

**Metropolitan Transportation Commission**  
**Regional Network Management Committee**

**May 9, 2025**

**Agenda Item 4a**

**Clipper® Next Generation Fare Payment System Update and Schedule for Public Launch**

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**Subject:**

Update on the development of the next generation Clipper fare payment system.

**Background:**

Clipper continues to be a great success story for Bay Area transit. Clipper today serves as the fare payment system for riders on 22 transit operators while maintaining high customer satisfaction.

The Clipper system today is delivered through a single vendor contract. The next generation Clipper system is being delivered through several distinct contracts, with the goal of having best-in-class service with the most management control. The region's transit operators have actively participated and provided oversight through the Clipper Executive Board (CEB) in the new system's design, installation, and testing. The next generation Clipper system will serve as the backbone to provide many of the regional fare integration and accessibility features from the Bay Area Transit Transformation Action Plan.

The development of the new system began in earnest with the award of the first contract (Next Generation System Integrator contract) in September 2018. This was followed by procurements for payment services and the customer service center, which were awarded in February and May 2021, respectively. Finally, separate procurements for new Clipper fare cards and card distribution were awarded in July 2022 and March 2023, respectively.

The new system will maintain the strengths of the current program and feature improvements such as greater flexibility and real-time delivery of value to customers. Most notable for customers will be the transfer discounts under the new Free/Discounted Interagency Transfers Pilot. Customers will also be able to manage their family members' Clipper cards from a single account. At the same time, the new system will make it easier to offer incentives and promotions for using Clipper and manage programs such as Clipper BayPass offered through employers, universities, and other organizations.

Customers have been using Clipper cards in mobile phone wallets, a next generation design feature, since April 2021. This has been a huge success with over 37% of Clipper transit trips now taken using a mobile card. The next generation system will also integrate with more services (e.g., paratransit, bus computer-aided dispatch/automatic vehicle location systems). For occasional customers, the next generation system will accept contactless credit/debit cards at Clipper readers. For adult riders, credit/debit card users will also be eligible for transfers between operators.

Development of the next generation system is proceeding on the current plan and schedule shown in Attachment A. The original schedule was affected by the supply chain issues around COVID-19, as well as the focus on minimizing transitional impacts to existing Clipper customers by requiring current Clipper cards to be able to work in the next generation system seamlessly. However, close budget management has prevented significant project increases. The majority of project increases to date have been related to additional equipment for fleet expansion and execution of the contract option to accept contactless credit/debit cards when we start customer transition.

We are well through those hurdles now and have progressed from testing the new system in a lab environment to testing in the field. We are starting a public pre-transition pilot with volunteers from transit operator staff, MTC's Policy Advisory Council and Regional Network Management Customer Advisory Group, and transit operators' citizen advisory boards. This achievement is an important milestone and allows us to identify and fix issues prior to starting customer transition. There is a plan to increase the public participation in the pre-transition pilot as results show a positive direction.

Our current projected schedule continues the public pre-transition pilot through June, so that we can be confident we are responsibly starting customer transition with as little disruption as possible to transit riders. This places the estimated date for the start of customer transition in July. There are several risks we are tracking with the Clipper Executive Board (CEB) each month, and until the risks have been eliminated, they have the potential to impact the start of customer transition.

Per the original goal of upgrading Clipper, many existing customers will not notice once we start transitioning to the new system. However, as they go to load more value, it will be faster. As they apply for discount eligibility, it will be easier. And as they need to manage family accounts in one place, it will be possible. At the same time, infrequent and new transit riders will be able to pay their transit fares simply by tapping a contactless credit/debit card, making access to transit easier for these groups and helping to continue to grow regional transit ridership.

**Issues:**


None identified.

**Recommendation:**

Information.

**Attachments:**

- Attachment A: Presentation

  
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