# Clipper® Executive Board

### California Integrated Travel Project (Cal-ITP)

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|---|---|
| **Subject:** | Update Board members about the Cal-ITP and statewide fare payment initiatives. |
| **Background:** | We have invited Gillian Gillett of Cal-ITP to present to transit operator staff in the Bay Area about several initiatives under review and feasibility analyses that Cal-ITP is pursuing.  Cal-ITP is a joint collaboration between the California State Transportation Agency (CalSTA), Caltrans, the Capitol Corridor Joint Powers Authority (CCJPA), and state, regional, and local partners.  Cal-ITP is largely funded through Caltrans' Transit and Intercity Rail Capital Program. |
| **Attachments:** | **Attachment A:**  California Integrator Travel Project |

Carol Kuester

# California Integrated Travel Project

**Clipper Executive Board**
**27 January, 2020**

# Contents

**1** What is Cal-ITP?

**2** What have we learned from outreach to date?

**3** What is Cal-ITP evaluating?

**4** What is the Feasibility Study?

# Introducing Cal-ITP

# What is Cal-ITP?

Cal-ITP is the result of cooperation between the California State Transportation Agency (CalSTA), Caltrans, the Capitol Corridor Joint Powers Authority (CCJPA), as well as local, regional and state partners.

Cal-ITP was started to research, plan and establish a statewide framework for multimodal transportation integration, beginning with trip planning and payments.

# 40 Million Californians in 2019
# 50-70 Million in 2050

California is the 5th largest global economy and home to many of the private sector's mobility and financial innovators, as well as home to the largest and most complex public transportation system in the United States – up to 360 operators.

About **5%** of Californians commute to work by **public transit**

**65%** of California public transportation trips are by **bus**



**18% of households are underbanked**

**21% of African American households are unbanked**

**7% of households are unbanked**

**15% of Hispanic households are unbanked**

# The five objectives of Cal-ITP

Improve the transit experience
in California

Reduce inequality

Increase public agency buying power
for technology and services

Realize benefits for transit services

Meet California
climate change law
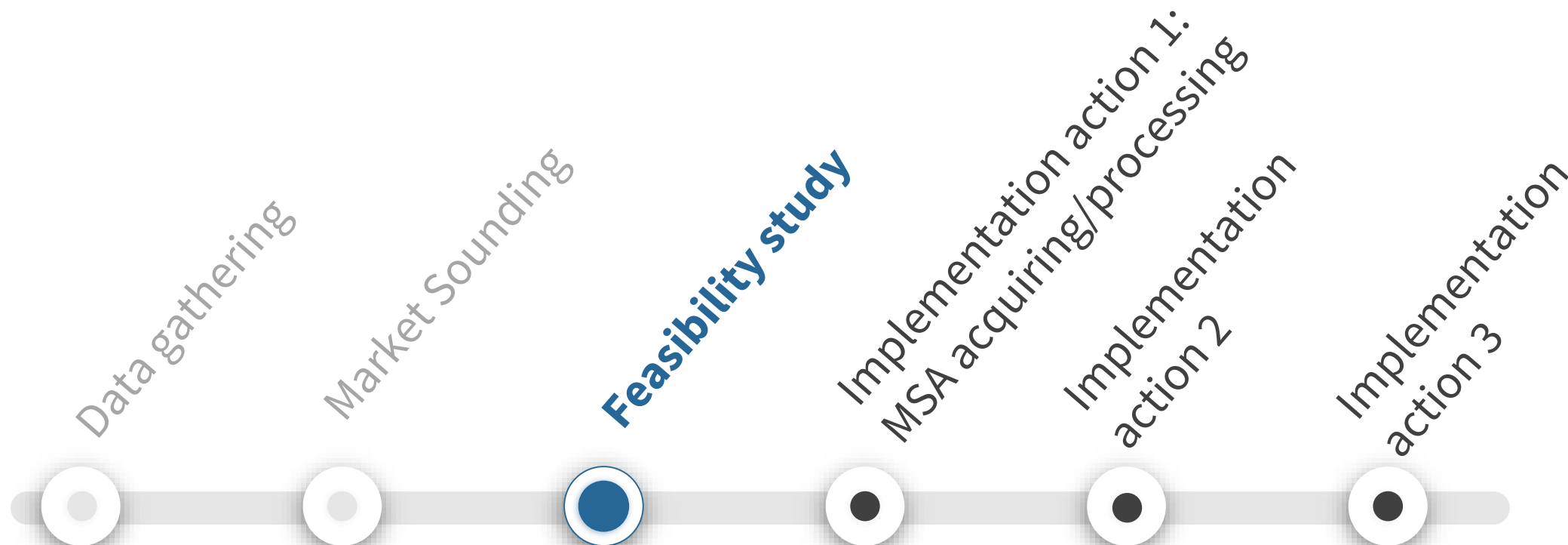
# Cal-ITP Program

