



**Agenda Item 4c**  
Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105  
TEL 415.778.6700  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

TO: Clipper® Executive Board

DATE: February 19, 2019

FR: Carol Kuester

RE: Current Clipper® Program Update

### **Background**

Clipper staff last updated this Board on the ongoing overall work and projects related to the current Clipper system at the November 2018 meeting. This memorandum is to again provide updates on the current overall program.

### **Transactions and Sales**

The Clipper system is currently processing an average of 22 million transactions monthly, settling an average of \$52 million a month in revenue.

Despite high average volumes, Clipper experienced normal seasonal lows for December, and fee-based transactions were just below 20 million. However, the number of unique cards used grew to 1.18 million in December, a 15% increase from the previous December. Active card accounts increased to 2.8 million in December, a 35% increase from the previous year. We believe both of these increases are due in large part to the distribution of Clipper cards through BART ticket vending machines.

### **Clipper Card Dispensing**

BART has now dispensed 789,000 cards, and Clipper's market share on BART has grown to 82%. VTA completed retrofit of their ticket vending machines to dispense Clipper cards in January, and we expect to see increased use of Clipper on VTA. 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 – successful replacement of four Clipper Add Value machines at the Temporary Transbay Terminal to make it more convenient for people to add value while the Salesforce Transit Center is closed. In the first month of service, the machines had approximately 3,000 transactions worth \$132,000 of revenue.
- Modernization of communications network – replacement of frame relay circuits at 121 sites, resulting in faster speeds and more dependable telecommunications, is now complete.
- SFMTA implementation of Clipper on the Central Subway – scheduled for completion in November 2019. Clipper equipment installation work began this month.
- San Francisco Bay Ferry New Richmond terminal and SF terminal expansion – installation of equipment in Richmond. This was completed in time for launch of the new Richmond-San Francisco service.

- Interest from the float account – investing funds in the float account in low-risk, interest-bearing money market account to generate additional revenue for the program. This strategy is projected to generate an additional \$1 million to \$1.5 million per year for the Clipper budget.
- Minimizing losses from chargebacks – developing a strategy to minimize money lost from chargebacks, demanded from credit card providers to make good on fraudulent or disputed transactions. The program lost more than \$1 million in 2018 due to chargebacks. We are already working on change orders to address this issue.
- For the status of other projects, please see the attached Current Clipper Program Update and the Clipper Master Schedule.



---

Carol Kuester

**Attachment:**

- Attachment A: Current Clipper Program Update
- Attachment B: Clipper Master Schedule



# Clipper Update

January 2019



## Table of Contents

System Performance	2
System Implementation	7
Customer Education	8
Value Distribution	9
Financial Information	10
Contractor Performance	11

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

I'm excited to announce that VTA ticket machines now dispense Clipper cards. Add them to the network of ticket machines that already includes Muni, BART, Golden Gate Ferry and SMART, and transit riders now have many options for getting a card at a station.

We were curious to see how many people would use the recently reinstalled Clipper Add Value machines at the Temporary Transbay Terminal, and we were happy to see these serve a need, with approximately 3,000 transactions worth \$132,000 of revenue from December 10 to January 15. Three-fourths of the transactions were made with a credit or debit card. Almost all of the transactions were to add cash value, with fewer than 100 passes sold during that period. We plan to leave the AVMs in place until after the Salesforce Transit Center has been operational for several weeks once it reopens.

Note the huge increases in active cards and unique cards used below. Active cards increased 35%, and unique cards used increased 15% between December 2017 and December 2018 - increases we attribute to card availability at BART stations as well as their paper ticket surcharge.

I want to take a moment to thank John Yen of BART, who has worked tirelessly for years to make Clipper a better system. We will miss his contributions as he moves on to a new opportunity.

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 December 2018 (31 days)	% Change From November 2018 (30 days)	% Change from December 2017 (31 days)
<b>Transaction Volume</b>			
Average Weekday Ridership <sup>1</sup>	714,772	-6.0%	4.8%
Fee-Generating Transactions <sup>2</sup>	19,959,572	-4.8%	4.3%
Unique Cards Used	1,181,085	2.6%	15.1%
Active Card Accounts	2,799,550	0.5%	35.2%
Settled Transit Operator Revenue	\$46,861,286	-6.5%	10.9%
<b>Call Volume</b>			
Customer Service Representative Calls	21,695	-4.8%	-7.2%
<b>Website Traffic<sup>3</sup></b>			
Unique Visitors – Standard and Mobile	198,035	-1.9%	5.3%
Website Visits – Standard and Mobile	299,367	-3.3%	8.8%

