



MTC - Housh Bergner

# Clipper BayPass Update

Fare Integration Task Force

August 28, 2023

Agenda Item 4b



# Agenda



1. Phase 1 Testimonials
2. Phase 2 Updates
3. Next Steps / Timeline

# Clipper BayPass



**Unlimited regional transit pass for rides on all bus, rail and ferry services in the Bay Area - anytime, anywhere**



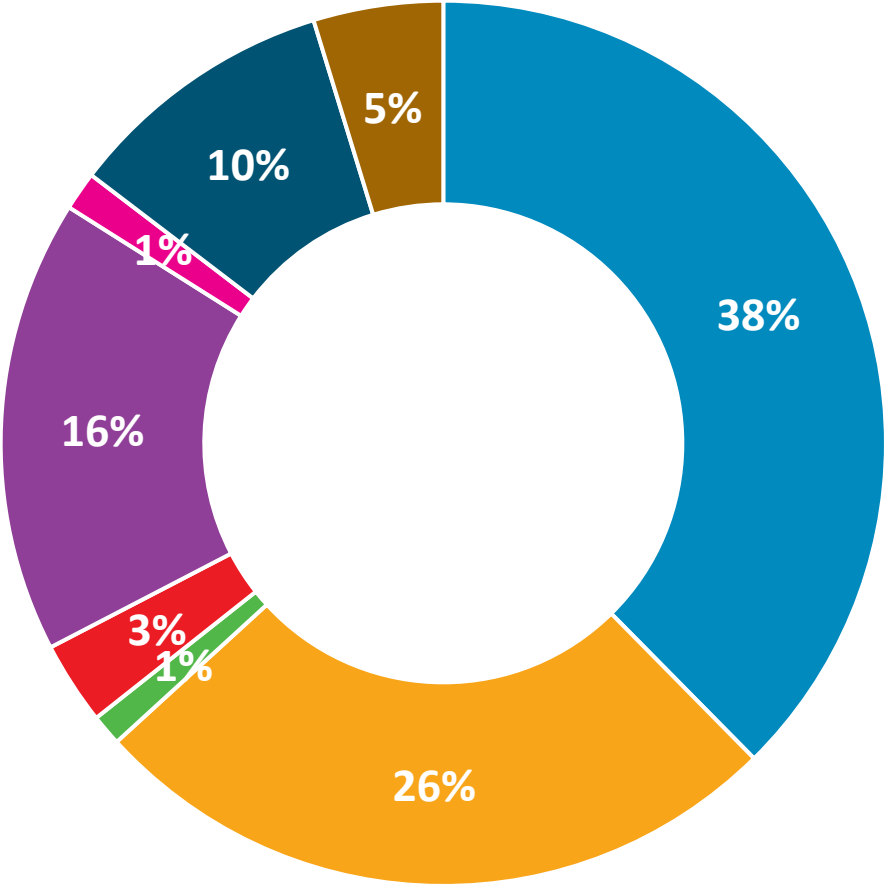
**Phase 1:**  
Pilot with University Students  
and Affordable Housing  
Residents  
*Launched 2022*

**Phase 2:**  
Pilot with Employers,  
Transportation Management  
Associations and Property  
Managers  
*Launching late 2023*

# More than 2 Million Trips Taken (Phase 1)



BayPass Trips by Operator



Preliminary data indicate that Clipper BayPass cardholders take about **35% more transit trips** than their peers with single-agency passes

■ AC Transit ■ BART ■ Caltrain ■ SamTrans ■ SF Muni ■ SMART ■ VTA ■ Other





# Phase 1 BayPass Feedback



# Phase 2 – Employer Pass Goals



*Selling a new unlimited regional transit fare product to up to 10 employers with up to 20,000 total employee participants*

## **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

# Phase 2 – Context / Goals for Today



- Continue staff and GM level discussions on key challenges
- Discuss principles for Phase 2 of the Clipper BayPass Pilot
- Goal today: Seek Task Force endorsement of terms and principles for a Participation Agreement and direct staff to develop a Participation Agreement for endorsement by October 31, 2023 to allow the Phase 2 pilot launch by the end of December 2023

# Participation Agreement Overview

- Signed by and among MTC and all Transit Operators
- Outlines agreements for the sale of an unlimited regional transit pass to up to 10 employers or institutions with up to 20,000 individuals
- Summarizes key pilot parameters including:
  - Guiding principles
  - Roles and responsibilities
  - Program revenues
  - Coordination with existing institutional programs



# Participation Agreement (cont.)

## Key Roles and Responsibilities

- **Transit Operators:** provide unlimited transit use for selected employers (up to 10 employers and a total of up to 20,000 individuals)
- **MTC:** Manage collection of payments from employers and distribute funds to operators using a defined methodology defined in the Participation Agreement
- **MTC/BART Project Team:** Manage coordination with employers, including marketing materials, data/reporting, evaluation activities, and card activation/deactivation

