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#NextGenClipper



Clipper: The Next Generation

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May 11, 2016

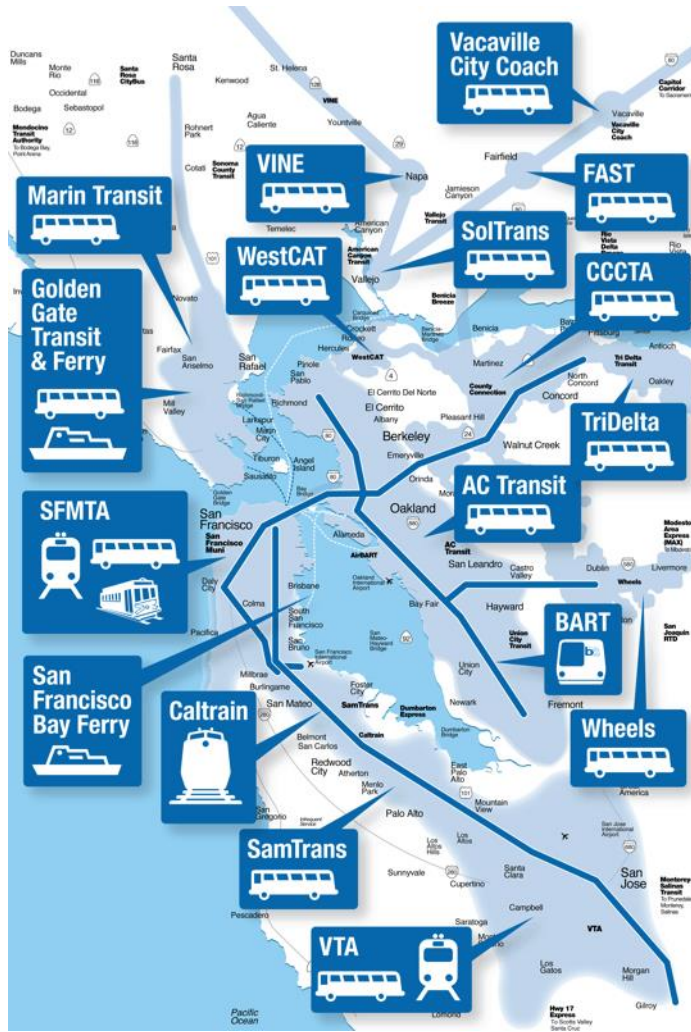
Clipper in the Region and San Francisco

Diana Hammons

San Francisco Municipal Transportation Agency



Clipper = Seamless Travel



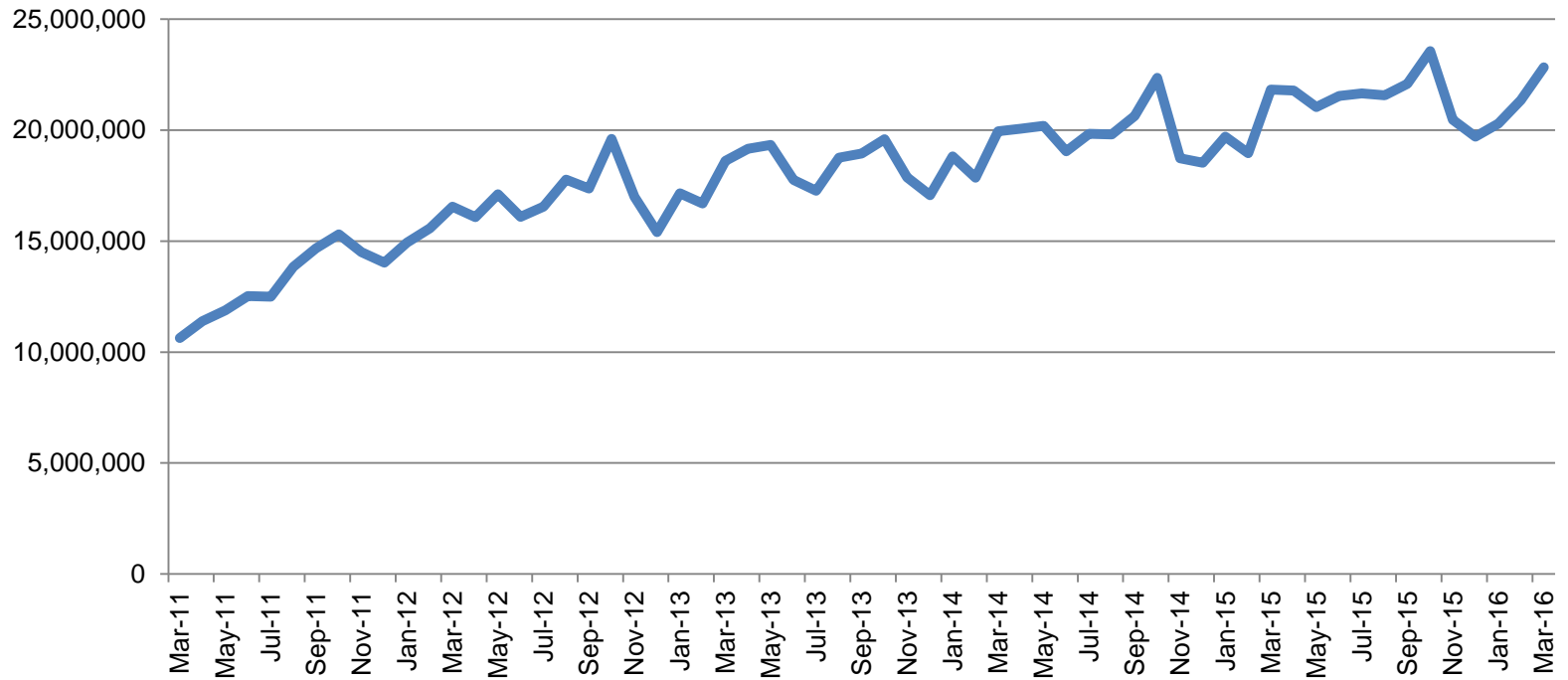
- **9 counties/20 transit systems**
 - Available to more than 95% of transit riders
 - 1.7 million active card accounts
 - 20-23 million transactions per month
