



Transit Fare Initiatives Update

BART/AC Transit ILC Meeting

May 14, 2025

SR 25-315 Item 2.B.



METROPOLITAN TRANSPORTATION COMMISSION

Agenda

Focus of Today's Discussion:

1. Clipper BayPass

- Participant & Contract Updates
- Revenue Update/Options

2. Free/Discounted Transfer

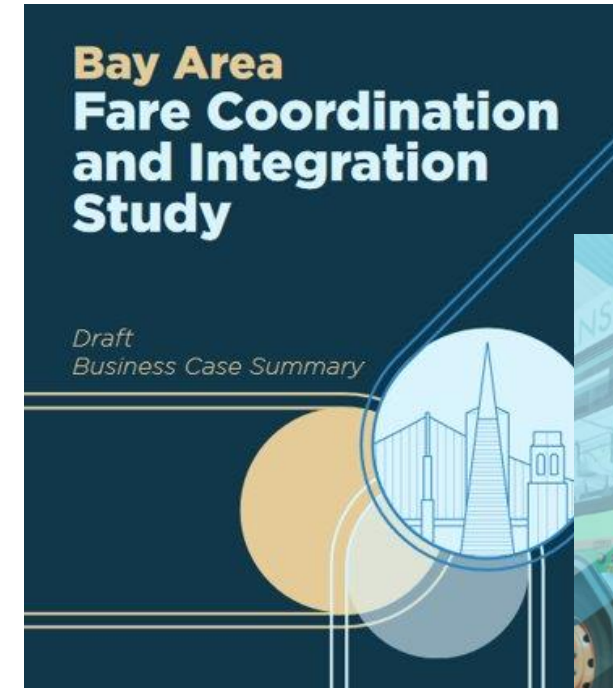
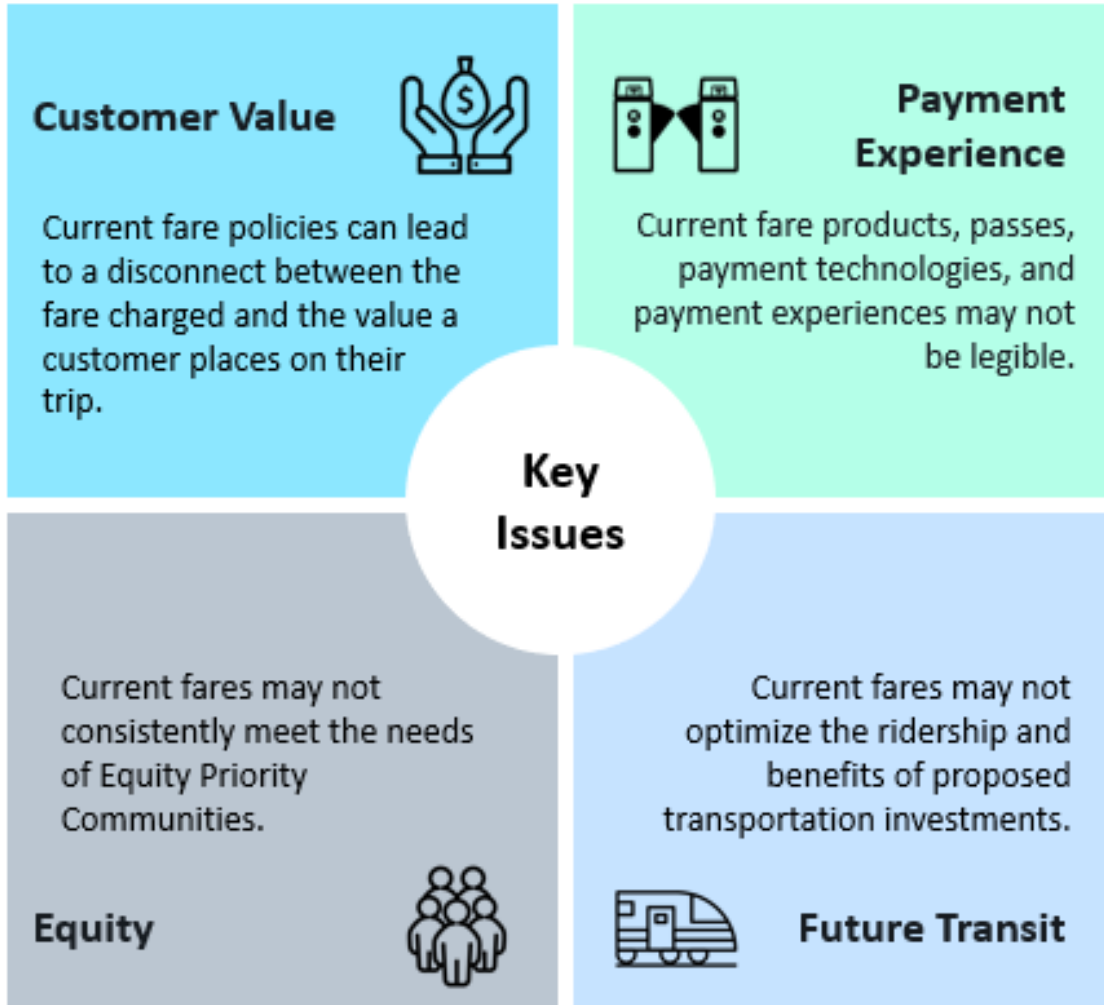
- Update on pilot





