



**Agenda Item 4c**  
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TO: Clipper® Executive Board

DATE: October 30, 2018

FR: Carol Kuester

RE: Current Clipper® Program Update

### **Background**

Clipper staff last updated the Executive Board on the ongoing overall work and projects related to the current Clipper system at the December 2017 Executive Board meeting. This memorandum is to update the Clipper Executive Board on the current overall program. The Clipper system is currently processing 20 to 22 million transactions monthly and is settling nearly \$54 million in monthly revenue.

### **Transactions and Sales**

Clipper transaction volumes recovered from normal seasonal lows expected every summer, and fee-based transactions in September topped 23 million. Transactions and sales continue to grow due in large part to customers' ability to purchase Clipper cards from ticket vending machines. Average weekday ridership in September was up 4.8 percent from August and was up 12.5 percent from September 2017.

### **Clipper Card Dispensing**

Over the last year both BART and VTA have been working to retrofit their ticket vending machines to dispense Clipper cards. BART has retrofitted 127 machines and currently has at least 2 machines in each station that can distribute cards and has distributed approximately 625,000 cards. As a result, the market penetration for Clipper on BART has increased to 81%. VTA began retrofit work on a limited number of machines in July 2018. Full implementation with Clipper card dispensing at all VTA machines is expected December 2018. Caltrain will also be retrofitting 12 ticket vending machines to distribute and add value to Clipper cards. This work is expected to be completed in December 2019.

### **Other Implementation and Enhancement Projects**

Other noteworthy implementation and enhancement projects for the Clipper system include:

- Replacement of add value machines – while the Salesforce Transit Center is closed, staff is (1) working to replace the add value machines to support the re-opening of the Temporary Transbay Terminal and (2) providing information about alternative add-value locations through the website, social media and customer service channels.
- Modernization of communications network – replacing frame relay circuits at 121 sites which should be complete in November 2018, which results in faster speeds and more dependable telecommunications. Work is in progress at BART, Caltrain and SamTrans.
- SFMTA implementation of Clipper on the Central Subway – scheduled for completion in November 2019. Clipper equipment installation work will begin in February 2019.
- San Francisco Bay Ferry New Richmond terminal and SF terminal expansion – expected completion in 2019. Clipper equipment installation in Richmond is pending completion of operator work, and existing gate in San Francisco will be addressed in 2019.

## Partnerships

Since the launch of Ford GoBike all stations have incorporated a Clipper card reader which allows members to use their Clipper card to unlock a bicycle, and Ford GoBike has allowed members to supply their own Clipper card serial numbers to use as an identifier at bike share stations. It's worth noting that 32% of all bike trips are started by use of a Clipper card and 50% of all members have used their Clipper card as their membership identifier.

To further encourage the use of Clipper cards as membership identifiers for Ford GoBike, staff is in the process of seeking approval of a Clipper Card Issuer Agreement with Motivate, the operator of the Ford GoBike program. The Agreement will allow Motivate to distribute Clipper cards to Ford GoBike members at Motivate's sole expense.

Additionally, staff is in the early stages of working with Gig Carshare to enable Gig to become a Clipper card issuer. As this relationship develops staff will keep this Board informed.



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Carol Kuester

## Attachment:

- Attachment A: Current Clipper® Program Update



# Clipper Update

October 2018



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## A Message from Carol Kuester, Director, MTC Electronic Payments

We have cleared the hurdle of bringing a C2 System Integrator on board, and now we can start preparing for the next phase of the work together. As mentioned last month, we anticipate a fast ramp-up to C2 accelerated deployment development work, while keeping the original Clipper system running smoothly to continue to serve customers well.

We have several expansion and enhancement projects that will continue to provide a better Clipper experience, especially the retrofit of VTA ticket machines to vend Clipper cards. That will be followed by a Caltrain project that retrofit several ticket machines at a time to sell and add value to Clipper cards.

We're excited to be a part of the roll-out of new ferry service in the Bay Area and are supporting implementation of Clipper at the new Richmond ferry terminal. We'll also team up with San Francisco Bay Ferry staff to distribute free Clipper cards when the new service launches after the beginning of the year.

If you have program questions, please contact your Clipper liaison. You can also reach me at 415.778.5253 or by email at [ckuester@bayareametro.gov](mailto:ckuester@bayareametro.gov).

**Table 1: Summary of System Usage**

	Last Month Sep 2018 (30 days)	% Change From Aug 2018 (31 days)	% Change from Sep 2017 (30 days)
<b>Transaction Volume</b>			
Average Weekday Ridership <sup>1</sup>	883,858	4.8%	12.5%
Fee-Generating Transactions <sup>2</sup>	23,176,486	-3.3%	10.6%
Unique Cards Used	1,215,943	0.1%	17.7%
Active Card Accounts	2,682,362	2.2%	24.6%
Settled Transit Operator Revenue	\$53,629,719	-6.7%	13.6%
<b>Call Volume</b>			
Customer Service Representative Calls	28,308	-12.7%	-5.9%
<b>Website Traffic</b>			
Unique Visitors – Standard	135,242	-7.8%	-8.0%
Unique Visitors – Mobile	N/A	N/A	N/A
Website Visits – Standard	192,482	-7.3%	-4.5%
Website Visits - Mobile	N/A	N/A	N/A

<sup>1</sup> Includes average daily number of boardings, including transfers but excluding some Caltrain monthly pass trips (Caltrain only requires monthly pass customers to tag their cards once at the beginning of each month).

