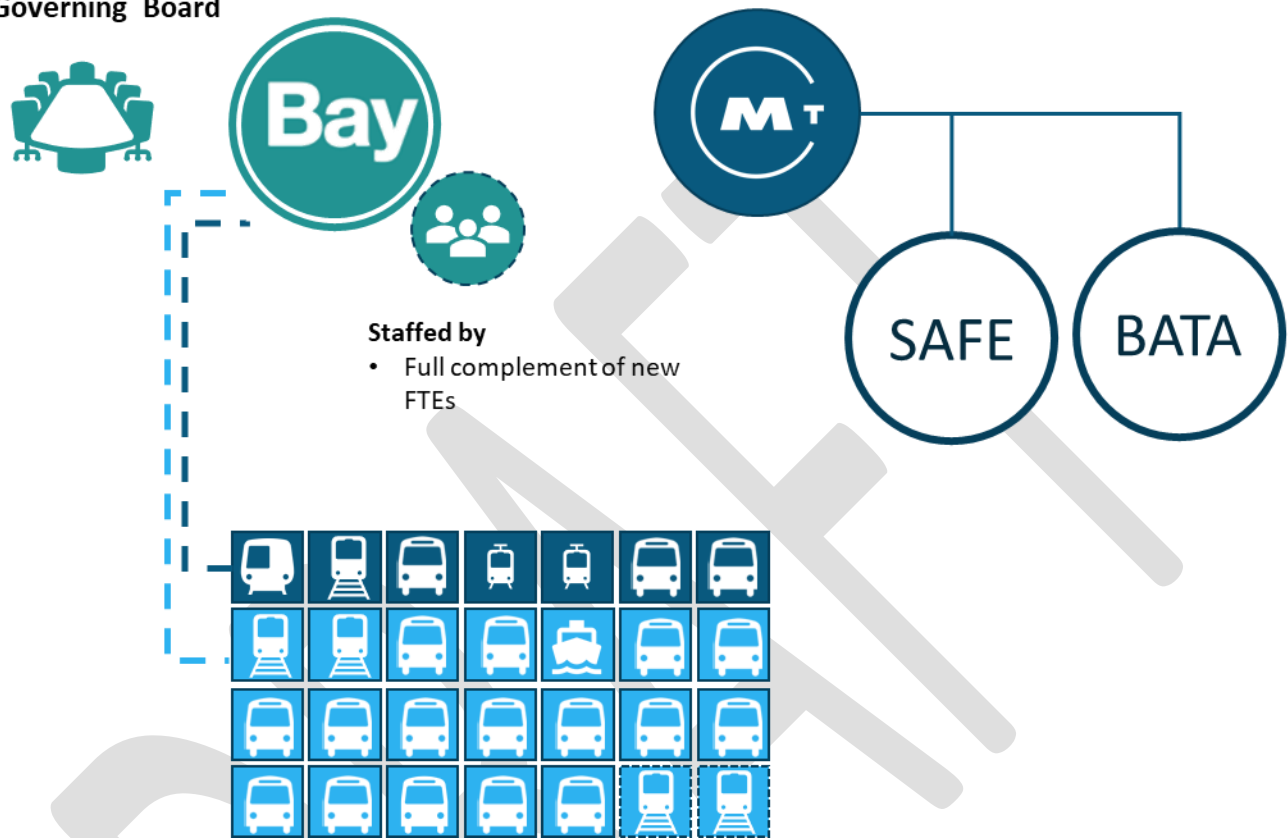

Figure 7 - Conceptual structure of Network Manager governing board

Outstanding questions and unresolved issues

- **Are there likely to be efficiencies in standing up a new Network Manger entity in the Bay Area?**
  The cost and resources involved in setting up a new independent entity are substantial but not unprecedented in both pure network manager and network manager-operator forms (Montreal, Seattle, TransLink, LA Metro). There is an assumption that consolidation of capital planning and program delivery, sequencing, regional business casing, and funding would provide efficiencies, however this assumption would need further assessment examining costs and marginal benefits. An on-going challenge with this structure option will be to ensure a new entity is lean enough to capture efficiencies while managing the total costs of operating the new regional entity.

