

Next-Generation Clipper Update

Clipper Executive Board
& Regional Network Management Council
August 24, 2026



**METROPOLITAN
TRANSPORTATION
COMMISSION**

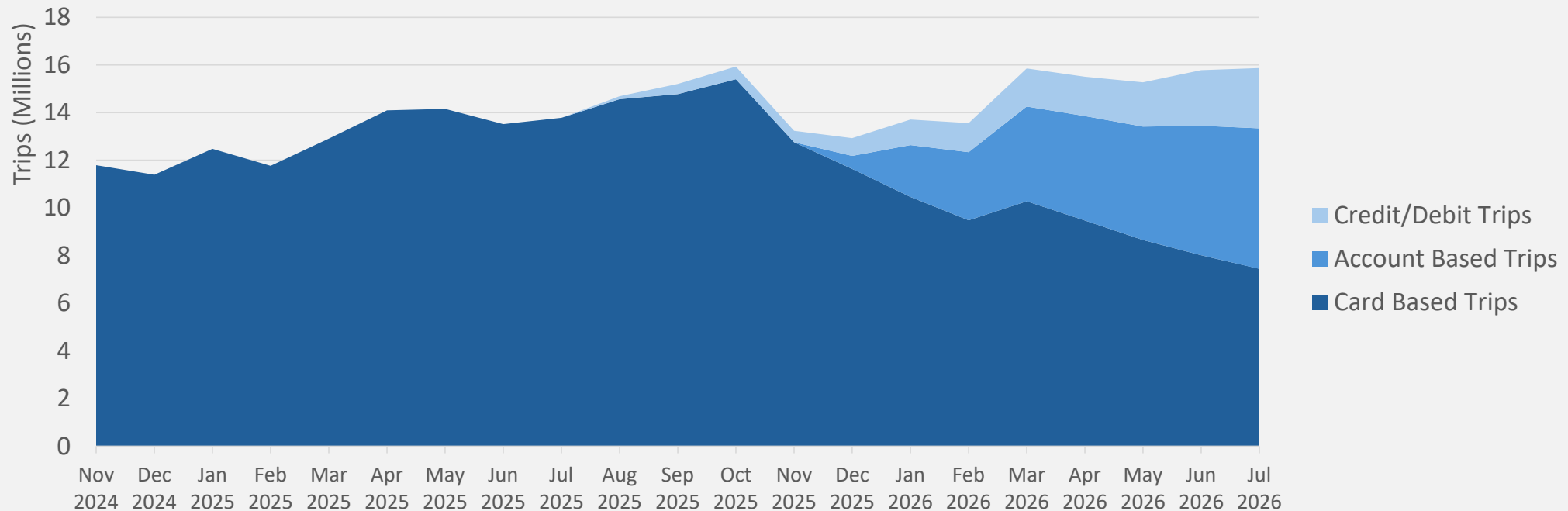
C2 Transition Status

- As of August 2026:
 - ~3.0 million cards migrated (on-demand and via operational migration runs)
 - 58% of Clipper trips being processed through the new system:
 - 42% on Clipper cards
 - 16% on contactless credit/debit cards
 - Full bulk migration of remaining ~12 million cards pending system readiness