Cal-ITP1    Research and fact-finding on Integrated Transportation Systems.

Cal-ITP2    California Integrated Travel Project Symposium in Davis, CA.

**Cal-ITP3**    **Statewide Payment Systems and Mobility Service Data, with a focus on Public Transit and Passenger Rail.**

Cal-ITP Future    Mobility Service Data for other mobility services, Wayfinding tools and guidelines, User Data & Accounts, Customer Service & Feedback systems.

# Cal-ITP 3: Statewide Payment Systems and Mobility Service Data solutions

Data gathering

Market Sounding

**Feasibility study**

Implementation action 1: MSA acquiring/processing

Implementation action 2

Implementation action 3
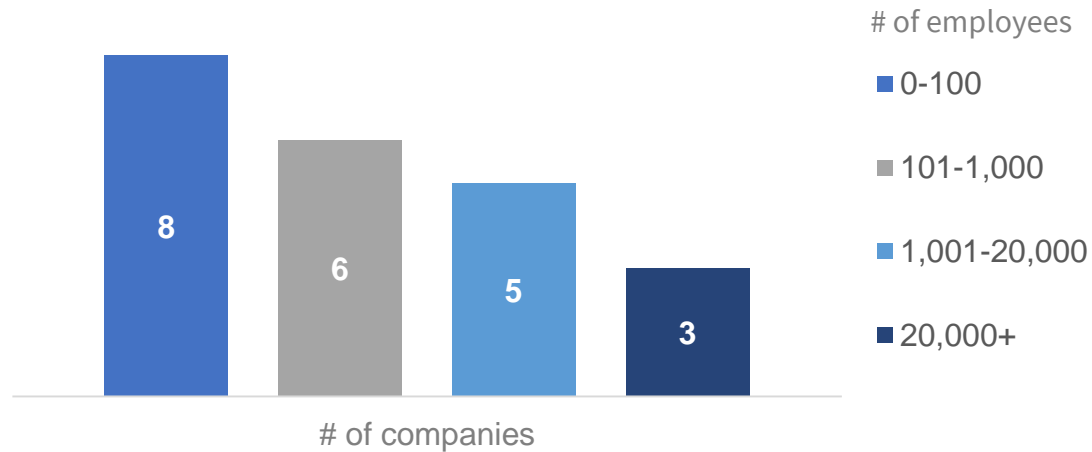
# Sharing outcomes from reaching out

# Market Sounding with private sector

Companies answering our Market Sounding ranged from customer-facing apps to global platforms, fare payment system integrators, the payments sector and the banking industry
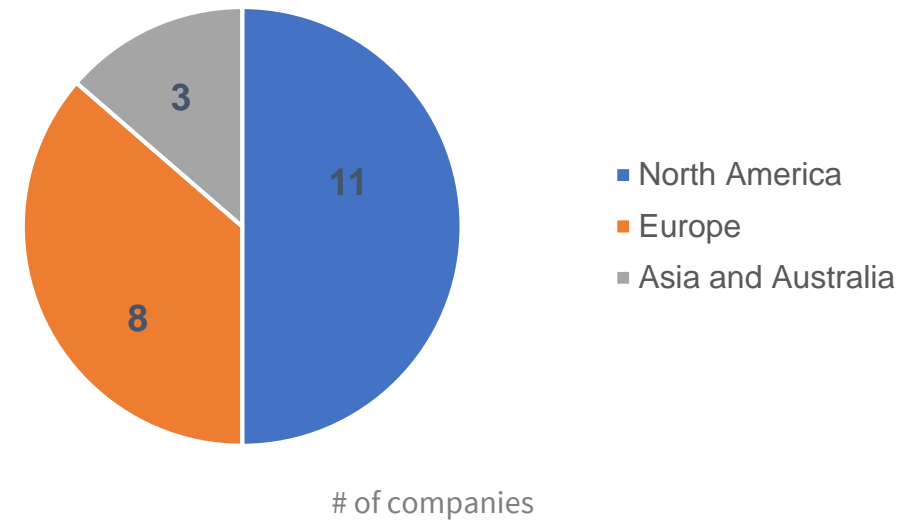
# Overview of Market Sounding respondents