- **How would a new entity interface with the Bay Area's other transportation, planning and policy authorities?**
  As a purpose-built entity -the design of the governance structure may lend itself to developing or maintaining strong policy linkages. The Sound Transit Board (made up of Agency board representatives) is an example of a structure that is effective in achieving these linkages though program and policy

governance coordination. As MTC would remain the MPO and designated recipient of FTA funding, it is unclear if another entity competing for with existing agencies for funding would present a challenge in the Bay Area.

- **How and when would a structure like this emerge?**
  There are several pathways for transition that would dictate how a new entity might evolve over time to adapt to an expanding mandate. It is difficult to anticipate under what conditions moving to Option 3 would be advantageous in the short term, but there may be benefits as priorities shift beyond the initial short-term priorities of the taskforce. In the near term the timing, resource, and political sensitivities will affect uploading localized responsibilities to a new entity.

Criteria	Assessment – Option 3, Independent Network Manager	Finding
System outcomes	As a built-for purpose entity, with clear policy direction to deliver desired RNM *Transportation* outcomes this option should be able to perform effectively to deliver the full suite of RNM roles and responsibilities. Similarly, with clear regional equity objectives defined, and funded sufficiently, this structure should allow for the advancement of regionally *equitable planning*, policies, decision-making, and implementation. *Funding* is materially important to achieving system outcomes; a new agency could provide a transformative vision to catalyze support for funding the vision.	●
Institutional Authority	The design of this option allows for the ability to *independently* deliver on its assigned RNM mandate and duties. However, the nature of a new entity means more energy will be required to maintain relationships with other *linked policy entities* across the Bay Area. These may take time to develop and could also be imbedded as a design refinement to ensure clear and productive policy linkages.	●
Financial (cost effective)	While this structure would likely be able to deliver more *cost-effective* RMN outcomes over time, there are uncertainties regarding where resources would be transferred, consolidated, or streamlined between MTC and operating agencies upon the creation of a new, separate authority. It is likely that administrative and service delivery could theoretically be achieved. A thorough assessment would be needed to determine whether savings would be plausibly realigned to the Manager or absorbed as savings within agencies, or some combination; also if, how and when the system benefits might exceed the costs.	◐
Politically supportable	The political supportability of a new operating entity may depend on the benefits attributed and the degree to which the *public can be confident* network integration can be achieved with aligned fares, routes, schedules and passenger information. The challenge will be the requirement to navigate new legislation, and the ability to efficiently set a new structure with public support. There will be constituents both highly supportive, and opposed, to a new entity.	◐
Governance	There are *no major constraints that structurally limit this Option's ability to embody sound governance principles*. The structure allows for either a consolidated public policy body and implementation/operational governance system or the ability to support a political Council with a management board which would *appropriately align oversight* for different levels of regional accountability. In many ways, it provides the highest and clearest levels of accountability. Requires careful consideration to define respective mandates relative the MTC and to support productive long term regional collaboration.	●
Nimbleness	The ability for the new structure to *pivot and adapt* to changing circumstances will be determined in part by social license conferred by stakeholders and the public throughout the region. It will time to ramp up, establish relationships, collaborate and coordinate with other agencies and engender trust in the Region. While a new entity has the benefit of being able to acquire the talent and expertise to suit the task at hand, this will take time. Nevertheless, this structure may be able to pivot towards new responsibilities such as capital delivery, new or consolidated operations, or multi-modal mandate.	◐
Durability	New Network Manger entities that have been developed in recent years have been able to endure various challenges, shocks and stressors to *sustain a vision* and iteratively build resources over time. (E.g., Sound Transit, Metrolinx)	●
Readiness	Creating a new, separate entity to undertake RNM activities with new legislated authorities would take a considerable amount of time to implement. While some initiatives could be advanced *in the near term, there are risks* that organizational energy may be directed toward setup rather than implementation. Additionally, many RNM initiatives would require collaboration and linkages with other Bay Area institutions. These relationships will require time and focus to build and maintain	○
Capability	Provided with sufficient funding and clear mandate, a new entity can acquire *technical and organizational capacity*, although this may require drawing from existing regional capacity in the interim.	◐
Adaptability	During the establishment of a new entity, processes and accountability structures can be designed to *transition* into *desired end-state capability.* There will be tradeoffs inherent with designing a new authority to fulfill an anticipated future mandate as not all future directives and opportunities (such as a multimodal mandate beyond transit) will be apparent at the outset.	◐

