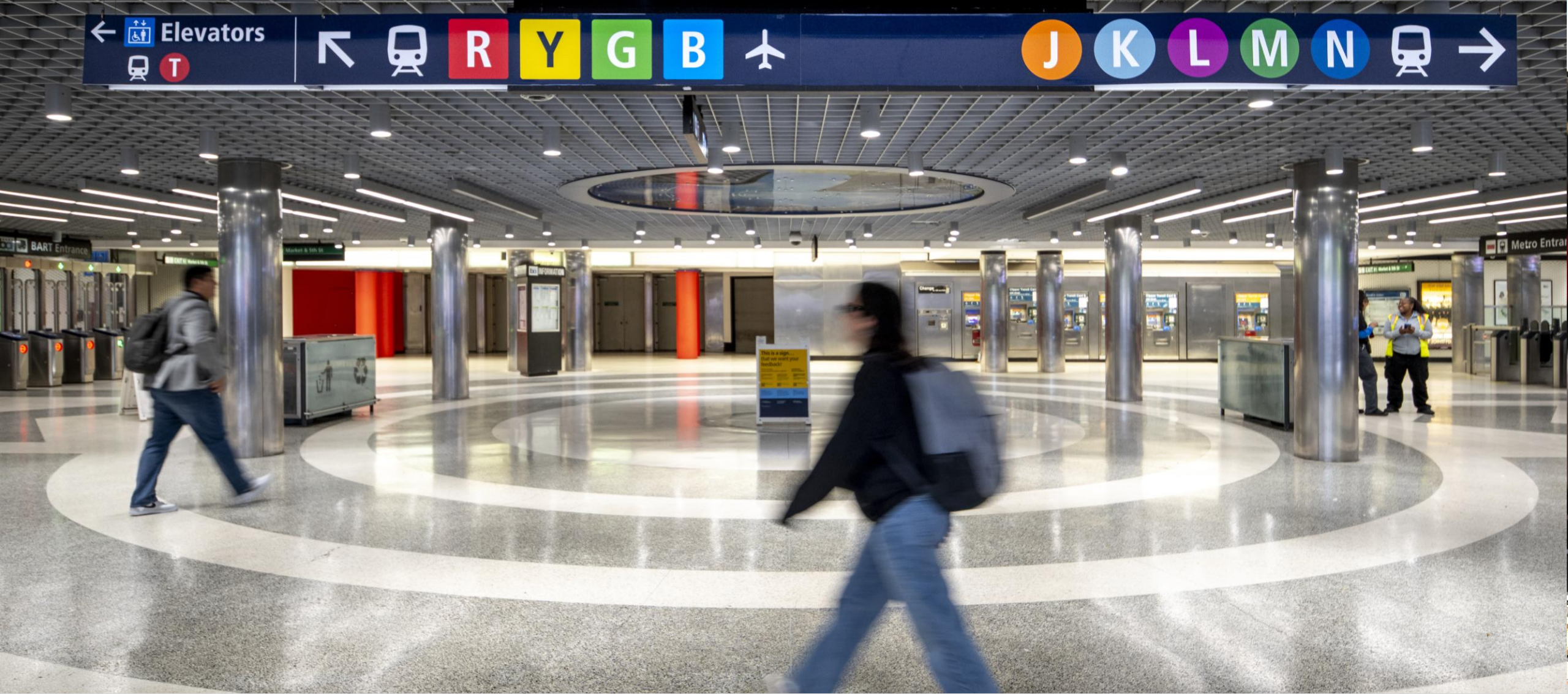




Clipper BayPass Update

Recognizing Challenges and Building on Success

Regional Network Management Council

November 17, 2025 – Agenda Item 3b – Attachment A

Meeting Purpose & Goals for Today

BayPass is generating **new riders and revenues and improving customer experience**. We believe that both operators and BayPass participants would like to continue this valuable pilot program.

However, authority to offer the pilot program will **expire summer 2027** and no additional one-year contracts will be offered after summer 2026 unless the pilot is extended.

Our goal today is to:

- Share highlights of BayPass operations, including key challenge areas
- Outline potential proposal for extending the pilot through a revised Participation Agreement
- Review key considerations and ongoing discussion topics

BayPass Pilot Overview

The Clipper BayPass Pilot is the Bay Area's first regional unlimited-ride transit pass.

BayPass users have unlimited access to all bus, rail, and ferry services* in the nine-county Bay Area region that accept Clipper, at no cost at the point of use.