Clipper BayPass Update

Fare Coordination has a role in Restoring Ridership and Improving Rider Experience



Clipper BayPass

Unlimited rides on all **bus, rail and ferry** services in the Bay Area

For more than 20 transit services, including:

BART

Muni*

Caltrain

AC Transit

SF Bay Ferry

Golden Gate Transit

Golden Gate Ferry

SMART

*Excludes Muni Cable Cars



Image created by MTC Graphics, 2023



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



*Excludes SFMTA Cable Cars

Phase 1: Pilot with University Students and Affordable Housing Residents

Randomized Control Trial with Regional Funding

2022-2025

Phase 2: Pilot with Employers, Transportation Management Associations and Property Managers

Funded by Employer or Institution

2024-2027

Clipper BayPass Pilot Phase 1

Status Update



- Randomized Control Trial (RCT) with regional funding
- Pilot program operating through June 30, 2025
- BayPass team is working to convert Phase 1 Pilot institutions (educational institutions) into paid Clipper BayPass organizational customers *for all students*



Phase 2 – Clipper BayPass Goals



Selling a new unlimited regional transit fare product to institutions for up to 80,000 total participants (excluding Phase 1 conversions)

Key Objectives:

- Generating new riders and growing ridership
- 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 potential post-pilot program

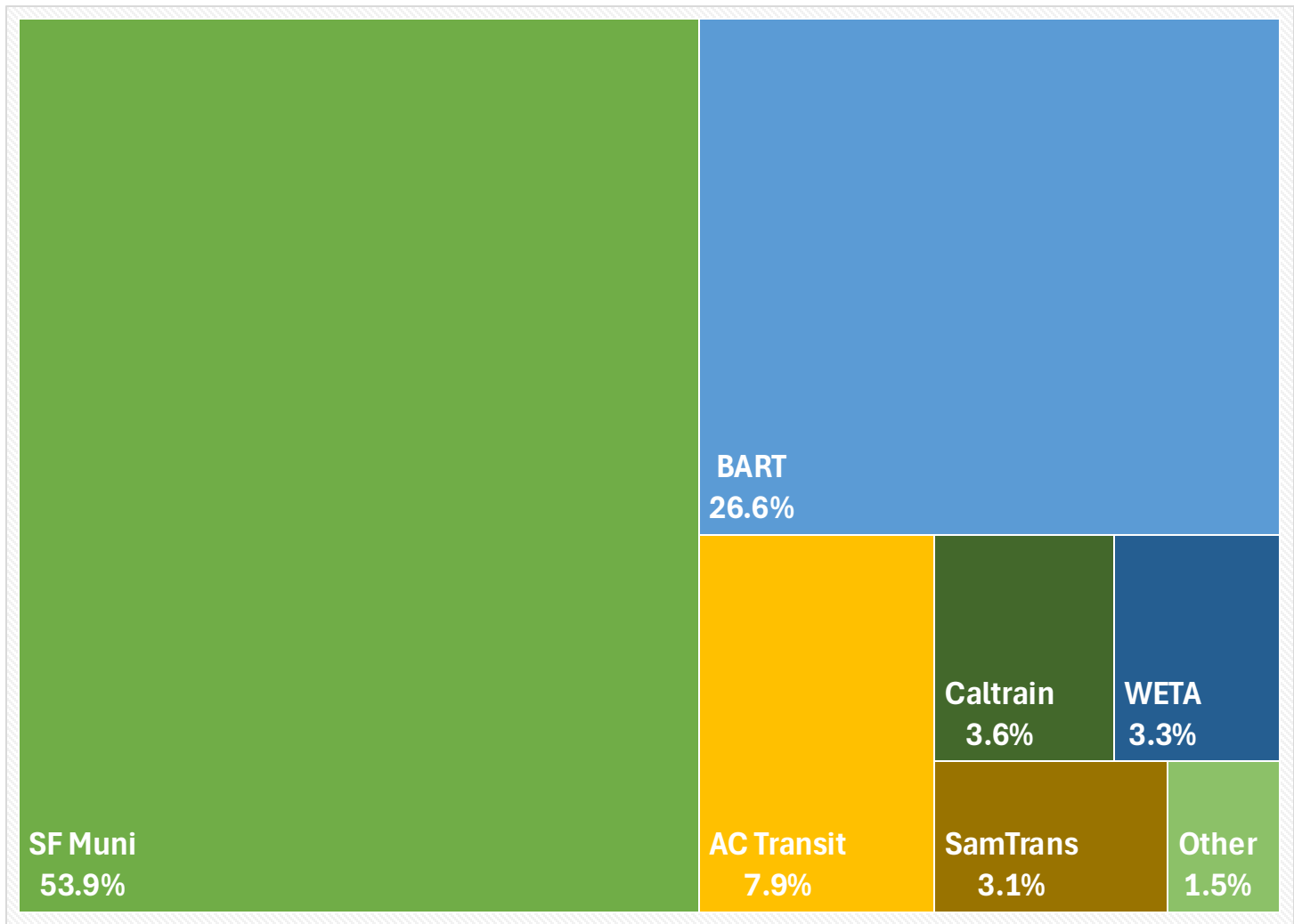
Clipper BayPass Pilot Phase 2

Status Update

- Phase 2 Pilot is selling the Clipper BayPass to interested organizations
- Currently 11 active contracts, 5 pending contracts. *Students at UC Berkeley approved a referendum to add BayPass starting in August 2025*
