



CLIPPER

Operating Rules

Version 1.1

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1. INTRODUCTION

1.1 CLIPPERSM OVERVIEW

ClipperSM is an Automated Fare Collection (“AFC”) program cooperatively developed and implemented by the transit operators (“operators”) in the nine-county San Francisco Bay Area and the Metropolitan Transportation Commission (“MTC”). The program was previously known as TransLink[®] until June 2010. The ClipperSM card is a fare instrument that can operate in all of the different transit modes in the Bay Area (“the Region”) and can be used to pay fares for both inter-operator and intra-operator services. MTC (also, “Contracting Agency”) has a contract with Cubic Transportation Systems, Inc. to design, build, operate, and maintain the ClipperSM system (“ClipperSM Contract”).

1.2 PURPOSE OF THIS DOCUMENT

These operating rules establish operating parameters and procedures for the operation and maintenance of the ClipperSM system. This document identifies transit operators’ responsibilities related to implementation, operation, and maintenance of the system, MTC’s responsibilities related to implementation, operation and maintenance of the system, and system policies. The rules and policies contained in this document are not intended to describe procedures for every scenario that will arise related to the implementation, operation and maintenance of the ClipperSM system. Where any rules and/or policies conflict either with the ClipperSM Memorandum of Understanding (“MOU”) or the ClipperSM Contract, the MOU or Contract, respectively, shall prevail.

2. MTC RESPONSIBILITIES

2.1 CARD ISSUANCE

2.1.1 Definition of Application Issuer

An application issuer is any single entity or a joint entity of multiple parties that owns and distributes any specific application on a smart card. MTC retains the right to issue cards with the ClipperSM Application.

2.1.2 ClipperSM Application Issuer

MTC shall be the Application Issuer of the ClipperSM Application, and MTC shall retain ownership of the ClipperSM Application and brand regardless of which party issues the ClipperSM card. MTC reserves the right to utilize the ClipperSM e-purse for payments for transit services and for non-transit applications such as parking facilities.

2.1.3 Definition of Card Issuer

A ClipperSM Card Issuer is any single entity or a joint entity of multiple parties that MTC has formally approved to issue smart cards containing the ClipperSM Application or a functioning sub-set of this application that enables them to be accepted as a form of payment. MTC is currently the sole ClipperSM Card Issuer.

2.1.4 Card Issuer for Regionwide Implementation of ClipperSM

MTC shall have the sole right to issue reloadable (“extended use”) or limited use cards with the ClipperSM Application or a subset of this application on the card. A subset of the application may need to be issued in circumstances where the entire ClipperSM Application is not required or will not fit on a card, i.e., limited use smart cards.

The MTC policy on card issuance in the ClipperSM program is to encourage all qualified Card Issuers to issue cards with the ClipperSM Application. No Card Issuer may issue a card with a ClipperSM Application without the express written agreement of MTC. Such approval may be granted by MTC to entire classes of issuers under a single agreement.

2.2 CARD BASE MANAGEMENT

2.2.1 ClipperSM Card Inventory

MTC shall be responsible for monitoring the ClipperSM card inventory and maintaining a sufficient card inventory to meet regional demand.

2.2.2 Design of Personalized Cards

The design of personalized cards will be subject to approval by MTC regardless of whether the ClipperSM Service Bureau (“CSB”) operated by the ClipperSM Contractor distributes a personalized card.

2.3 DISTRIBUTION

2.3.1 Right to Determine Access to Distribution Devices

MTC retains the sole right to decide which cards shall have access to the distribution devices owned by MTC and/or the operators and which services are to be extended to them.

2.3.2 Minimum Value Required When Acquiring ClipperSM Card

MTC may establish temporary or permanent policies whereby a cardholder shall be required to load a minimum amount of value when acquiring a ClipperSM card.

2.4 CARDHOLDER FEES

2.4.1 Waiving of Cardholder Fees

MTC shall monitor the waiving of fees by the CSB Customer Services Manager.

2.5 CARDHOLDER CONFIDENTIALITY

2.5.1 Confidentiality of Information

MTC shall ensure that the ClipperSM Contractor maintains the confidentiality and privacy on the use of individual cards unless waived by a cardholder or under order of a court with jurisdiction over MTC.

2.6 SYSTEM FAILURE PLAN

2.6.1 Responsibility for Reviewing and Approving the Disaster Recovery Plan

MTC shall review the *Disaster Recovery Plan* and provide comments to the Contractor. MTC is responsible for either approving or rejecting the *Plan* and subsequent updates.

2.7 CLIPPERSM FINANCIAL SETTLEMENT AND RELATED SERVICES

2.7.1 Treasury/Cash Management

The functions within treasury/cash management are the responsibility of the Application Issuer. The following processes will help account for funds held by the Application Issuer and protect the Application Issuer and operators from fraud, loss exposure, and expense.

