Regional Network Management Council

July 27, 2026 **Agenda Item 7b – 26-0847**

Delivering on the Fare Policy Vision for Customers - Reflection on the Journey and Looking Forward

Subject:

An update of recent regional fare coordination and integration efforts, progress on current customer-focused fare policy improvements, and consideration of future opportunities.

Background:

Transit operators, in partnership with each other and with MTC, have for many years advanced efforts to improve the user experience of paying transit fares. These efforts have included both the development of the Clipper (formerly TransLink) system as well as numerous efforts to harmonize fare policies stretching back decades.

Since 2018, two major studies, the Means-Based Transit Fare Study and the Fare Coordination/Integration Study and Business Case, have resulted in new fare programs and policies being implemented (initially as pilots) by Bay Area operators via the Clipper system:

- Clipper START means-based fare discount – 50% discount off the adult fare for users living in households earning up to 200% of the federal poverty level. Clipper START transitioned from a pilot to an ongoing program in 2025.
- Clipper BayPass Pilot – The first unlimited use transit pass accepted by all Clipper operators. Clipper BayPass is sold to employers, institutions, residential properties, and transportation management associations and operates on a model similar to insurance whereby Clipper BayPass is provided to all individuals who belong to a defined population (employees, students, residents, etc.).
- Free/Discounted Transfers Pilot – Starting in December 2025, together with the launch of the Next Generation Clipper system, users have benefited from the first Bay Area-wide transfer discount, which offers users up to $2.85 off their fare whenever they transfer between operators within 120 minutes from the start of their journey. The discount amount is set at the highest local bus/light rail fare to ensure that users always receive a free local transit transfer.

At the conclusion of the Fare Coordination/Integration Study and Business Case in November 2021 the Clipper Executive Board's Fare Integration Task Force and the MTC Executive Committee both adopted a Bay Area Transit Fare Policy Vision Statement (included as

Attachment A), which laid out four key policy initiatives to advance for further study. The first two of those policy initiatives have been delivered as the Clipper BayPass Pilot program and the Free/Discounted Transfers Pilot program.

Nearly five years after adoption of the Bay Area Transit Fare Policy Vision Statement, it is appropriate to reflect on progress made, the work still ahead, and the path forward. Collectively, MTC and transit agency staff are focused on delivering and enhancing current fare initiatives and pilots to improve the customer experience, while also recognizing future opportunities for greater coordination and integration. Advancing additional fare policy actions will need to be considered within the realities of today's funding and resource constraints and informed by ongoing stakeholder engagement.

Issues:

None identified.

Recommendations:

Information only.

Attachments:

- Attachment A: Bay Area Transit Fare Policy Vision Statement
- Attachment B: Presentation

Attachment A

As adopted by the
Clipper Executive Board's Fare Integration Task Force on November 15, 2021

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:

- Implementation will not require the transfer of locally sourced funds between transit agencies.
- Prior to implementation of any of the Transit Fare Policy Initiatives, new funding sources will be sought to offset adverse transit agency revenue impacts resulting from implementation.
- Implementation of any of the Transit Fare Policy Initiatives will require approval by the appropriate transit agency governing body.
- Implementation of any of the Transit Fare Policy Initiatives shall not result in a reduction of transit agency operating service levels.