- Large pipeline of interested organizations – onboarding on a rolling basis to manage financial risk and ensure diversity across industries and geography
- Working to identify additional partners in Contra Costa County & North Bay



Phase 2 - More than 2 Million Trips Taken



Share of Trips by Operator

“It’s amazing, it’s a big deal and it improves your life a lot!”

“This is a benefit that I’ve seen work; tried and true.”

“If you can get more people taking transit by making it very easy for them to do so, I think that’s a really fantastic perk to offer your employees.”

Clipper BayPass Phase 2 Pilot Tips – Preliminary Data 1/1/2024- 3/27/2025

Phase 2 Contract Updates

Institution	~ # of Participants
Alameda Transportation Management Association*	2,500
City of Menlo Park*	200
UCSF (Students and Employees)	8,000
Foon Lok East (Residents)	125
Kiku Crossing (Residents)	225
SF State (Students)	21,000
Open AI	1,800
Piedmont Gardens	225
Robinhood*	350
SFO Commission	1,850
City of Palo Alto *	800
Pending Contracts (including UC Berkeley)	45,500
Total	82,575

There are **over 80,000 participants** in Phase 2 and the pilot is continually adding new riders

*Does not include base contract value for Caltrain GoPass, AC Transit EasyPass, and/or SamTrans Way2GoPass

BayPass Participation Agreement

- Operators are reimbursed for trips based on actual passenger usage (at a rate equal to full adult Clipper Fare)
- \$5M is available to address funding gaps in program revenues if needed (STA funding)
- Net revenues from sales up to a limit of \$1m is available to reimburse MTC for pilot operations and management
- Additional net revenues are allocated to transit operators based on each operator's share of overall Phase 2 ridership

