

Clipper Next Generation Overview and Monthly Pass Recommendation



Agenda

Background-Information

- **Clipper Next Generation Overview**
 - Benefits
 - Timeline
 - Caltrain Mobile Change

Monthly Pass Recommendation

- **Monthly Pass**
 - Current Product Overview
 - Product Recommendation
- **Caltrain Fare Policy Objectives Overview**

Next Steps

Clipper Next Generation

- Clipper® is the Bay Area's all-in-one transit card, with discounts for youth, seniors, people with disabilities and people with low incomes.
- Wholesale replacement of the entire backend system and most customer facing fare devices
- Modernization of retail and customer service and expanded fare media options, including mobile and other capabilities.

Benefits:

Improved Support

- Regional / agency transfers
- Accumulators
- Regional fare integration
- Fare agreements

Enhancements

- Institutional Portal
- Better visibility to data and analytic tools

Added Features

- Open payment acceptance for contactless cards
- Promotions portal





Phase 1: Load Times (Complete)

- Faster load times for Caltrain via online and phone

Phase 2: Limited Clipper Mobile App Launch (Complete)

- Payment with Google & Apple Pay
- Virtual card enabled with instant value / pass load
- Trip planning functionality

Phase 3: Hardware Install Oct 2021 - Fall 2022

- New Hardware & Benefits
 - Caltrain Platforms - New larger screen validators, more validators-HAPPENING NOW
 - Retail - New POS Devices enabling quicker transactions with no dedicated phone line needed
 - Customer Experience - New Ticket Office Terminal
 - Fare Enforcement - New fare validation equipment with POS option



Phase 4: Customer Facing Upgrades Oct 2022 - Sep 2023

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- New Website and Mobile App
 - Instantly add value to passes and accounts with plastic or virtual card
 - View real-time trip and payment activity
 - Transfer value between accounts
 - Option for mobile tickets for individual or groups
- New Customer Relationship Management (CRM) System
 - More ways to interact
 - Improved incident management
 - Instant sales of passes and value



Clipper Next Generation Timeline



Caltrain Mobile Change

Elimination of Caltrain Mobile Fare Ticketing System (Keep parking payment option)

- Needs to be done within approx. 6 months after Clipper 2.0 launch ~ Sep 2023
- Current direction is to disable ticket and multi-ticket sales on the Caltrain Mobile app (Moovel)
- Agency Lead: Rail Operations



Monthly Pass Recommendation

Caltrain needs to make decisions now to guide C2 development in the coming months for Caltrain Monthly Pass

The next slides present the recommended changes followed by cost and Fare Policy implications.



Refresher: Current Monthly Pass Product

Tagging on/off:

- Customers are required to **tag on and off once per month** to activate the pass
- Travel Data: Not available

Product Structure:

- Defined zones must be purchased; i.e., a 2 zone pass is purchased for Zones 1-2 and is only valid in those zones.
- Travel outside those zones requires a paper zone upgrade ticket to be purchased, via TVM

Monthly Pass Recommendation

Change Requirement for Tagging on/off:

- Customers will be required to tag on and off for every ride
- Travel Data: fully transparent
- Streamlined fare inspection-only check for tag on

This requires a change to the Monthly Pass's Product Structure:

- Current product structure needs to be altered to support tag on and off for every ride.
- **Dynamic Zones-** Instead of naming the specific zones for travel in the pass, passengers would select number of zones they wish to include in their Monthly Pass.
 - The pass would be valid for travel within that number of zones at any location on the corridor, with Zone Upgrade charged for any trips that are longer than the pass's number of zones (using Clipper account, not TVMs).
 - Example: Instead of "Zones 1-3 Monthly Pass," change to be "3 Zone Monthly Pass."

Fare Structure Change Required

- Changing Monthly Pass Product to be based on Dynamic Zones (instead of Named Zones) requires a policy change in the Board-approved Fare Structure.
- Due to Clipper 2.0 requirements, Caltrain needs to provide guidance to Cubic by Dec. 2022
- **We will be requesting board approval to move forward with product programming and changing the fare structure**
- Title VI and marketing / communications plan will be brought to the board closer to execution (Summer/ Fall 2023)



Cost Implications

While Clipper Next Generation will have a net decrease in costs to Caltrain, these are the estimated costs of recommendation:

Monthly Pass: Requiring Tag On/Off for All Trips

- Additional O&M costs range from \$100-250k annually (result of tagging on/off for all trips)*
- Outreach needed estimated \$20-\$30k expense (MTC has offered support)
- Potential reprogramming TVM's \$10-\$20k, Clipper App, retail terminals

Revenue Impact

- Month Pass- Ridership data is unknown so overall revenue impact is not quantifiable
- Month Pass- A better value proposition and automatic zone upgrade charges has the strong potential to increase overall revenue and ridership

**Cost estimates fluctuate based on regional proportion of ridership. Analysis assumes 22% of overall ridership utilizes Go Pass, and then excluding institutional ridership on Go Pass*

Impact of Recommendations on Caltrain's Fare Policy Objectives



Customer Experience

- Easy for customers to understand and use
 - **Open zones would allow for users seamless travel without need for zone upgrades or prior restrictions**
- Seeks integration with regional and State programs
 - **Ridership data would allow us to understand impacts and better design future programs**

Financial Sustainability

- Ensure the agencies ongoing financial health
 - **Data does not exist to quantify potential revenue impact**
 - **Staff believes the recommendation provides a better value proposition for the customer and may increase Monthly Pass sales**
 - **Recommendations streamline fare enforcement and ensure Zone Upgrades are being purchased, which may result in increased revenue**

Ridership

- Support achievement of agency's ridership goals
 - **Staff believes that the recommendation may incentivize new Monthly Pass participants / increased utilization of the Monthly Pass**
- Maximize use of agency's infrastructure assets
 - **Stand alone validators have been increase from ~170-300 to support tag on and off by Monthly Pass users**
 - **Can leverage business intelligence for vast majority of ridership**

Equity

- Strive for consistency across fare products in revenue generated per passenger / mile
 - **May reduce the cost / revenue per mile for month pass users**
 - **Legal has been engaged - Title VI analysis required for proposed Monthly Pass changes**



Next Steps

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- **Begin preparing for Mobile transition**
- **Monthly Pass Recommendation**
 - Customer Survey sent to Clipper customers who have opted in
 - Public Meeting set for 11/9/2022 to request additional input
 - Bring recommendation to 11/16/2022 CAC and introduce preliminary survey data
 - Hold public hearing and request Finance Committee recommendation 11/21/2022
 - Request Board approval to change codified fare structure 12/1/2022
- **If recommendations are approved by the Board**
 - Communicate with Cubic the intent to change the business rules
 - Utilize the Clipper Next Generation Task force and marketing teams to execute
 - Return to the board in Summer/Fall 2023 to approve Title VI and outline outreach efforts for execution