All Clipper Trips by Month

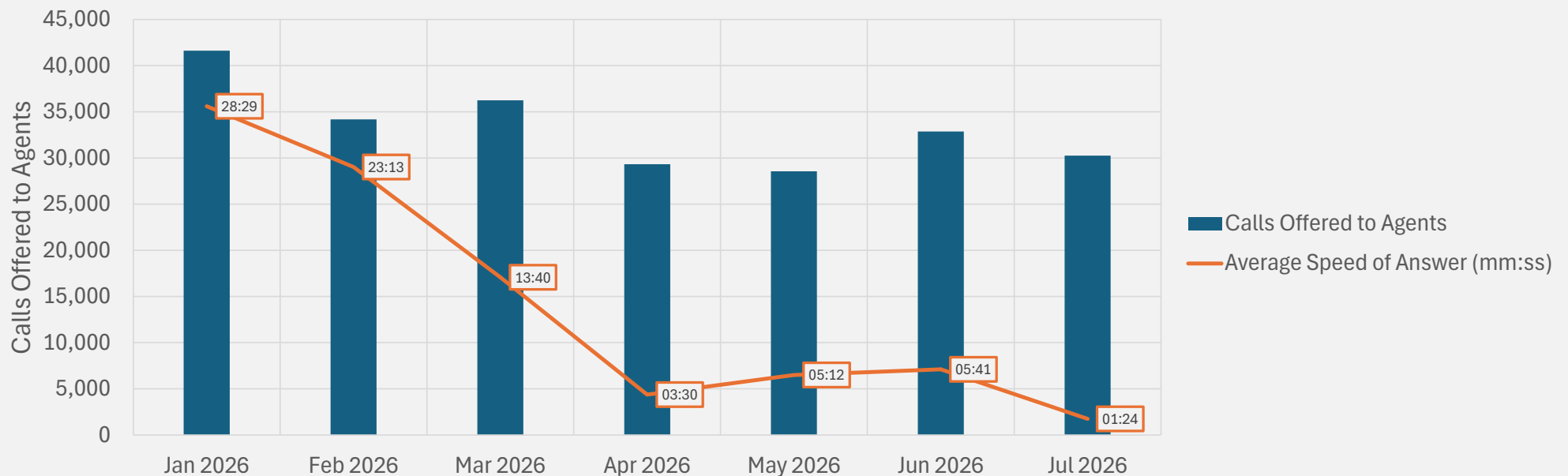
- Overall, Clipper usage remains strong with higher usage levels compared with this same time last year
- In July 2026, Clipper processed 15.9M trips, collecting \$42.5M in fare revenue
 - C2 system processed 8.4M trips, \$26.7M in fare revenue (account-based Clipper cards + credit/debit cards)



Contact Volumes and Customer Wait Times

- In July, average speed of answer was under 90 seconds (improved from over 5 minutes in May/June).

Calls Offered and Average Speed of Answer



- Monthly call volume remains under the peak levels early in transition.
- Call handling times continue to decrease: under 10 minutes in July (improved from 11 minutes in June).

Since July 27 CEB Meeting

Software updates with bug fixes and performance improvements

- Back-office server updates/reconfiguration on August 2 and 7
- Updates to back-office system components on July 29, August 4, August 19
- Migration service update on August 7
- Continued deployment of fare inspection device software updates

Successful operational migration runs

- BayPass program participants (including UC Berkeley and SF State) on July 22–27
- Transit benefit order recipients (Edenred) on August 8
- 300K-card load validation (inactive cards) on August 11–12

Operational issues

- Intermittent instability July 31–August 4 (**resolved**)
- BART vending machine Clipper card issuance failures (**resolved**)
- Fare inspection devices



Prerequisites for Start of Bulk Migration

System stability and capacity: Demonstrated system stability, system monitoring/alerts

- Status: Met

Critical blockers resolved: All critical bugs fixed and verified

- Status: In progress (details on slide 7)

Equipment fully functional: Fixes complete for fare inspection devices

- Status: In progress (details on slide 8)

Financial controls in place: Financial reconciliation and reporting confirmed by MTC Finance and transit operators, internal controls documented

- Status: In progress (details on slide 9)

Customer Service Center issues resolved: Fixes implemented to eliminate critical workarounds, CRM system stability demonstrated

- Status: Met



Open Critical Bugs (as of 8/19/2026)

Customer Service Center software (1)

- Intermittent issue where user is logged out unexpectedly

Fare Inspection Devices (2)

- Credit/debit card read errors
- Inspection may give incorrect negative result

Financial Settlement (1)

- Transactions without settlement dates

Ticket Vending Machines (1)