Notes:

- *Participation Agreement active until June 30, 2027*
- *Pilot pricing and revenue distribution terms do not establish a precedent for any post-pilot program that may be established*



Pricing & Financial 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:
 - *Location(s) and days per week on site*
- Year 2 pricing reset closer to actual usage (if priced too high or too low in Year 1)
- Currently kicking off contract with consultant on a pricing study for BayPass
 - *Goal of pricing study is to outline various approaches to pricing for Clipper BayPass and other associated business processes*
- Approximately \$9M of passes sold in 2024 and program is reimbursing operators every 6 months for all rides taken at a rate equal to full adult Clipper Fare



More transit accessible

	\$\$\$\$\$	\$\$\$\$	\$\$\$
	\$\$\$\$	\$\$\$	\$\$
	\$\$\$	\$\$	\$



Free/Discounted Interagency Transfer Pilot Update

Photo Credit



Delivering on the Fare Policy Vision Statement & the Transit Transformation Action Plan



Bay Area Transit Fare Policy Vision Statement

Based on the draft findings of the Fare Coordination and Integration Study (FCIS), the Fare Integration Task Force (Task Force) recognizes that the implementation of more coordinated and integrated transit fare policies may offer cost-effective options for improving the transit customer experience, promoting transit ridership recovery from the COVID-19 pandemic, and reducing regional vehicle miles traveled, greenhouse gas emissions, and transit travel times for customers, in ways that are compatible with the equity goals of transit operators, local stakeholders, MTC, and the State of California.

Transit Fare Policy Initiatives for Further Development

The Task Force endorses continued work by transit operators and MTC staff to advance the following policy initiatives:

1. Deployment of an all-transit agency institutional/employer pass demonstration pilot in 2022, with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources/technical considerations.
2. Implement no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper® 2.
3. Continue to develop a proposal for implementing an all-transit agency pass product for the general public after the launch of the Next Generation Clipper® system/Clipper® 2 in 2023 or later (pending outcomes and data from the pilot noted in no. 1 above).
4. Continue to refine the vision of eventually creating a common fare structure (distance or zone-based) for regional rail, ferry, and express bus service after Next Generation Clipper® system/Clipper® 2 implementation. Direct transit operator staff and MTC staff to continue to evaluate the benefits and costs of a common fare structure for regional transit services in the context of a broader evaluation of post-COVID-19 pandemic ridership patterns, the role of regional transit service in the region, and the funding strategy for these regional transit services.

Complementary and Necessary Objectives to Facilitate Delivery of Transit Fare Policy Initiatives

In collaboratively advancing these improvements for the benefit of the Bay Area's transit customers, we also recognize the continued economic challenges facing the region, and the transit industry in particular. The Task Force recommends that transit operator and MTC staff work to advance the above policies while also acknowledging that successful delivery will require pursuit of the following complementary and necessary objectives:

“Implement no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper® 2.”

The proposed Free Transfer Pilot will:

- Further advance the implementation of the Transit Fare Policy Vision Statement, adopted by the Task Force in 2021.
- Help deliver on the promise of the Transit Transformation Action Plan.

Free/Discounted Interagency Transfer Policy Pilot



“When you make a trip that requires transferring between transit agencies, pay the full fare on just the first agency you use.

Any transfer to another agency within two hours of the first boarding is discounted up to a limit of \$2.85* per transfer”.



***When making an inter-agency transfer, customers using Clipper receive a discount equivalent to the single-ride Clipper fare for amounts up to the region’s highest local transit fare (currently \$2.85). This amount may change based on local agency fare adjustments.**

Free/Discounted Interagency Transfer Policy Pilot



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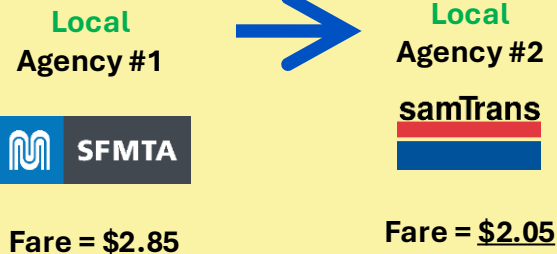
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How would existing fares change?