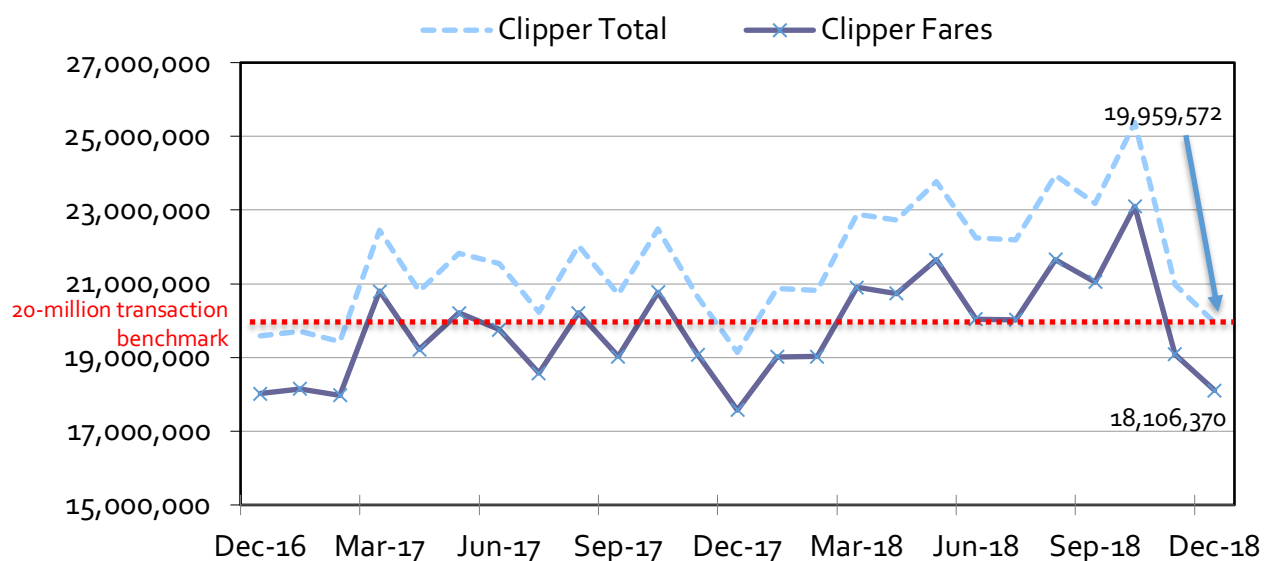
<sup>1</sup> Includes average daily number of boardings, including transfers but excluding some Caltrain monthly pass trips (Caltrain only requires monthly pass customers to tag their cards once at the beginning of each month).

<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.).

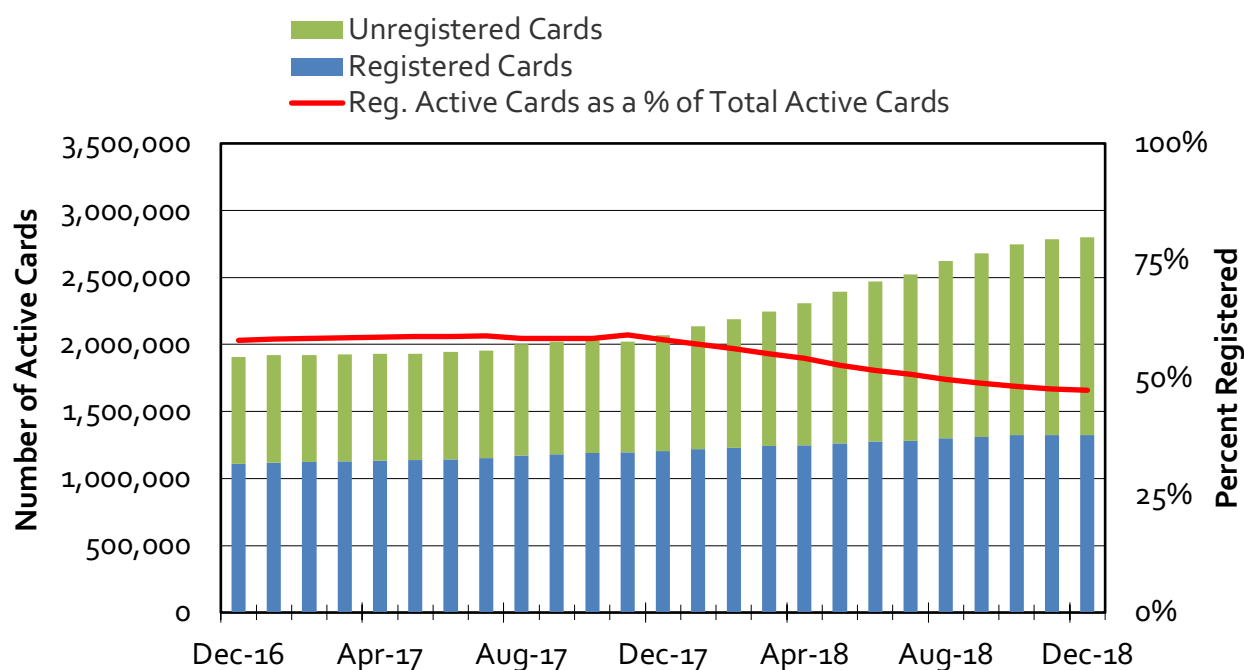
<sup>3</sup> We are temporarily unable to provide a breakdown between desktop and mobile usage.

## System Performance

**Figure 1: Transactions<sup>4</sup>**



**Figure 2: Number of Active Cards<sup>5</sup> in Circulation per Month**



<sup>4</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>5</sup> Active cards are those that have been used at least once within the last 12 months.