5.4 Network Manager | Design 4

Design Objective
To centralize accountability, authority, and organizational resources for RNM within the MTC by developing new legislated powers that clearly recognize MTC as the responsible authority for implementing a full suite of RNM initiatives.

The key distinction between *Network Management* and the *Network Manager within MTC Structure Option* is the presence of new legislated authority to undertake expanded RNM responsibilities beyond what can be achieved with existing authorities. This may include adoption of substantial new powers specific to funding, bus and rail management reforms and capital project prioritization.

Mandate, Authority, and Decision Accountability
A broader and more explicit mandate for network management would be derived from a new legislatively defined mandate, in a similar way to how the Bay Area Toll Authority was created in the late 1990s. This would also centralize authority and equip MTC with the powers and tools to undertake larger and more complex RNM activities. Decisions made under the RNM would be binding for the operators to carry out and implement. Option 4 proposes a new unit within MTC to be set up and overseen by MTC. Because MTC would remain ultimately accountable for policy decisions, the makeup of the *Network Manager* Board would not have to be composed of elected representatives because public policy accountability is maintained by a clear line to the MTC.

Funding needs and costs for RNM administration
Housing the Network Manger within the organizational structure of the MTC may need adjusting as the entity would likely increase the MTC overall headcount with a number of new, dedicated fulltime staff. The effect is to establish a new transit organizational unit within the MTC, not dissimilar to Option 3 in technical capability, but leveraging the efficiency of existing organizational, decision and political infrastructure of the MTC.

Funding for RNM activities
MTC would remain the MPO and would also coordinate with stakeholders to seek out new, dedicated funding sources for RNM actions. To undertake activities in the near term, resources would be needed to advance priority projects. It is assumed in the near term that all activities will need to be cost-shared or redirected from existing funding sources. One of the anticipated legislative authorities for this option would be to reprioritize and redirect funding for RNM activities.

Structure and Representation
This proposed RNM is structurally similar to that of other MTC units or divisions such as the Bay Area Toll Authority, (administering programs and allocating revenues). Under this structure it would be possible to have a board or committee composed of transit representatives, MTC appointees or a mix of both to oversee RNM programs. MTC would maintain public policy accountability, which means there are a broad number of representation options and permutations that could be developed to serve regional transit interests.
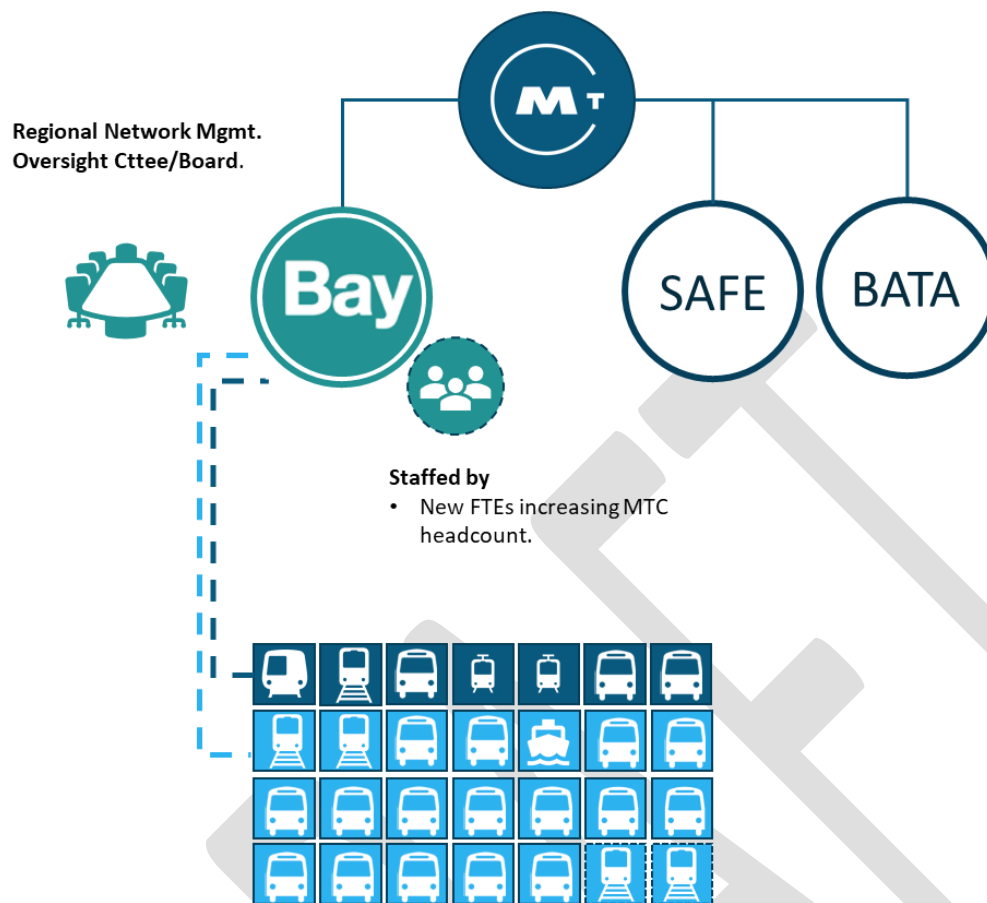
Figure 8 – Conceptual structure of Network Management Board/Council reporting structure