- Limited-use ticket can be blocked by failed validator read

Fare Card Fulfillment (1)

- Manual workaround required to fulfill Clipper START and Clipper Access card replacement orders



Fare Inspection Devices

Issues	Impacts	Status
Credit/debit card read errors	Fare inspectors unable to inspect all riders	Fixes expected in software update v1.1.17 - Field test on Caltrain 8/19–8/20 - Pilot deployment – week of 8/31
Inspection may give incorrect negative result	Fare inspectors have incomplete information, at risk of issuing citations that will be overturned	Fix under development: - Muni faregate validator update to correctly write tap data to Clipper card (expected for lab testing by 8/21) Fix needing investigation: - Back-office update to reduce transaction processing delays (expected by 9/4)
Slow card validation speeds	Operators unable to collect fares consistently via handheld	Fix needing investigation: Software update to address risk list handling (expected for lab testing by 8/21)
Limited battery life	Fare inspectors unable to inspect all riders	Battery replacement from spares inventory (depending on availability) while awaiting Cubic order of new batteries
Device freeze/login issues	Fare inspection slowed, inspectors unable to inspect all riders	NextFare Central System (NCS) instability mitigated 8/5, full fix expected in 8/19 back-office updates.



Financial Settlement

Settlement reports and procedures

- Revised reports distributed to operators
- Settlement adjustment estimates shared with operators for budget planning
- Settlement walk-throughs underway for all operators (to be completed by 8/31)

Documentation

- Open Payments apportionment rules documentation completed
- Cubic revising remaining apportionment rules documents based on MTC comments

Audit activity

- Ongoing review of C1 and C2 trial balance, general ledger, and GASB 84 statements
- Annual SSAE (Statements on Standards for Attestation Engagements) audit report expected by end of month
- Annual verification of PCI DSS (Payment Card Industry Data Security Standard) compliance due next month
- Upcoming SOC (System and Organization Controls) audits for data security, privacy, and system availability



Migration Priority

Priority 1 (Discount Fare Categories)

Clipper START

(80% of trips via C2,
53K cards remain to migrate)

Clipper Access

(41% of trips via C2,
53K cards remain to migrate)

Youth

(42% of trips via C2,
160K cards remain to migrate)

Senior

(28% of trips via C2
713K cards remain to migrate)

Priority 2 (Institutional/Transit Benefit Programs, Passholders)

Institutional/Transit Benefit Programs

(>300K cards migrated)

Caltrain Monthly Passholders

Priority 3 (North Bay)

Marin Transit (completed),
Golden Gate Transit,
Golden Gate Ferry,
SMART, Sonoma County,
Santa Rosa City Bus,
Petaluma Transit Multi-
Agency

Priority 4 – Batch 1 (Regional Frequent)

BART Multi-Agency
(Frequent)

WETA Multi-Agency
Caltrain Multi-Agency
Muni Multi-Agency
(Frequent)



Migration Priority (cont'd.)

Priority 4 – Batch 2 (Regional)

AC Transit Multi-Agency
VTA Multi-Agency
SamTrans Multi-Agency
County Connection, Tri
Delta Transit, LAVTA,
WestCAT, Union City
Multi-Agency
NVRTA, Soltrans, FAST,
Vacaville CityCoach
Multi-Agency

Priority 4 – Batch 3 (Regional Infrequent)

BART Multi-Agency
(Infrequent)
Muni Multi-Agency
(Infrequent)

Priority 5 – (Single Agency)

All Single Agency Riders
(Frequent)
All Single Agency riders
(Infrequent)

Priority 6 (All Remaining)

All remaining eligible
cards



Next Steps

- Continued software/system updates to address remaining critical issues affecting operator staff
- Monitoring to ensure continued stability
- Continue operational migrations during bulk migration ramp-up
- Proceed with full bulk migration of Clipper customers once prerequisites are met (with approval from Clipper Executive Board leadership)
- Post-delivery review, including lessons learned and steps to improve system resiliency