For cards with the ClipperSM Application, the following will be tracked and reported to the operators:

- The amount of funds collected from the initial distribution of ClipperSM cards, i.e. card acquisition fees as described in Section 4.6.1 of this document, by operators or third party distributors;
- The amount of funds held as unrealized revenue; and
- The amount of funds generated from the investment of the funds pool.

2.7.1.1 Funds Pool Accounting

The Application Issuer shall be responsible for all ClipperSM Funds Pool Accounting functions for those pool funds it holds.

2.7.2 Claims

MTC shall oversee all claim investigation and assessment although an operator may participate at its option.

2.8 MARKETING

2.8.1 ClipperSM Marketing Materials/Advertisements

MTC shall be responsible for designing, developing, and publishing/printing ClipperSM-related marketing materials/advertisements. Where applicable, MTC and the operators shall be responsible for purchasing advertising space, etc.

2.8.2 Updates to Cardholder Education Materials

MTC shall update cardholder education materials including cardholder education materials in alternate formats and foreign languages to reflect changes in the availability of ClipperSM, modifications to the fees described in Section 4.6, and changes to the ClipperSM Cardholder Agreement.

2.8.3 Card Graphics

All ClipperSM cards including limited use cards shall conform to a common design standard. MTC shall finalize the graphics standard(s).

2.8.4 Advertising and Promotion General Policy

MTC in coordination with the participating transit operators shall coordinate the development of advertising to support the operation of the ClipperSM program.

2.8.5 Monitoring of Card Promotions

MTC shall monitor the number of cards distributed by operators in accordance with Section 4.11.2.

3. OPERATOR RESPONSIBILITIES

3.1 ACCEPTANCE AND CONDITIONS OF USE

3.1.1 Acceptance of ClipperSM Branded Cards

All participating operators are obligated to accept all ClipperSM branded cards, regardless of the issuer. Operators shall accept ClipperSM cards as payment for all the fixed-route transit services they offer.

3.1.2 Fraud Detection and Control

Operators are responsible for ensuring that ClipperSM cards and systems are used in a manner consistent with defined policies and procedures. Operators shall have the right to determine if customers are using cards fraudulently and confiscate the cards. The operator must mail confiscated cards to the CSB, which will block the card from further use. A fraud investigation may be initiated by an Operator, MTC or CSB. Operators are required to cooperate with any investigation of fraud undertaken by MTC and/or CSB.

3.2 CARD BASE MANAGEMENT

3.2.1 Order Acceptance and Shipment

Operators shall provide to MTC the names and contact information for representatives eligible to order cards in bulk quantities. Operators shall notify MTC of changes in authorized personnel. Operators shall submit requests for cards to the CSB using the approved form. CSB shall process orders signed by authorized operator representatives.

3.2.2 Operator Responsibility for Lost or Stolen ClipperSM Cards

Operators shall store ClipperSM cards in a secure manner and report any loss or theft of cards to MTC.

3.2.3 Proof of Eligibility for Discount Fares

When a patron requests a card configured for the Youth or Senior Citizen fare category, transit operator personnel shall require the patron to present a government-issued identification showing the patron's date of birth. Specific forms of identification that shall be accepted are the following:

- Birth certificate;
- Driver's license or state identification card issued by any state;
- Federal government-issued "Green Card" (Alien Registration card, Permanent Resident card);
- Matricula Consular card issued by the Mexican government (also referred to as a Consular Identification Card);
- Passport from any nation; and
- San Francisco City Identification Card.

Operators shall establish and manage a process whereby patrons who do not have one of the required forms of identification required for issuance of cards configured for the Youth or Senior Citizen fare categories may submit an appeal in writing to the patron's local transit operator. Operators shall establish an appeals review panel comprised of representatives from each

participating operator that will review the appeal. Operators shall approve or reject the appeal within 45 calendar days following receipt of the appeal, and operators shall notify the patron concerning the outcome of the appeal within 60 calendar days.

3.2.4 Management of Personalized Cards Distributed to Institutional Program Participants

The Operator or third-party institutional program manager shall monitor the eligibility status of persons with personalized cards and either retrieve cards from ineligible persons or notify CSB that a patron's card and/or institutional pass should be blocked.

3.2.5 Senior/Disabled (RTC Discount) Card Eligibility Tracking

Operators shall manage the RTC Discount Card Central Processor. At the operator's direction, the RTC Discount Card Central Processor shall monitor the eligibility status of persons with cards configured for the Senior/Disabled (RTC Discount) fare category.