Outstanding questions and unresolved issues

- **Will consolidating so many transport mandates within MTC pose challenges for maintaining clarity of mission and purpose?**
  Both *Network Manager* Options (3 and 4) present distinct approaches to challenges articulated during the course of this assessment. At this time, the full set of advantages or disadvantages in housing regional network manager functions in a large multidisciplinary transport organization are not apparent and will require more detailed assessment.

- **What would be the impacts to MTC?**
  Option 3 might be pursued if MTC is seen as insufficiently equipped in future capacity, governance, or representation to oversee the regional interest. While the current makeup of the MTC Commission's members is outside the scope of this analysis, there may be an opportunity to revisit representation as a design refinement to Option 4. Notwithstanding specific change to political representation, Option 4 would still require significant transformation of a mature organizational culture to incorporate a new functional need. This new combined entity would need to fairly navigate multiple missions as both MPO and RNM. While it is rare for an MPO to also operate as a transit network manager or operator, it is not unprecedented. Some MPOs (such as RTC in southern Nevada) function as dual entities.

Criteria	Assessment – Option 4 MTC as Network Manager	Finding
System outcomes	As a new built-for purpose unit within MTC, this structure should be able to perform effectively against RNM *Transport outcomes* provided capacity and expertise is successfully acquired. Similarly, with clear regional equity objectives defined, and funded sufficiently, this structure should allow for the advancement of regionally *equitable planning*, policies, decision-making, and implementation. *Funding* is materially important to achieving system outcomes. The MTC with a dual function as the MPO to be able to integrate decisions on funding and prioritization and generate support for new funding. With the MTC's many other accountabilities, its ability to sustain the Manager's clarity of purpose needs to be weighed against the benefits of regional transport policy integration.	●
Institutional Authority	Designating a new Network Manager within the MTC means that the structure will benefit from *policy linkages* to planning, funding and investment decisions at the regional level. This should allow for quick decision making to progress RNM activities. While the structure is *not entirely Independent of MTC*, it does allow for a clear body with financial, policy, administrative and technical capacity for RNM activities.	●
Financial (cost effective)	There may be several advantages of scale to housing the RNM structures within an existing entity. Some decision authority would be delegated from MTC but there would still likely need resources to set up and administer. It is expected to be able to *cost-effectively deliver* RNM outcomes over time.	●
Politically supportable	The political *supportability* of a new regional manager within MTC will rely on the belief from the public and stakeholders that the entity is capable of gaining and administering tools, authorities and resources to successfully deliver RNM activities. To a large degree the organizational track record of the recent past and its ability to manage determine the support for Network Management in the future.	◐
Governance	There are *no constraints that structurally limit this Option's ability to embody sound governance principles*. The structure allows for clear *public policy oversight* through the MTC and can be set up to draw from Bay Area operator expertise on the board/council to ensure responsiveness and productive relationships are maintained.	●
Nimbleness	As needs and circumstances change, this structure may be able to *pivot and adapt* to emerging directives or new mandates. The degree to which the entity will be able to pivot will depend on the willingness for MTC to fulfil the needs and gaps as RNM work progresses. There will be a balance to maintain in ensuring that focus is maintained while right sizing a new organization to fulfill the RNM mandate.	◐