## Distribution of companies by size



**# of employees**
- 0-100
- 101-1,000
- 1,001-20,000
- 20,000+

8
6
5
3

# of companies

## Distribution of companies by location



- North America
- Europe
- Asia and Australia

3
11
8

# of companies

# How private companies see transit

Cal-ITP
California Integrated Travel Project

Convoluted landscape of transit payment systems not designed for interoperability

Large share of unbanked and underbanked customers

Quality and reliability issues of existing mobility data

Lack of harmonized fare policy

Lack of global standards for mobility payments

High financial and payments processing costs

Existing long-term contracts limit modernization

High cost and complexity of registration for certain groups

Transit agencies' insufficient funding and capacity to procure

Privacy expectations of customer segments

**Despite these challenges, private sector companies are very much interested in public transportation and its customers**

# What we heard from public stakeholders

**Even though public stakeholders – including transit agencies – are diverse in number and character, with a diversity of needs, there is a common thread to be found**

Broad support to leverage California's purchasing power to reduce financial acquisition/processing costs

Understanding how to support mobility data and data quality standards statewide, particularly the GTFS family

Early adopters of mobile payment and/or trip planning apps are running into limitations

Support from smaller agencies to leverage California's purchasing power to procure (data and payment) equipment and services

Need for standardization and support in verifying eligibility

**Stakeholders indicate they are ready for opt-in solutions, rather than more studies. Each year without feasible solutions increases vendor lock-ins and further disaggregation.**

# Initiatives under review

# Objectives for improving the customer experience



## Reliable Information

- Service information (e.g. facilities)
- Real-time service information (e.g. vehicle location, arrival time, occupancy rate)
- Fare information (e.g. base fare, discounts, multimodal trip cost information)

## Convenient Payment

- Acceptance of payment cards on vehicles
- Mobile payment acceptance on vehicles
- Support open ticket sales by third-parties

## Inclusivity

- Central eligibility option for discounts
- State issued EMV-based account program

# Cal-ITP Payment Program Initiatives under Review



## Standardization of Mobility Data

Create California GTFS implementation guidelines to support accuracy of data

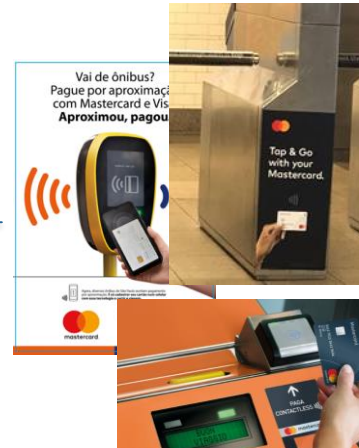## Standardization of Mobility Payments

Leverage global EMV standards for statewide seamless payments

Leverage existing QR standards for statewide mobile ticketing

Create payment APIs for statewide mobile ticketing

## Standardize Eligibility Verification

Offer standardized statewide eligibility verification for discount programs

## Organize Implementations

Provide compliance programs for mobility data / GTFS, mobile payment and eligibility verification