<sup>2</sup> Includes single-tag fare payments, BART and Caltrain exits, Golden Gate Transit entries, add-value transactions, opt-out purse refunds and pass use, including institutional passes. Does not include transfers or transactions where fee value is \$0 (e.g., issuance of free cards, zero-value tags in dual-tag systems, etc.).

## System Performance

Figure 1: Transactions<sup>3</sup>

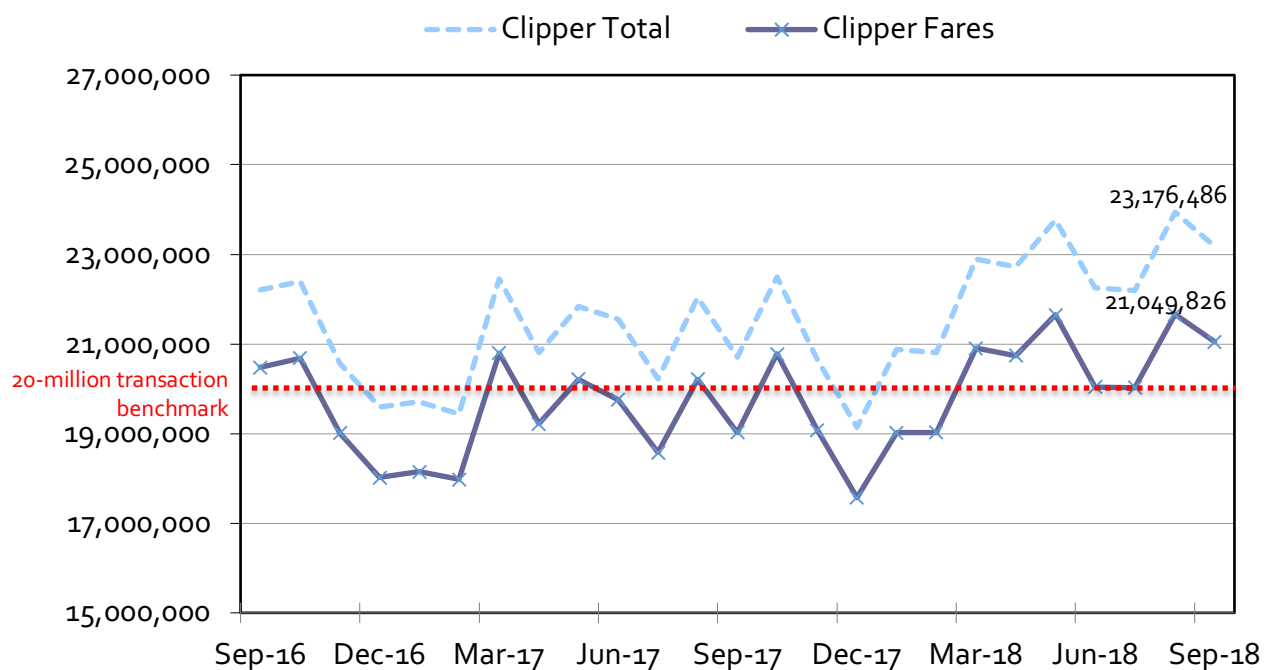
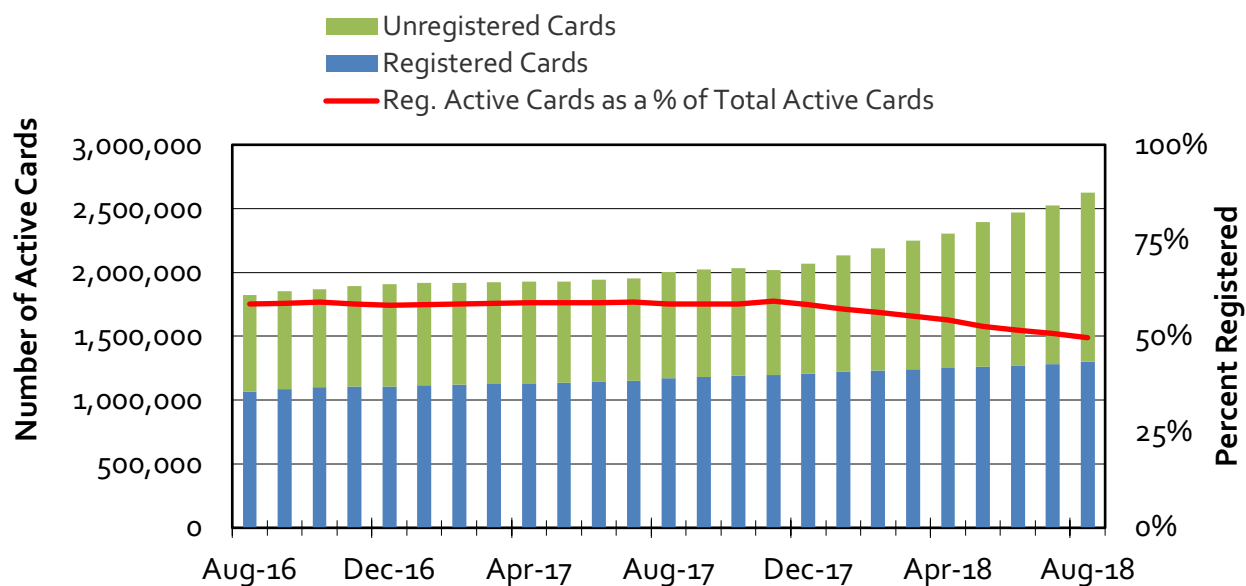


Figure 2: Number of Active Cards<sup>4</sup> in Circulation per Month



<sup>3</sup> "Clipper Total" is fare-payment and add-value transactions that count toward the 20 million-transaction contract benchmark. Sudden fluctuations may be attributable to the number of days in a given month.