 - Processing \$40 to \$45 million in transit revenue per month
 - More than 300 retailers
- **Fare policy**
 - 4 fare categories: adult, senior, youth, disabled
 - 4,000+ unique fares
 - 12,000+ recognized transfer combinations
 - 100+ agency fare products
- **Expansion underway**
 - Sonoma Marin Area Rail Transit (SMART) launch fall 2016
 - Union City Transit launch early 2017

Clipper Program History



Clipper Growth

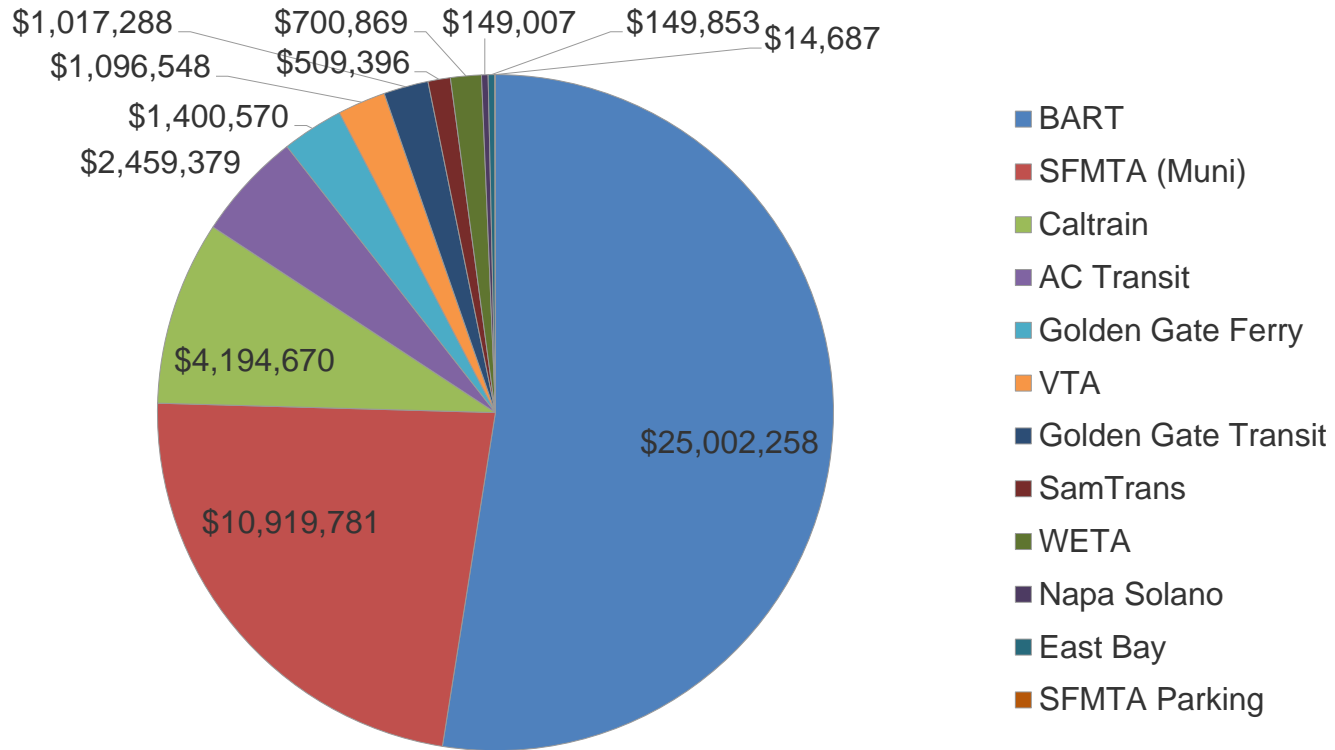
More than 22 million transactions in March 2016