*Excludes SFMTA Cable Cars



BayPass Pilot Overview



Key Objectives:

- Generating new riders and new revenue sources
- Broadening access to institutional programs
- Evaluating and managing impacts to transit operator revenues, especially for operators with existing institutional pass programs
- Gathering data to inform the development of any post-pilot program that may be developed

BayPass Pilot Overview: Phases



Phase 1

Pilot with over 50,000 university students and affordable housing residents

Randomized controlled trial

Funded by transit operators and MTC

2022-2025

Complete

Phase 2

Pilot with ~85,000 Employees, Students, and Residents

Funded by Payments from Participating Employers/Institutions

2024-2027

Ongoing

BayPass: Phase 1 Highlights



The Phase 1 program evaluation found that, on average, SFSU, SJSU and UC Berkeley students with access to Clipper BayPass:

- Took **30%** more transit trips;
- **The impact of BayPass on transit trips taken was approximately two times greater for low-income students** than for middle- and high-income students*;
- Made **163%** more inter-transit-agency transfers;
- Were between **6%-15%** less likely to leave their university between Fall 2022 and Fall 2023.

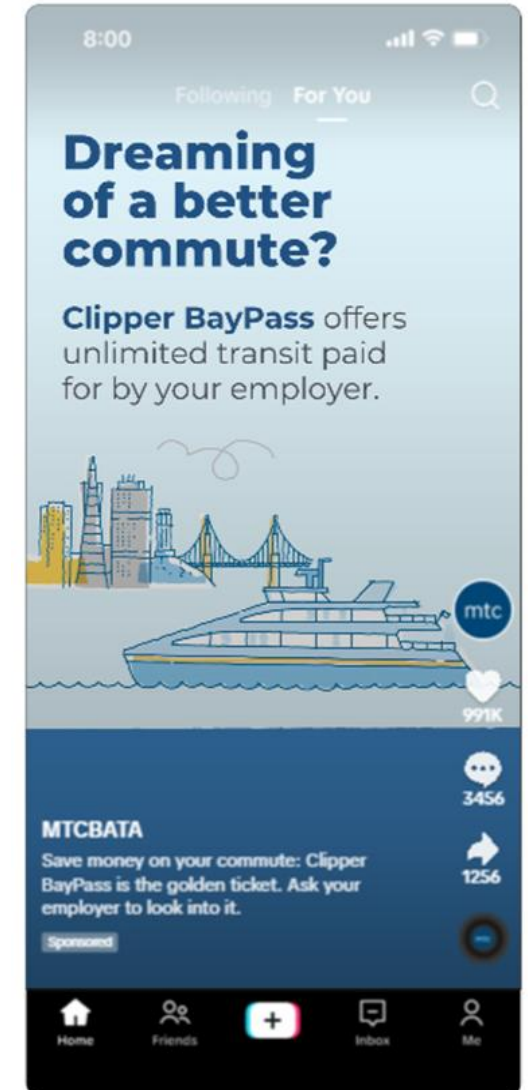


*Among a subset of students who responded to a survey question about their income level

BayPass: Phase 2 Highlights

In BayPass Phase 2, we are selling the Clipper BayPass to interested organizations:

- Over 86,000 paid-passes in Phase 2, including 16 contracts with organizations
- UC Berkeley and SF State both continued into Phase 2 – purchasing BayPass for all students
 - 90% overall approval of BayPass by UCB in a student referendum
- Continuing to grow and expand ridership for the region's first all-access transit pass program



BayPass: Phase 2 Highlights

Phase 2 launched in January 2024 at UCSF, the employers and housing communities that make up the Alameda Transportation Management Association and the City of Menlo Park:

- Individuals eligible for BayPass at these organizations **took 35% more transit trips** in 2024 than in 2023

Phase 2 continues to grow- about 8x more individuals are currently eligible for BayPass than were eligible at the beginning of 2024.