<sup>4</sup> Active cards are those that have been used at least once within the last 12 months.

Table 2: Monthly Market Share<sup>5</sup>

	Monthly Clipper Boardings	Clipper Market Share	
	August 2018	August 2018	August 2017
AC Transit	2,010,362	42.0%	42.9%
BART <sup>6</sup>	7,973,756	80.6%	66.9%
Caltrain <sup>7</sup>	1,074,085	59.8%	63.5%
Golden Gate Ferry <sup>8</sup>	249,540	92.9%	90.0%
Golden Gate Transit <sup>9</sup>	213,506	49.3%	46.0%
Muni <sup>10</sup>	8,507,612	44.7%	43.7%
SamTrans	391,653	40.1%	37.9%
San Francisco Bay Ferry	163,940	54.1%	51.1%
SMART	51,163	71.0%	70.9%
Union City Transit	7,324	38.0%	23.7%
VTA	1,350,977	42.9%	43.7%
Napa/Solano Group	51,139	15.9%	12.3%
City Coach	532	1.7%	0.8%
FAST	17,926	22.8%	18.4%
SolTrans	29,847	22.7%	18.4%
Vine	2,834	3.5%	3.0%
East Bay Group	173,207	23.6%	20.2%
County Connection	71,956	24.3%	19.2%
Tri Delta Transit	24,289	12.9%	16.5%
WestCAT	44,527	44.3%	37.4%
Wheels	32,435	21.7%	15.1%
Sonoma/101 Group	13,001	4.8%	3.7%
Petaluma Transit	1,904	6.4%	3.4%
Santa Rosa CityBus	7,337	4.4%	4.0%
Sonoma Co. Transit	3,760	4.9%	3.1%

<sup>5</sup> MTC uses the National Transit Database (NTD) to calculate market share on most operators. NTD typically has a two-month delay before ridership data are available. In cases, NTD data is not available at publication time; missing data is indicated by “N/A”.

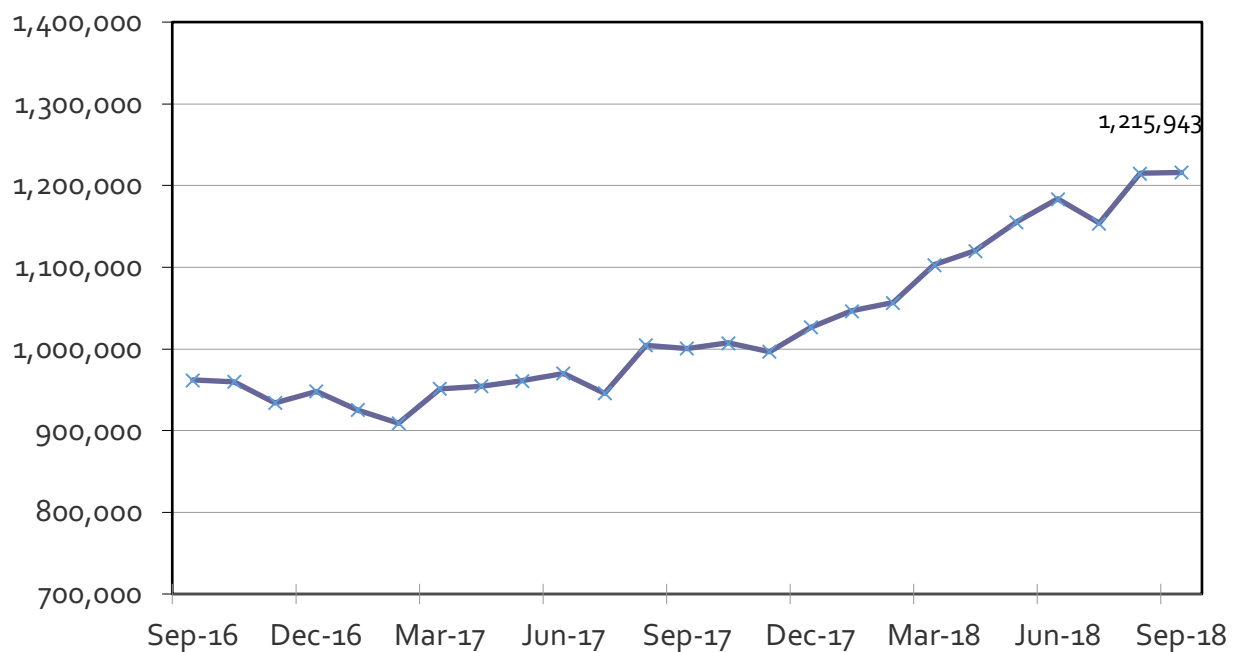
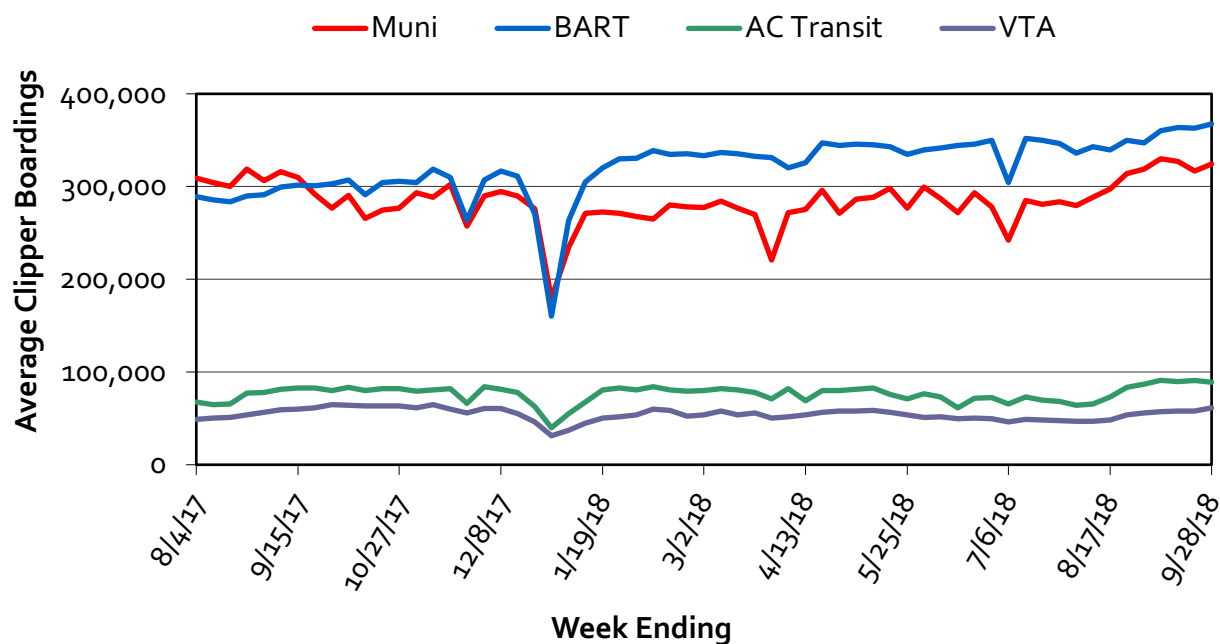
<sup>6</sup> Monthly market share on BART is calculated using monthly BART total exits by ticket type, which is equivalent to number of linked trips per month.