Clipper: Snapshot of Current System Use

	March 2016
Transaction Volume	
Average Weekday Ridership	820,826
Fee-Generating Transactions	22,819,399
Unique Cards Used	897,304
Active Card Accounts	1,768,171
Settled Transit Operator Revenue	\$47,619,933

Clipper Use Across Agencies



Clipper Revenue, March 2016

Clipper on Muni

- Monthly pass customers transitioned in fall 2010
- Approximately 110,000 monthly passes sold each month
- \$123 million in revenue collected on Clipper (55% of fare revenue)
- Free Muni programs for youth, seniors and disabled provided via Clipper



System Limitations for SFMTA

- Low-income fare category not available for Lifeline passes
- Single-use products not available to meet needs of social service clients and visitors
- Time-based fares and transfers not available



Current Fare Collection Developments

- Youth age changing to 18
- Pricing differential for Clipper customers
 - Creates need for more add-value locations
- SFMTA mobile app to serve markets not served by Clipper
 - Tourists
 - Single rides



Clipper: The Next Generation

*Carol Kuester,
Metropolitan Transportation Commission*



Planning for the Next Generation: C2

- Current contract to operate system ends November 2019
- System limitations
 - System architecture is from the late 1990s
 - Card readers and other equipment are approaching end-of-life
 - Integrating new technologies into the existing Clipper system would be expensive and risky



C2 Vision and Mission

- The **vision** for the next generation of Clipper is a customer-focused, cost-effective fare payment system that supports seamless transit travel in the San Francisco Bay Area.
- The **mission** of Clipper is to provide a convenient, flexible and efficient regional fare payment system.



C2 Goals

Customer Service

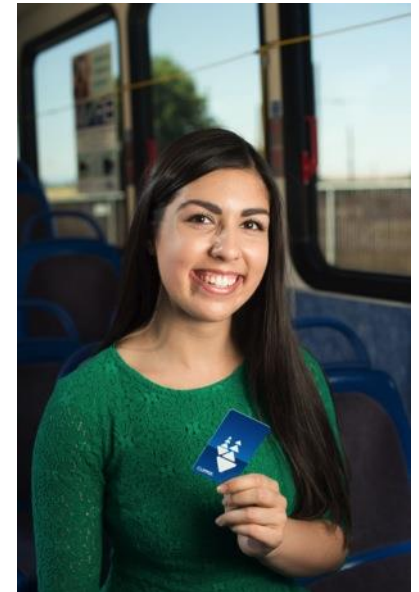
- Provide an intuitive, efficient and familiar experience
- Provide excellent, proactive customer service