The BayPass Effect

BayPass is growing
customer base, riders, and
generating new revenues



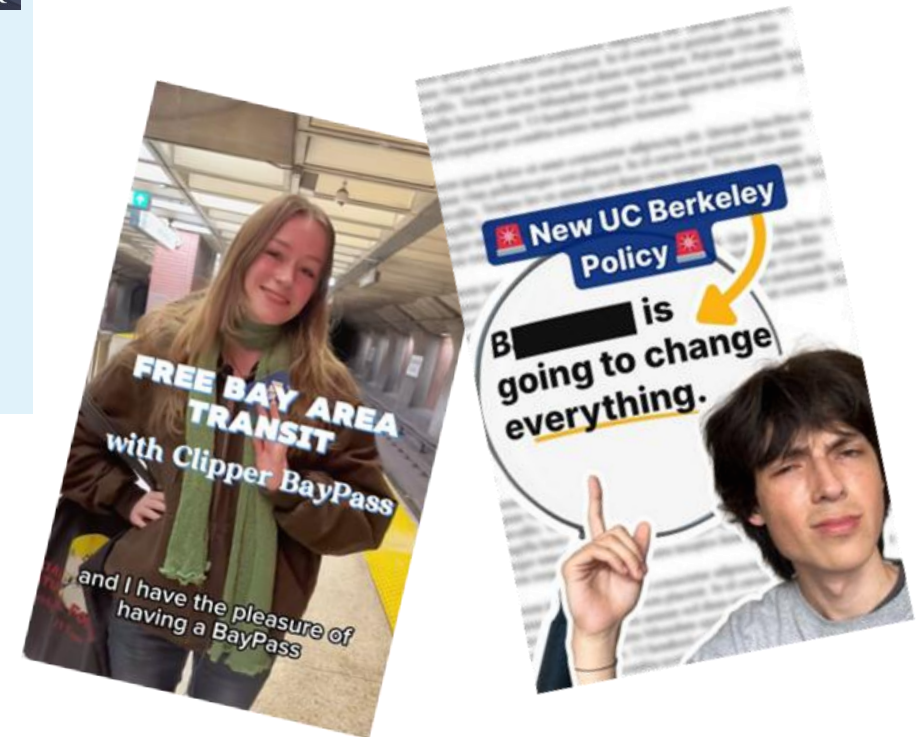
Riders report improved
experience and increased
access to transit

*Quotes from BayPass
survey respondents*

"The Bay Pass has saved
me a tremendous
amount of money. I use it
to commute to several
jobs and it has been an
absolute game changer
for me"



*Existing Clipper BayPass
employer/institutional
customers*



Social media posts by BayPass users

Context: Participation Agreement Overview

The BayPass Participation Agreement is signed by and among MTC and all Transit Operators:

- Authorizes sale of BayPass through summer 2027
- Outlines agreements for the sale of an unlimited regional transit pass to up to 80,000 individuals (excluding transitioned Phase 1 participants)
- Summarizes key pilot parameters including:
 - Roles and responsibilities
 - Program revenues
 - Coordination with existing institutional programs



Phase 2: new participants: ~20K
(remaining capacity is ~60K)

Phase 2: Transitioned Phase 1 participants: ~60K
(excluded from Phase 2 participation cap)

Context: Participation Agreement Guiding Principles

1. Program Revenues

- Operators will be reimbursed for trips based on actual usage (adult Clipper Fare)
- \$5M will be available to offset any revenue gaps to reimburse operators
- For any excess revenue, up to \$1M is available for pilot administration costs

2. Aligning with Existing Institutional Programs

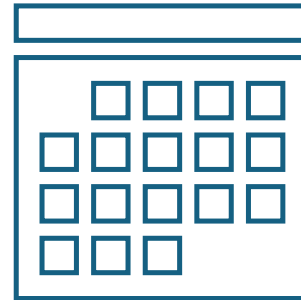
- BayPass will only be offered to any existing employer/institutional customer as an upgrade to their Preexisting Institutional Pass Product
- BayPass will not be offered at a price that undercuts the cost of any Preexisting Institutional Pass Products

3. Evaluation

- Project team will engage with operator staff and executives to share pilot findings, project updates, and to collect feedback from transit operators about the program

Context: Phase 2 Pilot Pricing Overview

- Pricing at revenue neutral or positive levels to align with Participation Agreement
- Customizing year 1 price estimate for every potential customer based on two customer inputs:
 - organization's location(s) and
 - days per week on site
- During pilot phase, calibrate year 2 pricing closer to actual usage if priced too high or too low in Year 1



<<<<<<<<<<More transit accessible

	\$\$\$\$\$	\$\$\$\$	\$\$\$
	\$\$\$\$	\$\$\$	\$\$
	\$\$\$	\$\$	\$
More days on site>>>>>			

Context: Pilot Pricing Evaluation Study

- Current Participation Agreement allows for flexibility to test some of the proposed program adjustments/key considerations
- **Rebel Group**, a consultant specializing in payments and pricing for mobility services, is currently undertaking a pricing evaluation study for the BayPass pilot
- This study will look at options for pricing models beyond our current model that could be used as the program matures and scales



What we are Learning:

Build on Success while Recognizing Challenges

- **Significant interest from potential customers** → but many remain price sensitive and are seeking transparency and flexibility with pricing options
- **Institutional customers are renewing contracts and looking to continue with the program** → but are seeking a simpler contracting process, particularly when they are purchasing multiple institutional and agency pass products
- **BayPass administration is lean and efficient** → but will need to scale and retain efficiency as program grows
- **BayPass is being sold to a diverse group of organizations** (educational institutions, affordable housing properties, etc) → but many seeking to incorporate age-based/means-based discounts when appropriate

Participation Agreement Extension

The BayPass team would like to extend the pilot and offer the pass to partners beyond 2027 through a revised Participation Agreement.