<sup>7</sup> Calculation of market share on Caltrain assumes that monthly pass holders board Caltrain 1.75 times a day per weekday. Caltrain sold 14,763 calendar passes during the August 2018 pass vending window.

<sup>8</sup> Includes payment with Clipper-compatible limited-use tickets.

<sup>9</sup> Includes boardings on Marin Transit routes, which currently operate under the umbrella of Golden Gate Transit's Clipper business rules.

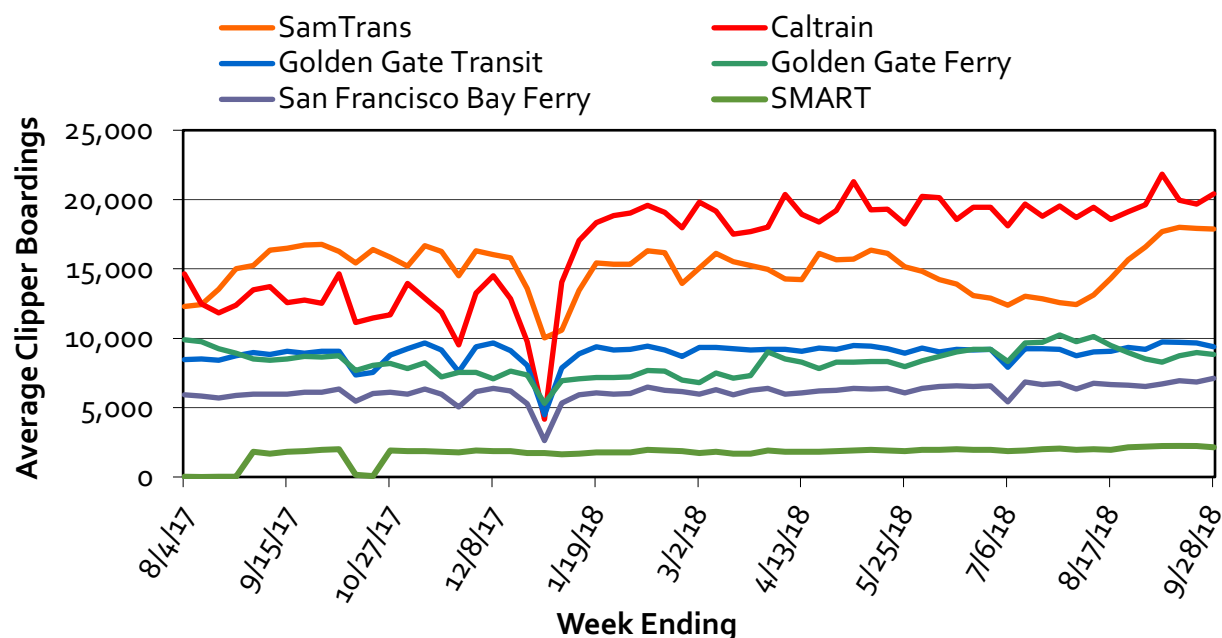
<sup>10</sup> Includes payment with Clipper-compatible limited-use tickets.