Table 2: Monthly Market Share<sup>6</sup>

	Monthly Clipper Boardings	Clipper Market Share	
	October 2018	October 2018	October 2017
AC Transit	2,267,070	41.9%	44.7%
BART <sup>7</sup>	7,633,812	82.6%	68.8%
Caltrain <sup>8</sup>	1,087,199	63.1%	60.4%
Golden Gate Ferry <sup>9</sup>	219,669	99.3%	95.6%
Golden Gate Transit <sup>10</sup>	221,381	49.1%	44.8%
Muni <sup>11</sup>	8,860,266	44.9%	42.0%
SamTrans	459,460	43.8%	38.9%
San Francisco Bay Ferry	171,449	61.6%	56.9%
SMART	53,689	82.0%	54.7%
Union City Transit	14,198	50.4%	30.5%
VTA	1,575,313	46.3%	46.9%
Napa/Solano Group	53,863	14.7%	12.3%
City Coach	594	1.5%	1.0%
FAST	18,878	22.2%	18.8%
SolTrans	31,486	21.2%	19.8%
Vine Transit	2,905	3.1%	1.2%
East Bay Group	206,744	26.0%	21.5%
County Connection	88,635	27.2%	20.2%
Tri Delta Transit	22,801	12.7%	16.6%
WestCAT	49,053	41.1%	37.6%
Wheels	46,255	27.0%	19.5%
Sonoma/101 Group	14,149	5.0%	2.9%
Petaluma Transit	2,189	6.3%	4.9%
Santa Rosa CityBus	7,896	4.6%	2.8%
Sonoma Co. Transit	4,064	5.2%	2.4%

<sup>6</sup> Not all data is available for November 2018, so this table is the same as the previous month. Next month's report will include updated data.

<sup>7</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.

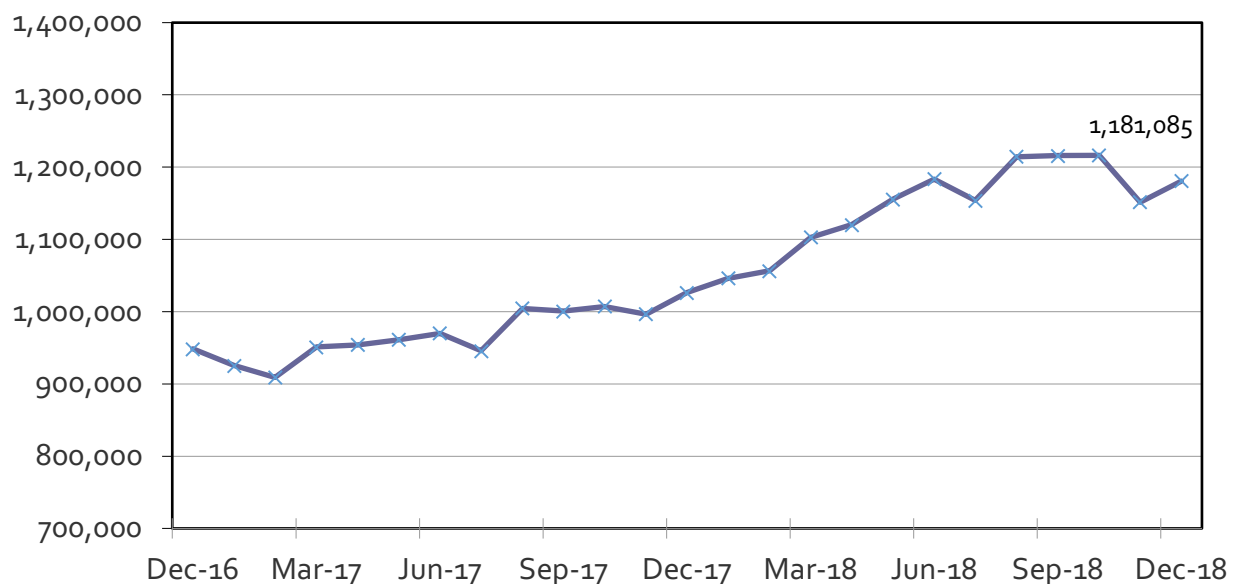
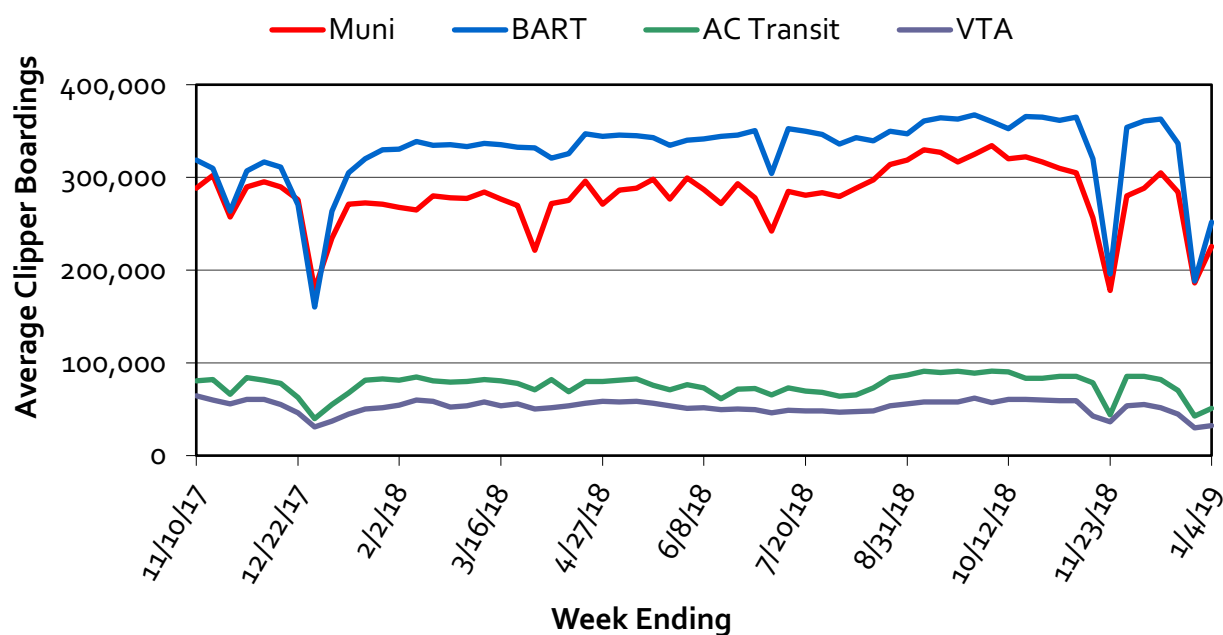
<sup>8</sup> Calculation of market share on Caltrain assumes that monthly pass holders board Caltrain 1.75 times a day per weekday. Caltrain sold 13,615 calendar passes during the October 2018 pass vending window.