Provide technical assistance to agencies implementing standards

Use California buying power to negotiate Master Service Agreements with vendors of mobility data systems
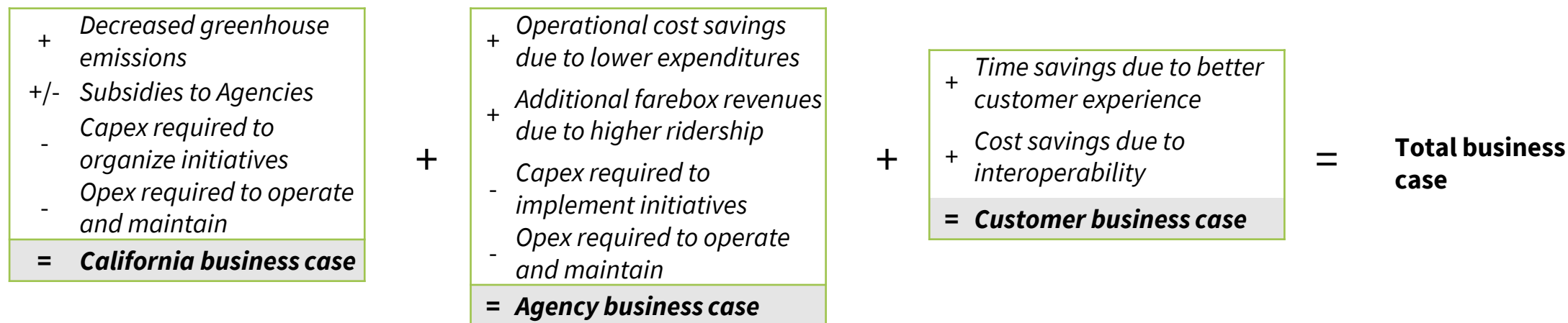
## Organize……

Issue credentials to underserved communities through contactless media

Eligibility verification platform to ease access to and cost of special programs
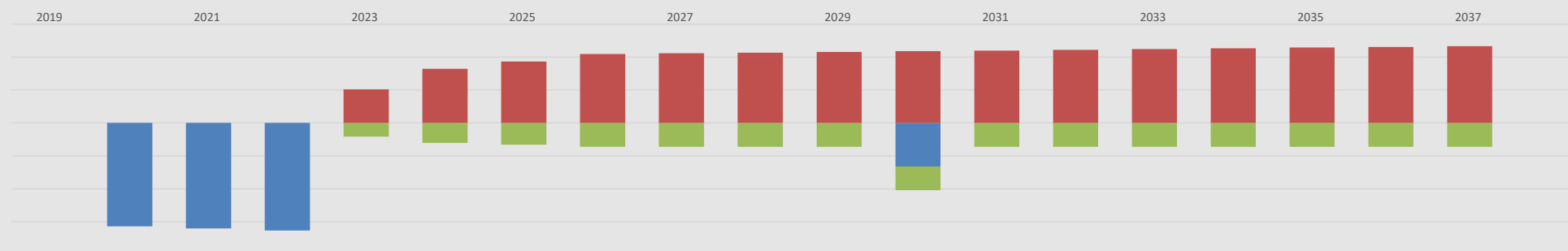
Statewide acquirer/processor contract to lower costs

# What is the Feasibility Study?

# Feasibility Study takes a business case approach to assess the viability of initiatives under review

+ *Decreased greenhouse emissions*

+/- *Subsidies to Agencies*

- *Capex required to organize initiatives*

- *Opex required to operate and maintain*

= **California business case**

**+**

+ *Operational cost savings due to lower expenditures*

+ *Additional farebox revenues due to higher ridership*

- *Capex required to implement initiatives*

- *Opex required to operate and maintain*

= **Agency business case**

**+**

+ *Time savings due to better customer experience*

+ *Cost savings due to interoperability*

= **Customer business case**

**=** **Total business case**



*Illustrative cash flows for initiatives*

2019  2021  2023  2025  2027  2029  2031  2033  2035  2037

# How agencies can help improve FS results

- Cal-ITP team did receive tons of data from agencies, Caltrans and USDOT, but due to inconsistent data definitions and slices most of the data is impossible to reconcile.

- Key data points that would help improve accuracy:
  - Cost of collection - farebox revenues
  - Cost of cash handling
  - Cost and fees of digital payment (acquiring/processing by payment service provider)
  - Cost of special programs and verifying/maintaining program eligibility

# Cal-ITP next steps

- Finalizing the Feasibility Study (January)
  - Incorporating additional data submissions
  - Sensitivity analysis
  - Reporting

- Outreach to public stakeholders and private sector (cont'd and ongoing)

- Advance feasible initiatives for consideration (2020)

Thank you for your time. If you have ideas, comments, data that you would like to share, or would like further briefings, we can be reached:

**Gillian Gillett**

Program Manager, Caltrans

Gillian.Gillett@dot.ca.gov

**Jeroen in 't Veld**

Consultant and Feasibility Study Lead at RebelGroup, B.V.

jeroen.intveld@rebelgroup.com