Figure 3: Unique Cards Used by Month<sup>11</sup>Figure 4: Average Weekday Ridership – SFMTA<sup>12</sup>, BART, AC Transit and VTA

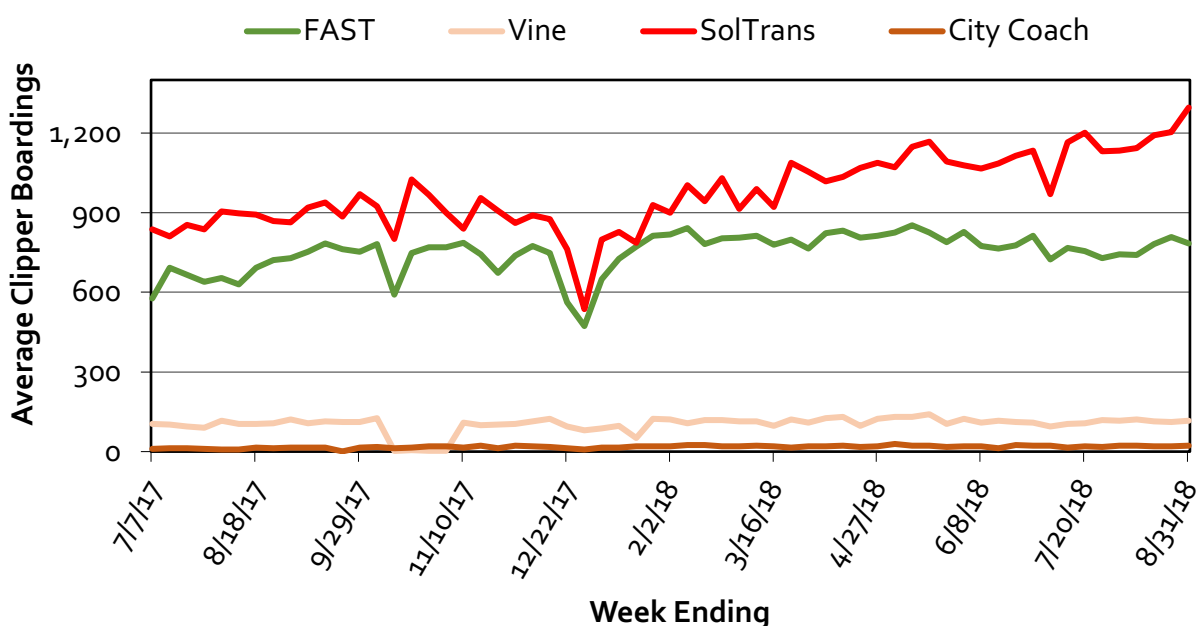
<sup>11</sup> Unique Clipper cards used in a specific month

<sup>12</sup> Delays in settlement specific to SFMTA may affect Muni transaction reporting.

**Figure 5: Average Weekday Ridership<sup>13</sup> – SamTrans, Caltrain<sup>14</sup>, Golden Gate Bus/Ferry, San Francisco Bay Ferry and SMART**