Local to Local Transfers

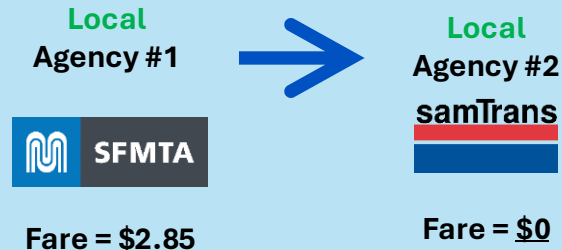
For local services, discount amount equal to the fare of the second and subsequent legs of a trip

Example Trip 1
Excelsior District, SF to San Bruno



Total Fare = \$4.90

Example Trip 1
Excelsior District, SF to San Bruno



Total Fare = \$2.85

Customer savings = \$2.05

Local to Regional Transfers

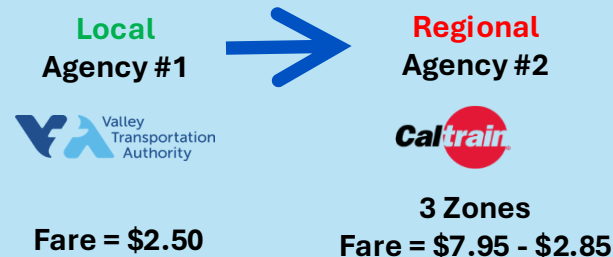
For transfers to regional services, discount is equivalent to highest local fare

Example Trip 2
Alum Rock, SJ to Redwood City



Total Fare = \$10.45

Example Trip 2
Alum Rock, SJ to Redwood City



Total Fare = \$7.60

Customer savings = \$2.85

Regional to Regional Transfers

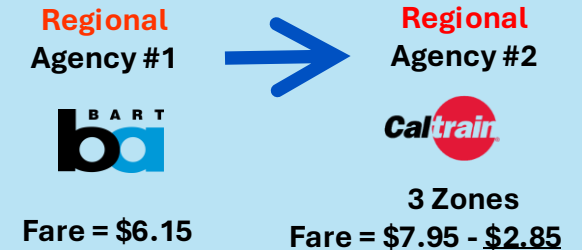
For transfers to regional services, discount is equivalent to highest local fare

Example Trip 3
12th St., Oakland to Santa Clara



Total Fare = \$14.10

Example Trip
12th St., Oakland to Santa Clara



Total Fare = \$11.25

Customer savings = \$2.85

Example Trips Under Current Inter-Agency Transfer Policies



Example Trips Under Free/Discounted Transfers Policy



Key Features



1. Deployment with the Next Generation Clipper system
2. 18-month pilot deployment at all operators on Clipper, with an automatic extension to 24 months if sufficient funding is available
3. Financial model that mitigates or eliminates financial risk to transit operators during pilot with use of \$22 million in Transit Transformation Action Plan funding set aside by MTC
4. Program governed by a memorandum of understanding (MOU) signed by operators (fully executed)

Managing the Financial Impact



Proposed method for distributing the \$22.5 million Free Transfer Pilot budget

Step 1

MTC makes up-front allocation based on % of 2019 fare revenue (*same approach used for Clipper BayPass Phase 1 Pilot*) with a top-up at end of year 1 and year 2 based on adjusted foregone revenue

Step 2

Adjusted foregone revenue calculation:

- a) Every operator responsible for first \$0.50 discount on each transfer (i.e., status quo for SFMTA/AC Transit, new contribution expected from BART)
- b) Remaining foregone revenue calculated using actual trips
- c) An estimate of the increase in fare revenue generated by the Transfer Policy Pilot is deducted from foregone revenue. The project team estimates *new trips generated* using the following assumption:

For each agency, % increase in transfer trips, in excess of the growth of non-transfer trips, is considered evidence of new trips generated

Implementation Approach



1. MOU expresses intent to participate in an **18-month pilot with an automatic extension to a total of 24 months** if sufficient funding is available.
2. Checkpoint after first year to assess status of funding; “off-ramp” available at that time
3. Transit operators + MTC continue to seek to identify additional funds (if needed) to sustain pilot for at least 24 months
4. Agencies continue to prioritize joint advocacy to sustain transit operations



Thank You