<sup>9</sup> Includes payment with Clipper-compatible limited-use tickets.

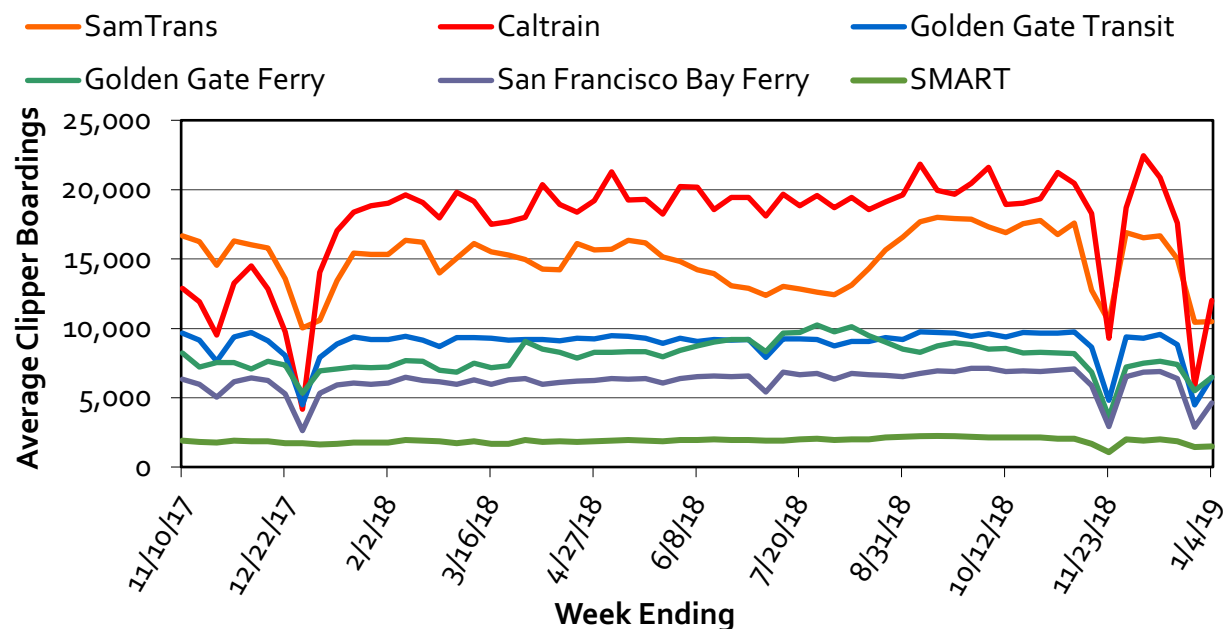
<sup>10</sup> Includes boardings on Marin Transit routes, which currently operate under the umbrella of Golden Gate Transit's Clipper business rules.

<sup>11</sup> Includes payment with Clipper-compatible limited-use tickets.