**Figure 6: Average Weekday Ridership<sup>15</sup> – FAST, VINE, SolTrans, City Coach**



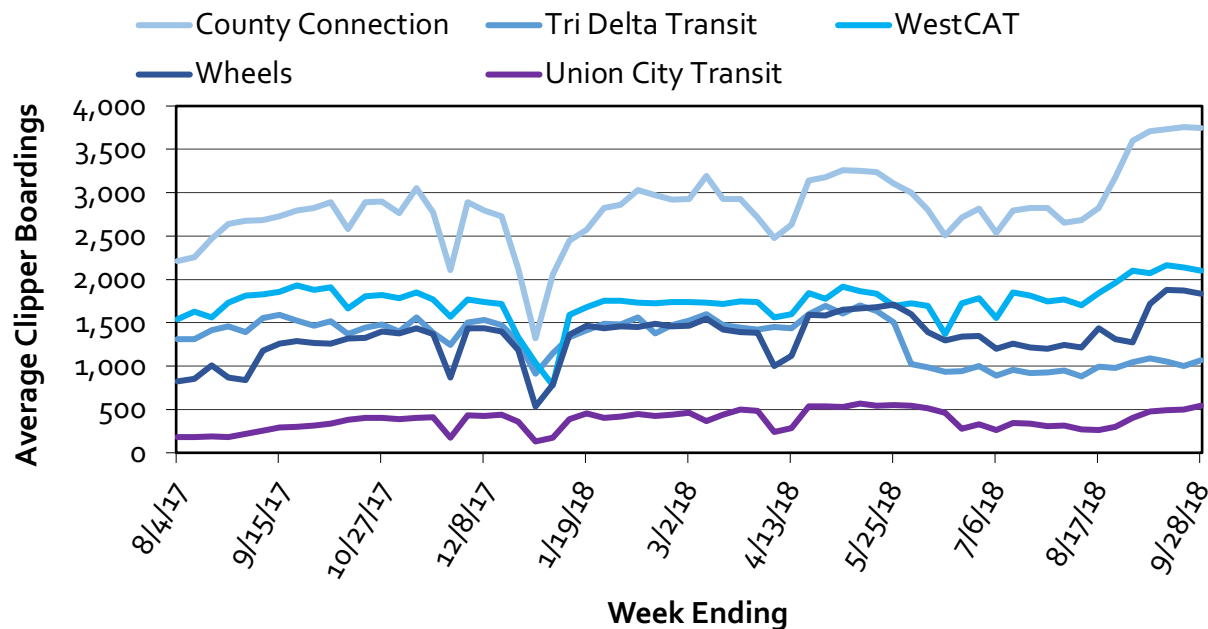
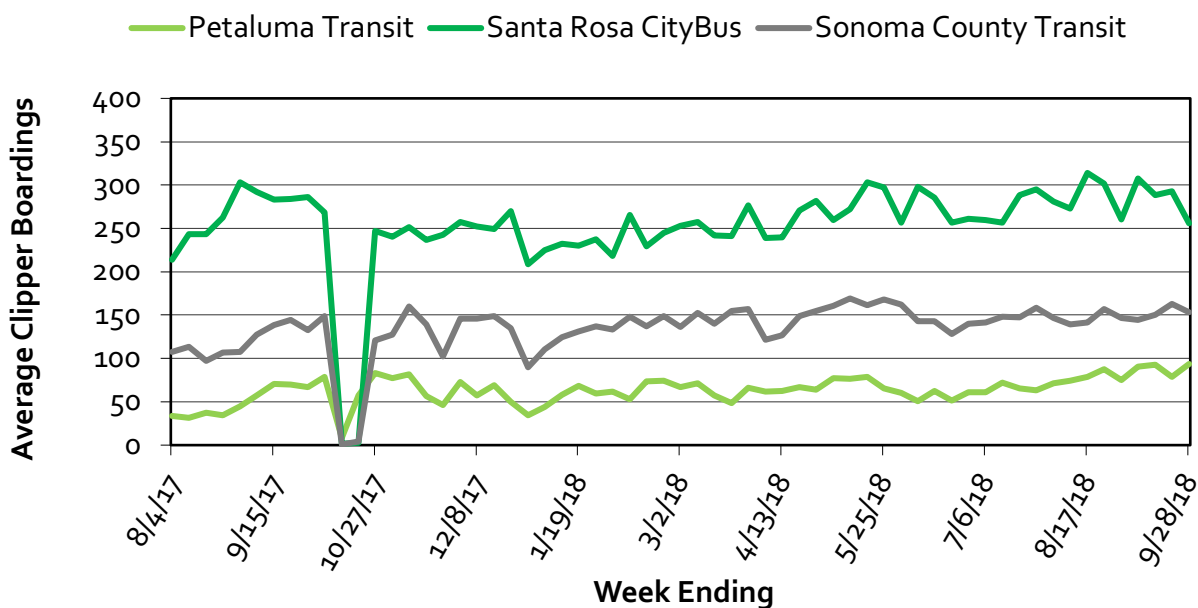
<sup>13</sup> Drops in October ridership are likely attributable to the North Bay wildfires and operators offering free services.

<sup>14</sup> Spikes in Caltrain boardings at the beginning of the month are due to Caltrain monthly pass holders' only needing to tag on and off during their first ride of the month to load their passes.

<sup>15</sup> Drops in October ridership are likely attributable to the North Bay wildfires and operators offering free services.



Figure 7: Average Weekday Ridership – East Bay and Union City Transit

Figure 8: Average Weekday Ridership – Sonoma/101 Corridor<sup>16</sup>

<sup>16</sup> Drops in October ridership are likely attributable to the North Bay wildfires and operators offering free services.

## System Implementation

**Table 3: Expansion and Enhancement Highlights**

Operator	Description/Completion Date	Status
<b>Regional</b>	Network modernization – replace frame relay circuits at 121 sites (November 2018)	Work is in progress at BART, Caltrain and SamTrans.
<b>BART</b>	Implementation of Clipper at extension stations (2018)	Work is on hold pending completion of operator work.
<b>VTA</b>	Ticket machine retrofit (2018)	VenTek began retrofit work using a limited number of tri-readers in July. Cubic expects full order fulfillment by November 2018.
<b>AC Transit</b>	Driver console integration (2018)	Software deployment is pending operator action.
<b>Golden Gate Transit (ferry)</b>	Installation of Clipper equipment at Tiburon terminal (2018)	Golden Gate Transit is reviewing the change notice for this work.
<b>SFMTA</b>	Implementation of Clipper on the Central Subway (November 2019)	Installation work will begin in February 2019.
<b>SMART</b>	Implementation of Clipper on SMART, Phase 2 (2019)	Work is on hold pending completion of operator work.
<b>AC Transit</b>	Implementation of Clipper on Bus Rapid Transit service (2019)	MTC will delay issuing notice to proceed to Cubic until mid-2019, per operator request.
<b>San Francisco Bay Ferry</b>	New Richmond terminal and SF terminal expansion (2019)	Work is pending completion of operator work. MTC anticipates this work will be completed this fall. Cubic will complete additional work on an existing gate in San Francisco next year.
<b>Caltrain</b>	Caltrain Ticket Machine Integration (2019)	This project will retrofit 12 Caltrain ticket machines to vend and add value to Clipper cards. MTC is reviewing the change notice.

## Customer Education

**Customer Education Campaign** The “Clipper Works for You” campaign is still running. As a reminder, this is the first phase of a multi-year campaign to (1) educate transit riders about the benefits of Clipper and (2) dispel some of the misconceptions people have about Clipper. The campaign includes digital, shelter, interior and exterior advertising (much donated by participating agencies) along with outreach at key stations and transfer points. For this phase, we have planned 44 outreach events. We already began planning for the next phase, set to launch in March in Marin County, followed by another phase with operators introducing new or increase fare incentives in the summer.