Key program goals to consider as we update the agreement include:

- Continue to attract a diverse range of partner organizations (educational institutions, affordable housing developments, etc.)
- Tailor administrative costs to operational needs; current \$1M available for administration costs is not sufficient and scaled for a growing program
- Increase participant cap to allow for continued program expansion
- Simplify the contracting process

Considerations for Participation Agreement Extension

Participation Agreement Extension w/ moderate program adjustments

Potential moderate changes to the current Participation Agreement for consideration include:

- Reflecting existing means-based and age-based fare discounts in reimbursements to operators
- Incorporating an administrative budget process and cost recovery mechanism, drawn from program revenues, into the document
 - Increasing participation cap

Extend contract for ~3 years



Upcoming activities to support Participation Agreement Extension

Work with operators to coordinate marketing and communication of pass products to partners

Provide proactive updates and online dashboards for operators and partners with up-to-date data

Update RNM Council on Rebel's Pricing Evaluation Study and potential pricing approaches

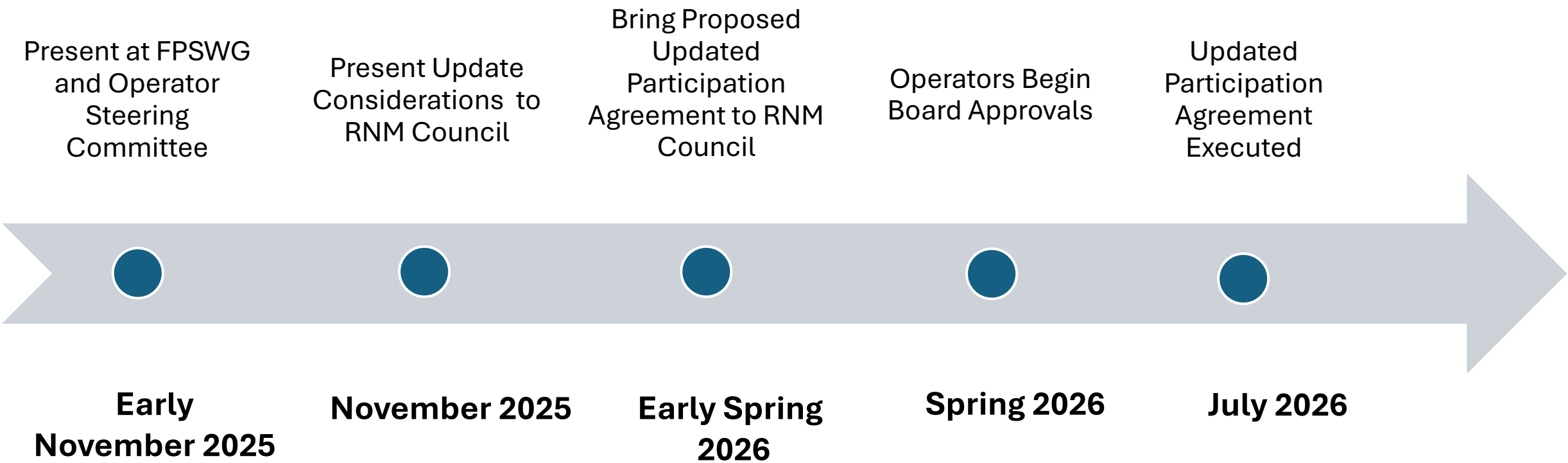
Ongoing Discussion Topics:

BayPass project team and operator staff are continuing to explore the following issues related to the status of **pre-existing single agency pass programs**:

- Reviewing geographic requirements
- Reviewing requirements to purchase BayPass as an add-on contract
- Considering Participation Agreement terms related to pre-existing program revenue

Discussions are ongoing with the intent understand feasibility for inclusion in an updated Participation Agreement by February 2026

Roadmap to updated Participation Agreement



Seek Action Item to Endorse Proposal

Thank you!



For more information please visit reach out to the team:

Ryan Reeves
SF Bay Area Rapid Transit
ryan.reeves@bart.gov

Thalia Leng
Metropolitan Transportation Commission
tleng@bayareametro.gov

A promotional graphic for Clipper BayPass. At the top left is the Clipper BayPass logo. To its right are three links: "For Employers" (underlined), "For Employees", and "Interest Form" (in a blue button). The main image shows a man in a white shirt and backpack using a Clipper BayPass card at a transit machine. In the background, there's a ferry boat on the water and a bridge. The text "Clipper BayPass— Open for business!" is prominently displayed in the upper left of the image area. Below the image, the text "Unlimited transit across the Bay Area!" is written in a bold font. At the bottom, a line of text states: "Clipper BayPass gives your employees unlimited travel on all Bay Area transit services — bus, rail and ferry."