

Regional Network Management Committee Customer Advisory Group

November 18, 2025

Agenda Item 4a

Next Generation Clipper® Update

Subject:

Overview of implementation progress and upcoming enhancements for the next generation Clipper system, along with plans for starting customer transition next month.

Background:

Clipper continues to be a great success story for Bay Area transit. Clipper today serves as the fare payment system for riders on 24 transit services while maintaining high customer satisfaction. Clipper has a network of over 200 retailers that are available for customers to add value. The new system expands this reach to 400 retailers and provides incentives for the Clipper contractor to secure retailers in equity priority communities. The next generation Clipper system will begin transitioning customers to the new system on December 10, 2025. MTC staff are partnering with transit operator staff to prepare for the new system with training for public facing components (e.g. fare inspection devices and customer service terminals) as well as for settlement and other back-end system features.

The Clipper system today is delivered through a single vendor contract. The next generation Clipper system is being delivered through several distinct contracts, with the goal of having best-in-class service with the most management control. The region's transit operators have actively participated and provided oversight through the Clipper Executive Board (CEB) in the new system's design, installation, and testing. The next generation Clipper system will serve as the backbone to provide many of the regional fare integration and accessibility features from the Bay Area Transit Transformation Action Plan.

Over the past few years, customers have embraced a key feature of the next generation Clipper system: the ability to use Clipper cards within mobile phone wallets. Today, nearly 40% of all Clipper taps are made using mobile devices. Starting December 10, 2025, the new Clipper system will begin upgrading customers and granting access to next generation features, including regional transfer discounts between operators.

The new system will maintain the strengths of the current program and will offer improved features, products, and services that will make transit-fare payment faster and more convenient, including:

- **Instant value:** Clipper's transition to a cloud-based system allows for instant availability of added value or passes on plastic and mobile cards no matter how value is added — eliminating wait time. An improved auto-reload function allows customers to customize both the reloading amount and the schedule of reloading.
- **Free and discounted transfers:** Riders who use more than one transit agency in a single trip (e.g., Muni to SamTrans) will only be charged full fare on the first operator. A transfer discount of up to \$2.85 will apply on any additional transit agency the rider uses within a two-hour window.
- **Managing multiple accounts:** Clipper's transition to a cloud-based system will enable families to manage multiple registered Clipper cards through the Clipper website or app.
- **Apply for youth or senior cards online:** The new Clipper system will give youth and senior riders the option to apply for their discount program online in addition to applying in person or by mail.

Additionally, the new system will make it easier to offer incentives and promotions for using Clipper and manage programs offered through employers, universities, and other organizations. Occasional riders will soon enjoy greater convenience with the next generation Clipper system, which will accept Visa, Mastercard, American Express, and Discover credit and debit cards directly at Clipper readers for fare payment. This feature was phased in on BART on August 20, 2025. On December 10, 2025, credit and debit cards will be accepted on all transit agencies (via Clipper readers). Users will be charged the adult rider fare and eligible for transfer discounts between operators. Discounted fare categories will not be available on credit and debit cards at launch, but this is on the roadmap for future consideration.

Transition Overview

During Customer Transition, all Clipper accounts, cards, value, passes, and products will be migrated (“upgraded”) from the card-based system to the Account-based system. We plan to start with discounted fare categories, which we expect to fully transition within the first month. Within the first several months, we anticipate having upgraded active users (approximately 5 million) and, at full transition, upgrades to a total of roughly 13 million cards. There are two ways in which a customer’s Clipper card and account will be upgraded.

The first upgrade path requires no action from the customer. The upgrade will be handled automatically by a back-end scheduling system. The system uses predefined criteria to identify eligible customers and automatically places them on the upgrade list. The first groups to be transitioned will include those in discounted fare categories—such as Youth, Senior, Regional Transit Connect (RTC) (being rebranded as Clipper Access), and Clipper START participants. The second upgrade path enables customers to self-initiate the upgrade process. For registered Clipper customers, all Clipper cards associated with their Clipper account will be put on the upgrade list if the customer takes one of the following actions after the start of customer transition:

1. Logs into clippercard.com
2. Logs into the Clipper mobile app

All Clipper customers, including those with unregistered Clipper cards, can also initiate the upgrade process by calling the Clipper Customer Service Center and speaking with a customer service representative.

Once their cards are placed on the upgrade list, customers must tap their plastic Clipper card on a Clipper reader to finish the upgrade process. Mobile Clipper cards will be upgraded directly within the phone wallet.

Communications

MTC is partnering with transit operators to communicate to the public about the next generation Clipper system with a co-project management model where a transit operator staff member from the Santa Clara Valley Transportation Authority (VTA) is working together with MTC Clipper staff to ensure alignment on communications direction. In addition, we are providing operators with a robust toolkit and a detailed guide designed to support customer-facing marketing and education efforts. These resources will help frontline staff confidently assist riders and promote awareness of the upcoming changes. MTC is planning a series of campaigns to roll out the new system:

- We posted a blog story on the MTC website the day the Clipper Executive Board approved launching December 10, and the story was picked up by multiple news outlets.
- For the soft launch on December 10, we will be running three campaigns:
 - Pay with a bank card on all Bay Area transit – contactless is available for all
 - Get charged correctly – to help people avoid card clash
 - Check your balance – to help people who can no longer see their balance on the Clipper readers
- Once everyone has been placed on the list for migration, we will execute a hard launch campaign that highlights the features and benefits of the new Clipper system.
- For all campaigns, we will be using:
 - Digital ads
 - Social media ads
 - Out-of-home ads (interior car cards, transit shelters, in-station ads, etc.)
 - Media relations
 - Coordination with transit agencies and advocacy groups

Issues:

None identified.

Attachments:

- Attachment A: Presentation