**Website/Transit Agency Alerts** We are continuing to work on improvements to the website, but in the meantime, we are adding links to the pages on transit agency websites where customers can sign up to receive alerts. We’ll be promoting these on the home page.

**Brochures** The new universal brochure – replacing all the agency-specific brochures and the Guide to Clipper – will be available with the next print order, as will a new combined youth and senior brochure. We also are updating language in the RTC Clipper card brochure to better explain audio tones and update language to match other materials.

**Table 5: Customer Education Activities, September-December 2018**

	September	October	November	December
<b>Advertising</b>	Launch umbrella campaign	—————>	Begin work on phase 2 of campaign	—————>
<b>Outreach</b>	Support 2018-19 campaign	—————>	Begin planning for phase 2	—————>
<b>Public Engagement</b>	Announce selection of C2 contractor	Ongoing support for C2	—————>	—————>
<b>Policy/ Customer Information</b>	Website improvements	—————>	—————>	—————>
	Notify customers of fare changes	—————>	—————>	—————>
	Universal brochure	—————>	—————>	
	Single youth and senior brochure	—————> Add links to transit agency email and alerts	—————>	
<b>Other</b>	Develop draft newsletter	—————>		
	Add to Creative Catalog	—————>		

## Value Distribution

Figure 9: Settled Clipper Sales by Channel

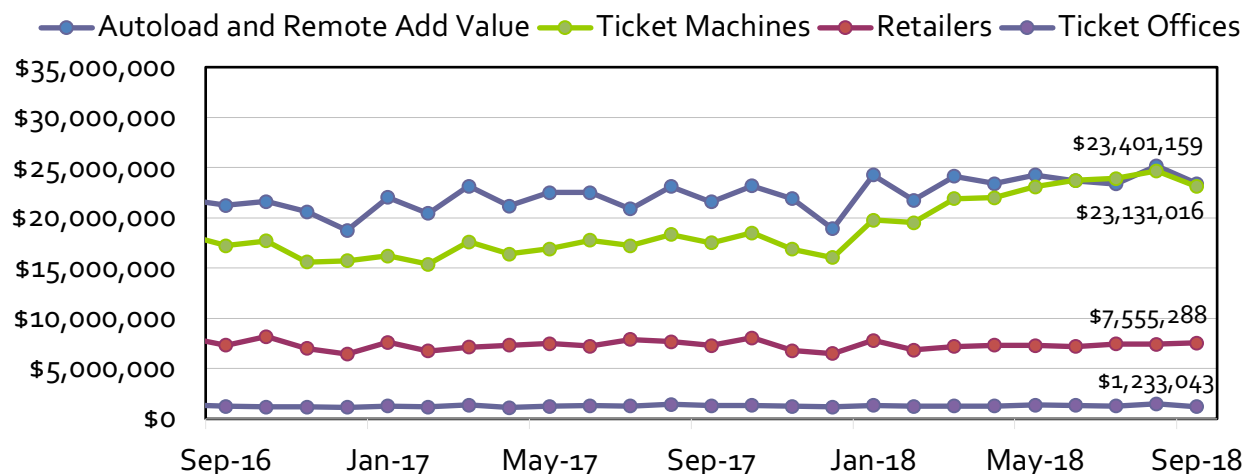


Figure 10: Order Value (RAV) and Unique Patrons by Employer Program per Month

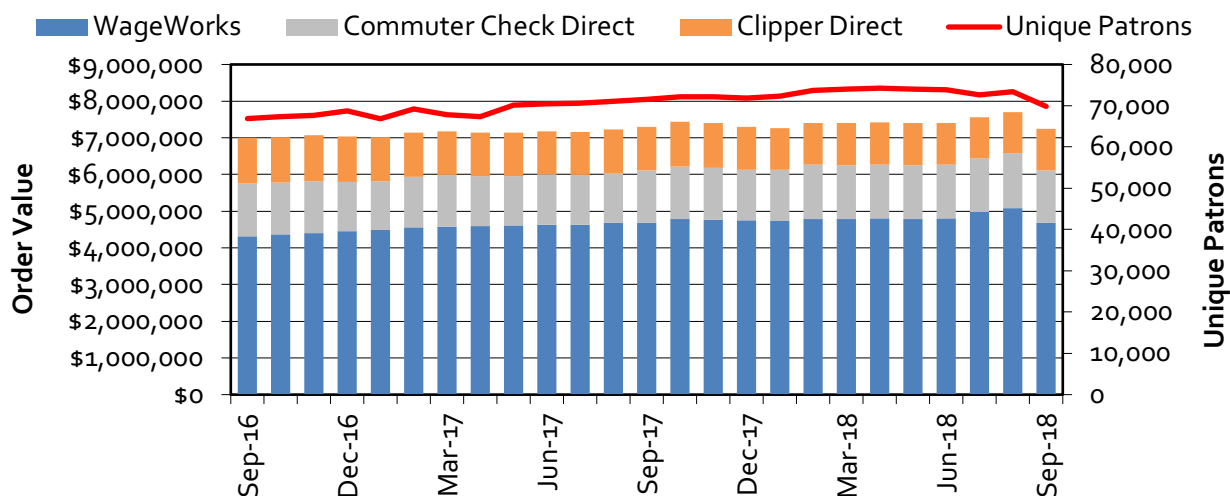
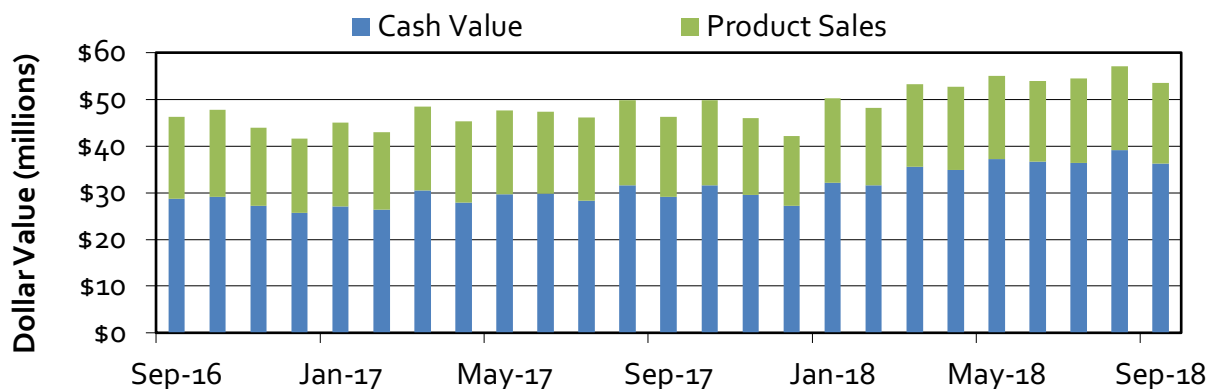