Governance

- Create a transparent, consistent, inclusive and timely decision-making process
- Govern the program efficiently and cost-effectively

Operational

- Ensure that accurate and complete data are available to support decision making at every level
- Ensure program flexibility and responsiveness
- Ensure operational efficiency and reliability



Contracting and Technology Alternatives

- Focus on meeting customer needs and requests
- Speedy system changes if needed
- Regional communication infrastructure separate from fare payment
- Benefits of card- and account-based
- Single account capability
- Modern back office
- Inexpensive and accessible media
- Easy to upgrade



Customer Ease of Mind

- Alternatives to pre-paid media while reducing cash
 - Limited-use tickets
- Clear messages for complex payment schemes
 - Day passes
 - Fare incentives
- Simple solutions for needs-based, disabled and other discount-eligible riders
- Choice of mood, not mode
 - Make taking bus, bike, rail, ferry, car share, walking simple



Request for Expressions of Interest (RFEI)

Purpose of RFEI

- Solicit vendor feedback on proposed delivery and contracting strategies
- Specifically seeking feedback on:
 - Technical aspects
 - Commercial aspects
 - Financial aspects
 - Approach to procurement
- Also would like to receive industry suggestions for:
 - Cost savings
 - Schedule acceleration



Peer Agency Experience

Monitoring other agencies replacing legacy systems

- Chicago Ventra
- Seattle ORCA
- Washington D.C. Smart Trip



Monitoring agencies implementing new card systems

- New York MTA MetroCard
- Portland Tri Met Hop Fastpass



Clipper: A Regional Approach

*Denis Mulligan,
Golden Gate Bridge, Highway &
Transportation District*

Clipper Governance Structure

Original Memorandum of Understanding (MOU) identified:

- MTC's Clipper-related responsibilities
- Transit agencies' Clipper-related responsibilities
- Process for amending Clipper Operating Rules
- Process for dispute resolution among program participants
- Method for MTC and transit operators to divide program costs and revenues



Changes to MOU

Creation of Clipper Executive Board

- SFMTA, BART, Caltrain/SamTrans, AC Transit, VTA, Golden Gate Transit, MTC and two representatives of remaining transit operators
- Meets regularly
- Establishes goals and work plan
- Approves business matters

Program Goals and Objectives

Clipper Contracting Agency

- MTC defined as Clipper Contracting Agency
- Staffs Clipper program and fulfills related duties

Creation of Clipper Executive Director



The Clipper Environment

Collaboration is Key

- Staff of agencies in regular communication, identifying opportunities to cooperate on Clipper programs

Customer Focus

- 97% of Clipper customers satisfied to very satisfied
- Customers want discounts for using Clipper

Survey of Muni Cash Customers, 2014

Incentive	Likelihood of Switching to Clipper		
	Much More Likely	Somewhat More Likely	Total More Likely
25-cent per-ride discount (N = 403)	64%	22%	86%
50-cent per-ride discount (N = 144)	79%	8%	88%
Clipper-only transfers (N = 403)	76%	13%	90%

?

Clipper: Frequently Asked Questions



Frequently Asked Questions

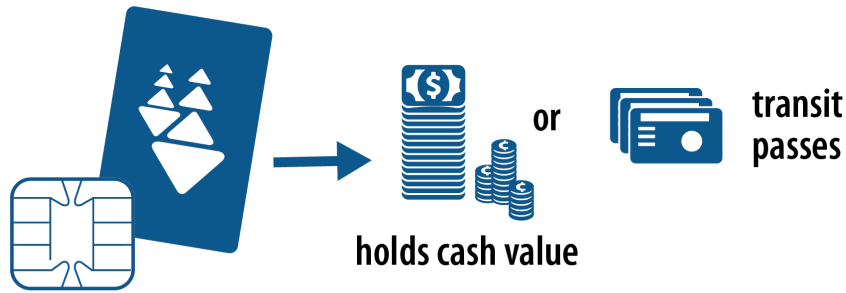
When can I use the value added to my card?

- You can use the value added to your card in person right away.
- If you add value online or over the phone, it may take up to 5 days for the value to be available.

Why does it take so long?