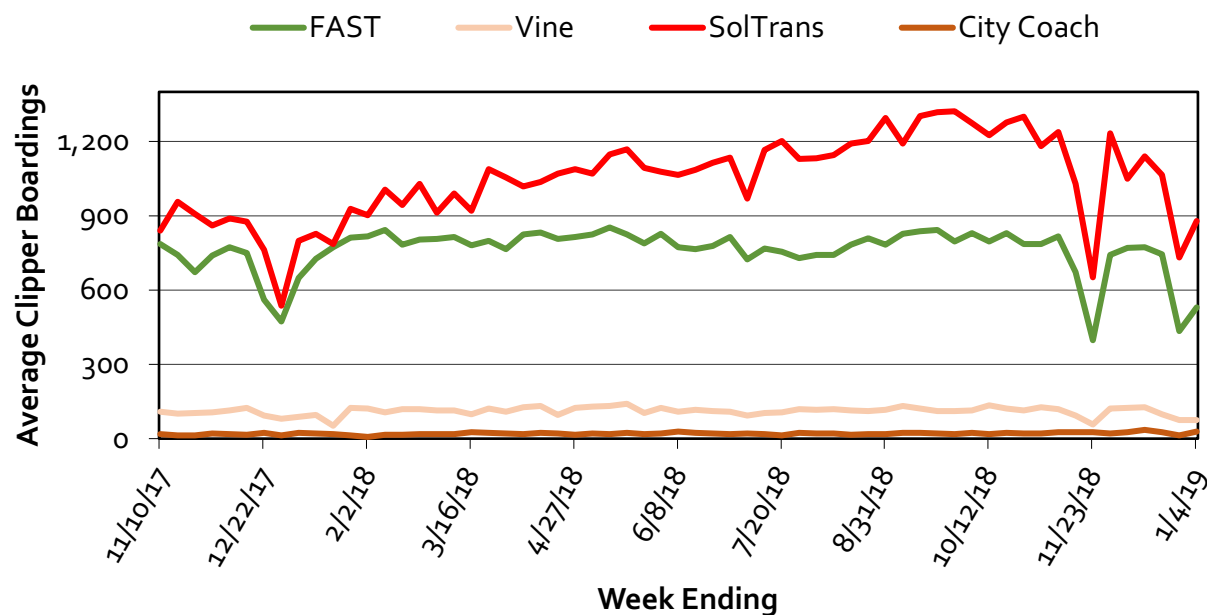


Figure 3: Unique Cards Used by Month<sup>12</sup>Figure 4: Average Weekday Ridership – SFMTA<sup>13</sup>, BART, AC Transit and VTA<sup>12</sup> Unique Clipper cards used in a specific month<sup>13</sup> Delays in settlement specific to SFMTA may affect Muni transaction reporting.

**Figure 5: Average Weekday Ridership<sup>14</sup> – SamTrans, Caltrain<sup>15</sup>, Golden Gate Bus/Ferry, San Francisco Bay Ferry and SMART**



**Figure 6: Average Weekday Ridership<sup>16</sup> – FAST, VINE, SolTrans, City Coach**



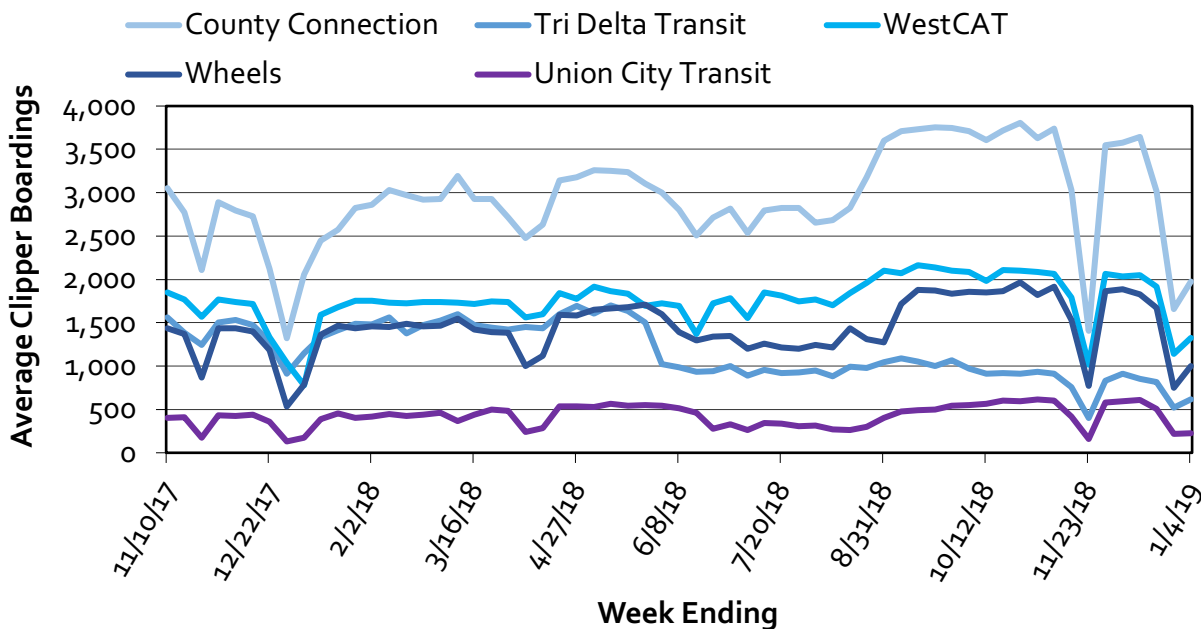
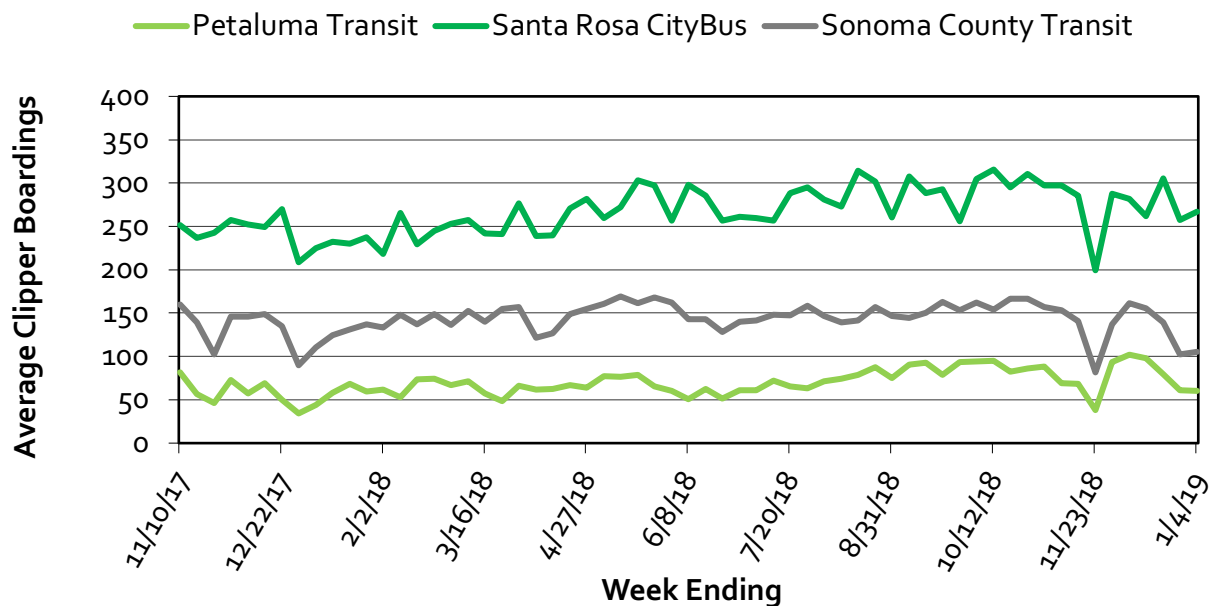
<sup>14</sup> Drops in October ridership are likely attributable to the North Bay wildfires and operators offering free services.