Figure 11: Product and Cash Value Sales per Month



## Financial Information

**Table 8: Revenue by Operator Per Month, Previous Six Months**

Operator	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018
AC Transit	\$2,513,220	\$2,650,439	\$2,441,352	\$2,428,120	\$2,945,623	\$2,716,317
BART	\$29,286,689	\$30,993,777	\$30,709,004	\$30,168,137	\$32,231,794	\$29,504,275
Caltrain	\$4,712,324	\$4,681,909	\$4,578,120	\$4,963,008	\$4,713,101	\$4,703,954
Golden Gate Ferry	\$1,569,550	\$1,720,362	\$1,838,776	\$2,066,662	\$2,099,534	\$1,782,297
Golden Gate Transit	\$1,018,394	\$1,070,199	\$1,017,385	\$1,042,003	\$1,141,166	\$1,040,879
SamTrans	\$516,562	\$505,931	\$447,026	\$460,106	\$502,055	\$552,623
SF Bay Ferry	\$905,651	\$967,160	\$968,720	\$992,605	\$1,109,367	\$1,008,841
SFMTA (Muni)	\$10,664,772	\$10,830,914	\$10,525,098	\$10,755,541	\$10,746,704	\$10,593,391
SMART	\$258,339	\$275,526	\$269,588	\$295,340	\$295,469	\$279,657
Union City	\$7,983	\$8,592	\$7,165	\$6,525	\$7,738	\$8,168
VTA	\$946,634	\$960,513	\$878,253	\$949,941	\$951,384	\$962,883
East Bay Group	\$277,887	\$295,382	\$234,411	\$239,150	\$283,188	\$284,693
Napa Solano	\$176,182	\$187,514	\$175,318	\$180,888	\$198,175	\$178,999
Sonoma/101	\$12,549	\$14,349	\$11,872	\$12,184	\$13,869	\$12,657
<b>Total Revenue</b>	<b>\$52,866,735</b>	<b>\$55,162,565</b>	<b>\$54,102,087</b>	<b>\$54,560,208</b>	<b>\$57,239,164</b>	<b>\$53,629,634</b>

**Table 9: Bank Account Balances, Previous 6 Months**

Month End	Float <sup>17</sup>	Participant Claim Fund <sup>18</sup>
April 2018	\$67,579,644	\$2,610,931
May 2018	\$65,333,926	\$3,053,967
June 2018	\$65,982,663	\$795,989
July 2018	\$68,774,970	\$1,229,822
August 2018	\$69,169,892	\$1,633,060
September 2018	\$70,914,797	\$1,840,662

<sup>17</sup> The reason for drops in the Float Account is delayed payment from retailers, particularly Walgreens, at the end of the month.

<sup>18</sup> Drops in the PCF balance are due to operator distributions concurrent with their recurring bad debt adjustment.

## Clipper Contractor Performance

**Table 10: Cubic Cardholder Support Performance, Sep 1-30, 2018**

	Key Performance Indicator (KPI) Description	KPI Score
1	≥ 95% of calls answered within 3 minutes	97.87%
2	≥ 98% of new and replacement card requests fulfilled within two business days	99.90%
3	≥ 99.5% website functionality availability	100.00%
4	≥ 95% of emails and website inquiries responded to within 48 hours	100.00%
5	≥ 95% of refunds processed within 30 calendar days	99.85%
6	≤ 3-minute average speed of answer	00:00:17
7	≤ 6% calls abandoned	1.01%
8	≥ 95% of unblock actions processed within two business days	100.00%
9	≥ 95% IVR <sup>19</sup> and ACD <sup>20</sup> availability	100.00%

**Missed**

**Achieved**

<sup>19</sup> IVR: Interactive voice response, also referred to as the Clipper automated phone system

<sup>20</sup> ACD: Automated Call Distributor, the system that routes calls to customer service representatives



METROPOLITAN  
TRANSPORTATION  
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## **Clipper® Program Management Report**

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