# Participation Agreement (cont.)

## Aligning with Existing Institutional Programs

- Clipper BayPass will only be offered to any existing employer/institutional customer as an upgrade to their Preexisting Institutional Pass Product
- Staff will aim to align operational processes between the Clipper BayPass and the Preexisting Institutional Pass programs
- Clipper BayPass will not be offered at a price that undercuts the cost of any Preexisting Institutional Pass Product. The cost of Clipper BayPass to any employer will be above the cost of any Preexisting Institutional Pass Product for operators that serve the employer's physical location. Service is defined as a rail station or bus stop within three miles of an employer's physical location.
  - Existing customers refers to any employer that was a customer of a pre-existing institutional program as of January 1, 2020 or the launch date for Phase 2
- During Phase 2 of the Clipper BayPass Pilot Program in San Mateo County and Santa Clara County, Clipper BayPass will only be offered to Preexisting Institutional Pass Product customers of Caltrain's GoPass Program within three miles of a Caltrain rail station or VTA's SmartPass Program outside of three miles of a Caltrain rail station.

# Participation Agreement



## Program Revenues

- Operators will be reimbursed for trips based on actual passenger usage (at a rate equal to a regular adult Clipper Fare)
- \$5M will be available to address funding gaps if necessary
  - \$1M already budgeted through Transit Transformation Action Plan
  - \$4M additional funds will be requested through MTC Commission action in September
- Any excess revenues from the sales of the Clipper BayPass pilot product up to a limit of \$1 million or whatever costs were incurred by MTC to establish the Phase 2 program, whichever is less, shall be available to reimburse MTC for the operation and management of the Clipper BayPass Pilot. All additional excess revenues, beyond the limit described above, will be allocated to transit operators based on each operator's share of overall Phase 2 ridership
- Employers will be offered one-year contracts. Contracts may be renewed with updated pricing terms as needed.