<sup>15</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>16</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>17</sup>

<sup>17</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>VTA</b>	Ticket machine retrofit (completed)	Retrofit work was completed this month. All ticket machines can now dispense Clipper cards.
<b>BART</b>	Implementation of Clipper at extension stations (TBD)	Work is on hold pending completion of operator work.
<b>AC Transit</b>	Driver console integration (2019)	Software deployment begins this month, with lab upgrade and testing starting on January 30.
<b>Golden Gate Transit (ferry)</b>	Installation of Clipper equipment at Tiburon terminal (2018)	Golden Gate Transit's review of the change notice for this work is on hold.
<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)	Card readers have been installed at Gates F and G. Card readers were installed at the Richmond Ferry Terminal in time for start of the new ferry service on January 10. Cubic will complete additional work on an existing gate in San Francisco later next year.
<b>Caltrain</b>	Caltrain Ticket Machine Integration (2019)	MTC is finalizing a funding agreement and drafting a change order.

## Customer Education

Phase 2 of the “Clipper Works for You” campaign has expanded. Originally planned to target Golden Gate Transit bus riders with messaging about cost savings, the campaign will also target County Connection customers with a similar message, focusing on new fare incentives and Clipper-only transfers. Both parts of the campaign will use transit advertising, digital advertising and Spanish print ads.

We reached out to 170,000 BART riders about the agency’s early morning service changes beginning in February; we will continue to explain to Clipper customers what the changes could mean for them through our website and social media.

We also provided support for the Richmond Ferry launch with seven outreach events, where we distributed 91 adult cards and 4 senior cards and assisted hundreds of passengers with using Clipper on the ferry, including the need to tag on and off.

**Table 4: Customer Education Activities, January-March 2019**

	January	February	March	April
<b>Advertising</b>	Planning for Phase 2 of campaign	Development of Phase 2 creative	Phase 2 campaign launch	Planning for Phase 3 of campaign
<b>Outreach</b>	Training Richmond Ferry support	Planning for Phase 2 of campaign	Phase 2 campaign support	
<b>Public Engagement</b>	Ongoing support for next generation of Clipper	—————>	—————>	—————>
<b>Policy/ Customer Information</b>	Website improvements	—————>	—————>	—————>
	Notify customers of fare changes	—————>	—————>	—————>
	RTC brochure update	—————>	—————>	
	Amex acceptance	—————>		
	BART early morning service changes	—————>		
<b>Other</b>	SF Bay Ferry pole wraps			
	Card sales through BART	—————>		
	Planning for FY 2019-20	—————>		