Durability	While few longstanding examples of newly imbedded RNM entities exist, there is nothing to suggest housing the RNM within MTC will limit their ability to *sustain a mission and vision over time*. Having operating responsibility for tolls, Clipper and freeway operations may be an indicator of durability.	●
Readiness	With several mandates and authorities to coordinate transportation in the Bay Area, the MTC is well positioned to advance RNM activities *in the near term*, provided they have broad support from operators and stakeholders. More legislative authority may be required over time to advance a full suite of activities, but this needn't halt progress on achievable, short term actions.	◐
Capability	While not currently structured or resourced to deliver a full suite of RNM activities, *technical and organizational capacity* could be acquired locally or recruited more broadly in the short term.	◐
Adaptability	As a large regional organization, the MTC should have the ability to prepare for and effect change in the Bay Area's transportation through a *transition phase*. Processes and accountability structures have been changed in the past to adapt to new mandates; Sets the stage for an option to build trust and centralize leadership to be *forward-compatible* with a future Network Manager.	●

Assessment Summary Table

This table provides a comparative summary of the differences between the options, more detail on the assessment of each structure is contained in the preceding sections of the report.

Criteria	Option 1/2 Management	Option 3 Manager (independent)	Option 4 Manager (MTC)	Summary Comments
System outcomes	◐	●	●	Delivering on the full suite of regional system outcomes will be more challenging under the Network Management option. Management is primarily within the existing legislated framework and thus has less authority to implement the more challenging network responsibilities or ability to generate new regional funding.
Institutional Authority	◐	●	●	The Network Manager options would be purpose built with the financial, policy, technical skills to address the full range of regional roles and responsibilities.
Financial (cost effective)	◐	◐	●	Option 4 is potentially more cost effective because it will be able to make use of existing MTC resources for certain functions, and over the long term able to harmonize expenditures that might today be duplicative.
Politically supportable	◐	◐	◐	All options are likely supportable by some stakeholders across the region in different ways and each have unique acceptance challenges.
Governance	◐	●	●	The potential for conflicting perspectives and priorities may emerge from the dual accountabilities (local and regional) under the Network Management model.
Nimbleness	◐	◐	◐	Each option provides some qualities that would enable nimbleness, though each is different. Network Management is challenged in terms of the need to get consensus to a high common denominator. The others may have more rigid roles as prescribed by legislation/mandate.
Durability	◐	●	●	The purpose built and legislated Network Manager options would have greater durability as its mandate and powers are prescribed in law. Network Management models relying more heavily on consensus-based decision-making and sustaining/renewing agreement between many parties on its mandate and priorities.
Readiness	●	○	◐	Drawing on a range of existing capabilities, the Network Management model could be advanced more quickly in the short term, whereas Option 3 would be the least ready, needing all functions to be built from the beginning and requiring greater legislative reform.
Capability	◐	◐	◐	The technical capabilities to implement the full range of regional roles and responsibilities will need to developed/acquired for all of the options. Management may have greater ready-to go capability in the near term and Manager will be capable of built-for-purpose regional-scale capability over time.
Adaptability	◐	◐	●	If consensus is reachable, Management may be able to pivot quickly as direction is not externally mandated (via law). All options can incorporate multimodal mandate beyond transit – drawing on MTC's past experience adapting to changing mandates, Option 4 could provide the greatest/easiest opportunity to adapt in this way.