- Clipper is a card-based system, and the card has to touch a Clipper device for value to be added to it.
- It takes a day for value to be available on “hard-wired” devices like ticket machines and fare gates, but it’s a two-step process for buses and light rail vehicles and takes longer – see next slide.

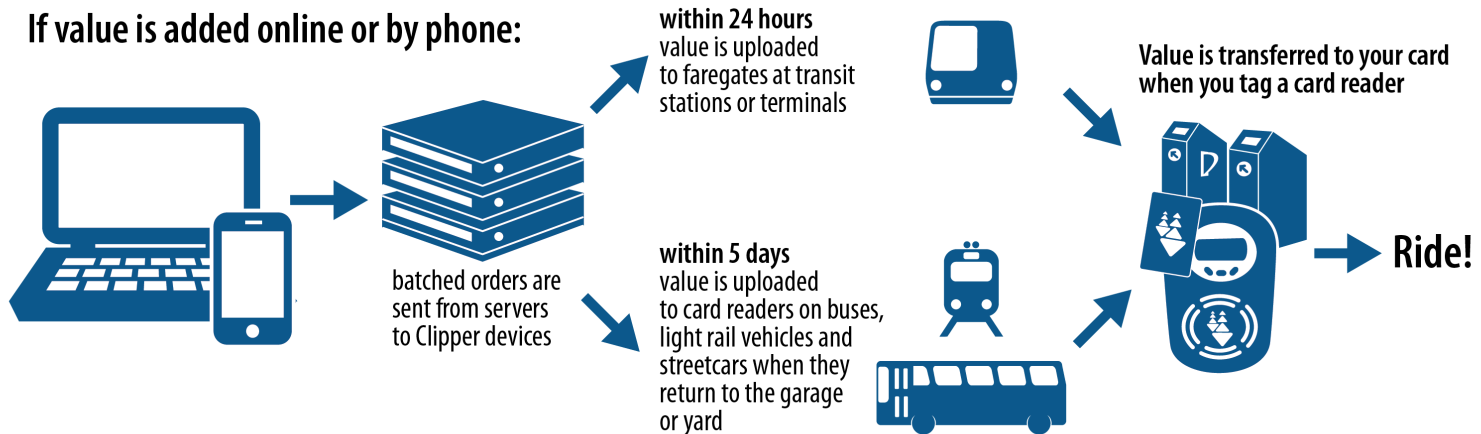
The smart chip on a Clipper card:



If value is added at a store, ticket office or ticket machine:



If value is added online or by phone:



mic_graphics@b - 9/14/15

Frequently Asked Questions

In the next version of Clipper, will it still take this long?

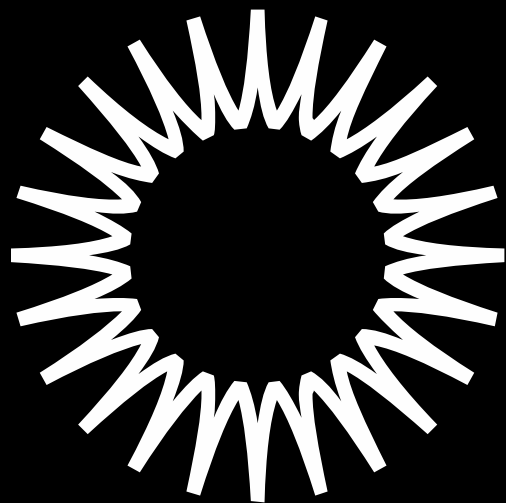
- No, but we are exploring the best way to ensure that value you add remotely – such as online or over the phone – is available more quickly.



Frequently Asked Questions

Why isn't there a Clipper mobile app now?

- No mobile apps for smart card fare collection systems in the U.S. today
 - Requires near-field communications (NFC)-enabled phone/device
 - Security and privacy protection significant concerns
 - Current NFC market penetration low
 - Secure element access controlled by phone providers
 - Transit agencies piloting mobile ticket systems for single rides
 - Must purchase tickets or products in advance
 - No way to support pay-as-you-go for multiple operators
- Planning for true mobile payment for next generation of Clipper
 - Manage and reload account
 - Directly pay for transit fares on multiple operators
 - Account integration for customer service, credits and other services



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