## Value Distribution

Figure 9: Settled Clipper Sales by Channel

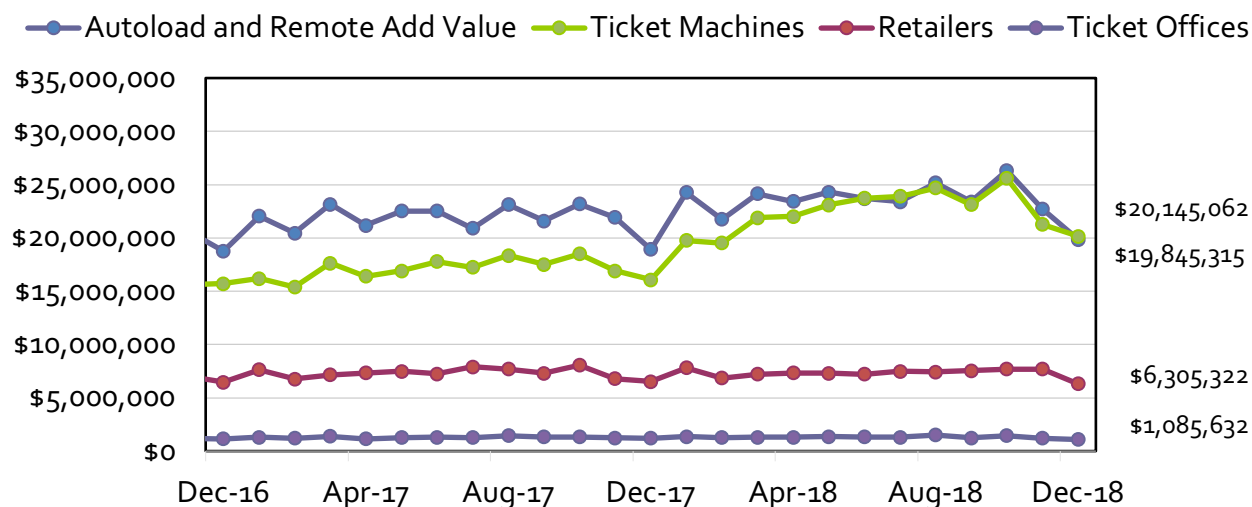


Figure 10: Order Value and Unique Patrons by Employer Program per Month

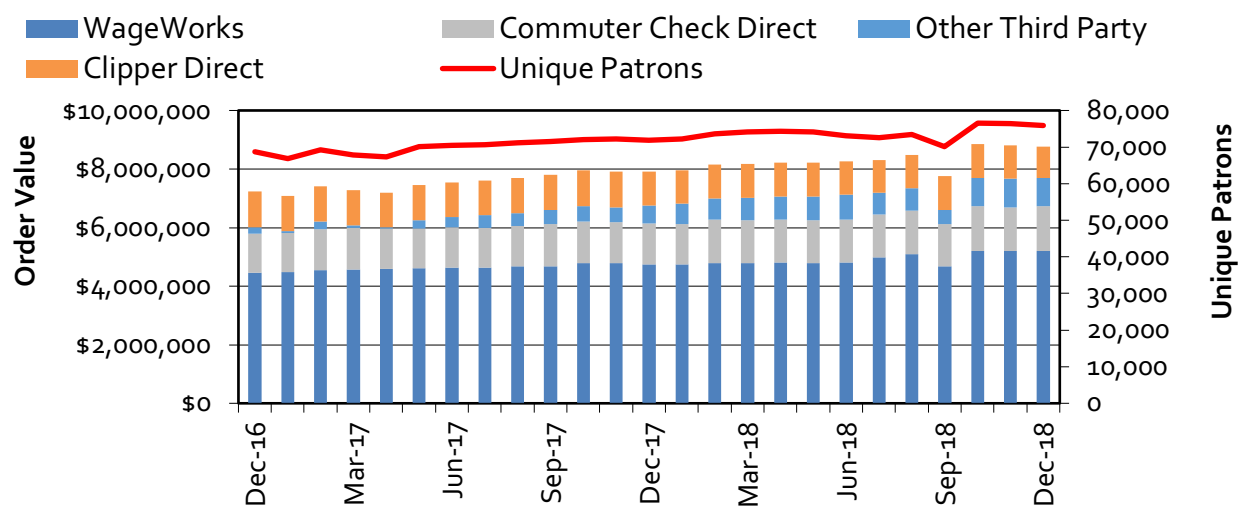
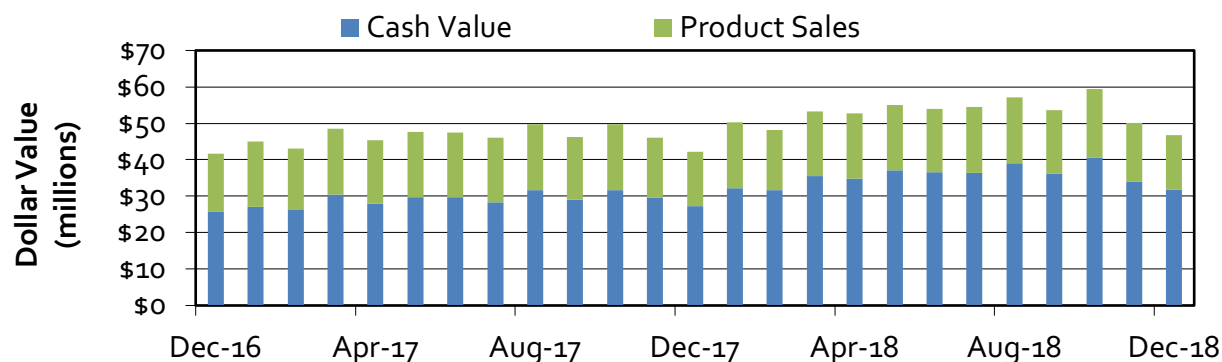


Figure 11: Product and Cash Value Sales per Month



## Financial Information

**Table 5: Revenue by Operator Per Month, Previous Six Months**

Operator	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018
AC Transit	\$2,428,120	\$2,945,623	\$2,716,317	\$2,912,208	\$2,532,275	\$2,243,599
BART	\$30,168,137	\$32,231,794	\$29,504,275	\$34,026,622	\$28,397,139	\$26,038,335
Caltrain	\$4,963,008	\$4,713,101	\$4,703,954	\$4,773,015	\$4,204,188	\$3,890,933
Golden Gate Ferry	\$2,066,662	\$2,099,534	\$1,782,297	\$1,807,185	\$1,325,803	\$1,300,228
Golden Gate Transit	\$1,042,003	\$1,141,166	\$1,040,879	\$1,184,779	\$983,073	\$887,948
SamTrans	\$460,106	\$502,055	\$552,623	\$585,872	\$491,422	\$486,104
SF Bay Ferry	\$992,605	\$1,109,367	\$1,008,841	\$1,150,254	\$876,734	\$828,746
SFMTA	\$10,755,541	\$10,746,704	\$10,593,391	\$11,186,547	\$9,752,309	\$9,708,376
SMART	\$295,340	\$295,469	\$279,657	\$283,477	\$240,636	\$216,834
Union City	\$6,525	\$7,738	\$8,168	\$9,819	\$7,820	\$7,315
VTA	\$949,941	\$951,384	\$962,883	\$1,025,169	\$838,812	\$849,766
East Bay Group	\$239,150	\$283,188	\$284,693	\$331,088	\$267,387	\$238,611
Napa/Solano	\$180,888	\$198,175	\$178,999	\$205,287	\$171,658	\$152,574
Sonoma/101	\$12,184	\$13,869	\$12,657	\$14,846	\$12,425	\$11,561
<b>Total Revenue</b>	<b>\$54,560,208</b>	<b>\$57,239,164</b>	<b>\$53,629,634</b>	<b>\$59,496,166</b>	<b>\$50,101,680</b>	<b>\$46,860,930</b>