# Participation Agreement



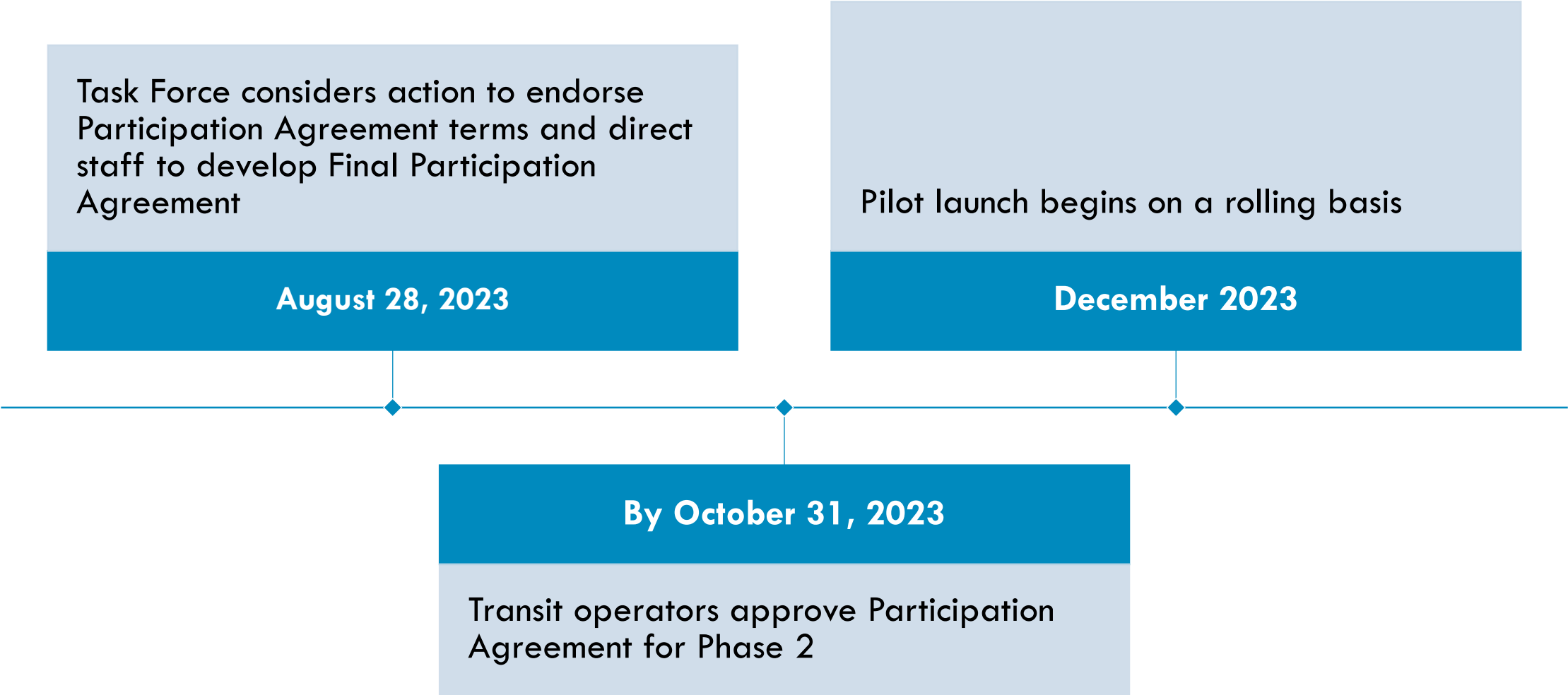
## Evaluation

- Project team will engage with operator staff and the Fare Integration Task Force to share pilot findings, project updates, and to collect feedback from transit operators about the program
- Project team will proactively seek input and consent from operators and the Fare Integration Task Force before any long-term program is established
- Pilot pricing and revenue distribution terms do not establish a precedent for pricing or revenue distribution in any post-pilot Clipper BayPass program that might be established
- The terms of any future program are subject to later negotiation. Any agency will have the discretion to participate or not participate in any future post-pilot Clipper BayPass program that may be established.

# Phase 2 Implementation Discussion & Next Steps

1. Do key Participation Agreement terms address remaining operator concerns? If not, what other info is needed to move forward?
2. Action item for Task Force consideration: Endorsement of the Key Terms and Principles for a Clipper® BayPass Pilot Program Participation Agreement as described in Attachment A and direct the project management team to develop a Participation Agreement for approval by transit operators and MTC.

# Milestones for Launching Employer Pass Pilot in 2023





# Thank you!

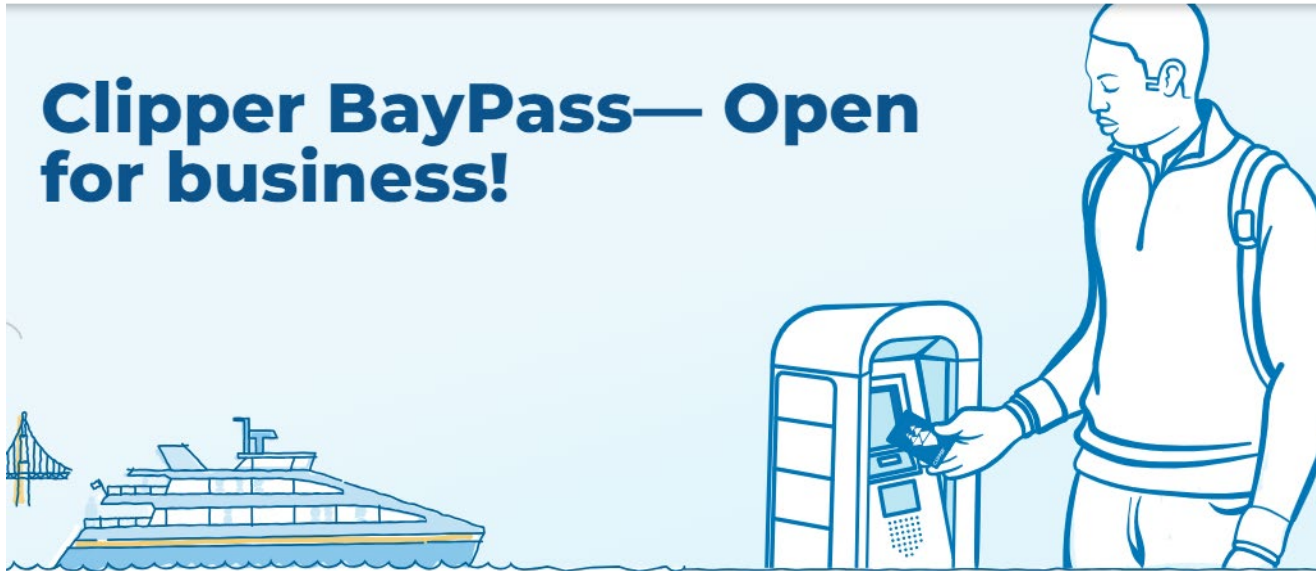


For Employers

For Employees

Interest Form

## Clipper BayPass— Open for business!



### Unlimited transit across the Bay Area!

Clipper BayPass gives your employees unlimited travel on all Bay Area transit services — bus, rail and ferry.

For more information please visit:

<http://clipperbaypass.com>