



Operations Committee
Attn: Martha Silver/msilver@mtc.cs.gov

Re: Item 3a. Next-Generation Clipper® (C2) Fare Payment System Integrator Request for Proposal

Dear Chair Cortese and Operations Committee members:

SPUR is a member-supported nonprofit organization that promotes good planning and good government in the San Francisco Bay Area through research, education and advocacy. Improving public transit and increasing transit use in cities are core priorities for our organization.

The existing Clipper system represents a significant advancement in transit coordination for the Bay Area's many transit services; nonetheless, it has many shortcomings. The Clipper 2.0 upgrade presents a tremendous opportunity for the region to address and correct for the system's limitations. Clipper 2.0 is poised to solve for many of the system's existing pain points, such as: making it easier for customers to acquire cards and add value to a Clipper account; allowing customers to use other methods, such as mobile devices and wearables, to pay for transit; and making it possible to use Clipper to pay for parking, bike share and paratransit.

However, we think a key pain point continues to be under-addressed: fare policy.

Addressing fare policy can also help improve the usability and appeal of Clipper. Transit riders in the Bay Area have to contend with an array of different transit fares and passes. Disparate fares can make using transit confusing. Employers cannot purchase or subsidize transit passes that match how their employees use — or could use — transit. For trips that happen to require multiple operators, riders must pay two or more different fares. Low-income riders feel this transfer penalty most acutely and can be priced out of public transit and the opportunities it provides as a result. Using more than one operator, as the staff report notes, is not a rare activity, but rather something that happens frequently: Over the course of a year, *more than half* of all Clipper cards have been used to complete a multi-operator trip. The challenges today's fare policy landscape present all ultimately land in the same place: your Clipper card.

The promise of Clipper is that it would streamline transit use for the region's riders, enabling riders to hop between Bay Area buses, trains and ferries without pause. But today's fare policies introduce friction into the experience, effectively undermining Clipper's main selling point.

Clipper is, essentially, moving to a new, custom built home and moving provides a rare opportunity for reflection. Yet as it stands, current fare policies will be replicated in Clipper 2.0.

By not exploring and analyzing regional fare coordination in advance of Clipper 2.0, we are not taking full advantage of opportunity provide by the upgrade. The time for bold moves and strategic thinking is now.

Other regions— Seattle, Portland, Sydney, and London— show that it is possible to streamline and simplify fares and create cross-agency fare products that can help grow transit ridership— and that the ideal time for these changes is *before* transitioning to a new system. Industry experts recommend taking this approach, noting that system delivery is faster and more reliable if fares are streamlined first.

It is encouraging that Clipper 2.0 is being designed to make it easier for transit operators to make changes to their fare policy. It is further encouraging that efforts have been made to align fare categories, as BART, for example, recently expanded its youth discount age to 18. These are welcome, important improvements, but they are not enough. These changes will not address the many ways the current fare policy landscape makes it challenging for the region to realize the promise of transit.

MTC recently conducted a Means Based Fare Study to understand how the region could make transit more affordable for low-income transit riders. Through the process of talking to riders and studying different discount options, policymakers and transit operators have been able to meaningfully engage on the topic and work towards solutions. SPUR recommends that MTC engage in a similar process for fare policy. **We ask that MTC lead a fare coordination study, complete with costs/benefits and tradeoffs and offer the Committee choices on how to tackle the problem before Clipper 2.0 launches.** The goal of this research should be to reduce the complexity of fares and analyze fare policies and products in order to grow transit usage and encourage the seamless use of multiple operators.

Fare policy is the building block of Clipper. Ultimately, we can't make Clipper a more attractive, usable product — one that truly encourages the seamless use of multiple operators and helps to grow transit's market share — without addressing fare policy.

Thank you for your consideration. Please contact me at afleisher@spur.org or 415-644-4280 with any questions.

Sincerely,

A handwritten signature in cursive script, reading "Arielle Fleisher".

Arielle Fleisher
SPUR Transportation Policy Associate