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

Month End	Float <sup>18</sup>	Participant Claim Fund <sup>19</sup>
July 2018	\$68,774,970	\$1,229,822
August 2018	\$69,169,892	\$1,633,060
September 2018	\$70,914,797	\$1,840,662
October 2018	\$71,743,225	\$2,009,480
November 2018	\$74,820,000	\$2,356,403
December 2018	\$75,140,000	\$705,121

18 One reason for drops in the float account is delayed payment from retailers, particularly Walgreens, at the end of the month. Starting in November, this number is rounded to reflect float liability, including the float balance and funds swept into an investment account.

19 Drops in the PCF balance are due to operator distributions concurrent with their recurring bad debt adjustment.

## Clipper Contractor Performance

**Table 7: Cubic Cardholder Support Performance, December 1-31, 2018**

	Key Performance Indicator (KPI) Description	KPI Score
1	≥ 95% of calls answered within 3 minutes	98.33%
2	≥ 98% of new and replacement card requests fulfilled within two business days	99.94%
3	≥ 99.5% website functionality availability	99.91%
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	00:00:12
7	≤ 6% calls abandoned	0.64%
8	≥ 95% of unblock actions processed within two business days	100.00%
9	≥ 95% IVR <sup>20</sup> and ACD <sup>21</sup> availability	100.00%

**Missed**

**Achieved**

<sup>20</sup> IVR: Interactive voice response, also referred to as the Clipper automated phone system

<sup>21</sup> ACD: Automated Call Distributor, the system that routes calls to customer service representatives



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Bay Area Metro Center  
375 Beale Street, Suite 800  
San Francisco, CA 94105

## **Clipper® Program Management Report**

Published monthly

### **Executive Director:**

Steve Heminger

### **Deputy Executive Directors:**

Alix Bockelman, Policy

Andrew Fremier, Operations

### **Director, Electronic Payments:**

Carol Kuester

### **Clipper® Assistant Directors:**

Lynn Valdivia

Jason Weinstein

**Managing Editor:** Lysa Hale

**Data Editor:** Gopi Purohit

**Cover Design and Layout:** MTC Graphics



ID	Task Name	Duration	Start	Finish	% Complete	2018												2019												Attachment B
						J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
2	CONTRACTING PHASE																													
713	Caltrain TVM Clipper Integration (CN-162)	226 days	7/3/2018	5/14/2019	55%																									
723	Means Based Fare Discount Clipper Coupon (CN-163)	188 days	8/15/2018	5/3/2019	53%																									
760	BART Add Fare Machine (CN-166)	126 days	12/30/2018	6/24/2019	13%																									
393	IMPLEMENTATION PHASE																													
10	BART Handheld Card Reader (HCR) Replacement (CO-213)	786 days	3/28/2016	3/28/2019	98%																									
310	SFMTA Central Subway (CO-195)	938 days	5/2/2016	12/2/2019	13%																									
697	WETA Richmond & San Francisco Ferry Terminal Expansion (CO-225, CI	419 days	4/19/2018	11/27/2019	97%																									
627	BART E. Contra Costa & Silicon Valley Berryessa Extensions (eBART/SVBX) (CO-179-1, CN-145)	287 days	4/30/2018	6/4/2019	21%																									
492	AC Transit BRT Implementation, (CO-197 & CO-205)	170 days	5/1/2019	12/24/2019	0%																									

ID	Task Name	Duration	Start	Finish	% Complete	2018														2019										Attachment B
						J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J
1	BUS REPLACEMENT AND EXPANSION																													
636	SFMTA-New Flyer PO (New Flyer 317 Buses)	483 days	7/27/2017	5/30/2019	81%																									
554	SFMTA-Historic Cars (9)	342 days	3/9/2018	6/28/2019	68%																									
750	AC Transit (Double Decker Bus)	134 days	8/27/2018	2/28/2019	80%																									
552	FAST (9 MCI Buses)	43 days	12/10/2018	2/6/2019	90%																									
733	AC Transit (Gilig & New Flyers Buses)	28 days	1/9/2019	2/15/2019	30%																									
739	Soltrans (6 MCI)	8 days	1/22/2019	1/31/2019	15%																									
710	VTA (5 Buses, Proterra)	5 days	2/7/2019	2/13/2019	0%																									
743	VTA (47 New Flyer Buses)	25 days	2/15/2019	3/21/2019	0%																									
741	Sonoma County Transit (3 Buses, 2 Type)	4 days	3/26/2019	3/29/2019	0%																									
737	Santa Rosa (4 El Dorados)	5 days	4/8/2019	4/12/2019	0%																									