3.2.6 Tracking of Cards with Operator Employee Products

The appropriate transit operator shall monitor the eligibility status of persons with cards with operator employee products and either retrieve cards with employee products from ineligible persons or notify CSB that a patron's card and/or employee pass should be blocked.

3.2.7 Card Registration at Ticket Offices

Operators shall register patrons' cards at ticket offices equipped with Ticket Office Terminals ("TOTs").

3.3 DISTRIBUTION

3.3.1 Card Distribution by Operators

Operators shall distribute cards at ticket offices that have been equipped with TOTs; operators may also distribute cards at other locations approved by MTC.

3.3.2 Collection of Cash from Distributors and Vending Machines

CSB will debit operators for ClipperSM cards, e-cash and other operators' products sold on their properties.

3.3.3 Initial Card Value

Where operators intend to distribute cards preloaded with value, operators shall be responsible for funding the addition of any value to the cards.

3.3.4 Distribution of Cards to Operator Employees

Operators shall be responsible for making cards available to their employees, the dependents of their employees, retirees, board members, consultants, and others, as determined by individual operator policies. If necessary, the participating operators will assist CSB in monitoring the distribution of Operator Employee passes by providing CSB with both the name of each individual to whom a card with an Operator Employee pass is distributed and the card serial number of the respective card.

3.4 FARES AND PASSES

3.4.1 General Fare Policy

Transit fare policy shall remain the exclusive right of the operators and their respective policy boards. Operators set their own fares, acting singly for services within that operator's property and in conjunction with contiguous operators for inter-operator fares.

3.4.2 Passes

Operators shall establish vending windows for their calendar passes.

3.4.3 Stored Rides

Operators shall establish rules regarding the expiration of their stored ride products.

3.4.4 Senior/Disabled (RTC Discount) Fare Category

Operators shall individually determine whether to limit the availability of certain senior citizen fares and/or fare products to senior citizens with personalized cards for the Senior/Disabled (RTC Discount) fare category.

3.4.5 Operator Employee Passes

Operators loading an Operator Employee pass to a card may require that the card be personalized with a photograph, the logo of the operator with which the cardholder is associated, and/or the cardholder's name. Where an operator requires personalization of a card loaded with an Operator Employee pass, operators shall be responsible for any incremental charges associated with the design, development, manufacture, and/or printing of the card as indicated in Section 3.12.3 of this document.

3.5 CLIPPERSM CARD REFUNDS

3.5.1 Operator Products

The value of operator products may be refunded at the discretion of the operator(s) on which the product is valid. If an operator approves the refund of a product, CSB will block the product so that it is no longer valid.

Operators shall provide authorization to CSB's Customer Services Manager to grant or deny a refund of e-cash and/or an operator product at his/her discretion up to limits specified by the operator. Beyond these limits, the Customer Services Manager will grant or deny refunds after consultation with designated personnel from the affected transit operator.

3.5.2 Identification of Designated Operator Personnel Authorized to Approve Refunds

Each participating transit operator shall identify at least two representatives authorized to provide approval for the granting of refunds by the CSB Customer Service Manager where the refund affects the amount due to a respective transit operator.

3.6 CARDHOLDER FEES

3.6.1 Cards Configured for the Senior/Disabled (RTC Discount) Fare Category

Operators participating in the RTC Discount Card Program shall be jointly responsible for setting cardholder fees associated with the acquisition, replacement and renewal of cards configured for the Senior/Disabled (RTC Discount) fare category.

3.7 DISTRIBUTION AND FARE PAYMENT DEVICE NETWORK MANAGEMENT

3.7.1 Distribution Device Network Management

Operators that have procured equipment outside of the ClipperSM Contract shall be responsible for monitoring and managing their own devices and networks for those devices.

3.7.2 Reporting to the ClipperSM Central System

All ClipperSM transactions shall be reported to the ClipperSM Central System (“CCS”). Where operators manage devices, operators shall ensure that those devices report all transactions to the CCS.

3.7.3 Software Application and Configuration Data Downloads

Operators shall ensure that devices are powered on to enable receipt of software and Configuration Data (“CD”) downloads. Operators shall cooperate with CSB and perform first-line maintenance if requested by CSB as part of the troubleshooting process.

3.7.4 Authorization for Software Application Downloads

Each operator shall designate an individual who will be responsible for authorizing software and CD downloads. After completing internal testing of a pending software application release, CSB shall issue detailed release notes and schedule time for MTC and/or the operators to witness testing of the release in the CSB test-bed. MTC or CSB shall propose a deployment date and request operators to authorize the software download. Operators shall not unreasonably withhold such authorization, particularly when the release is intended to implement a required fare change.

3.7.5 Fare Table Updates

The responsible operator will report to MTC the fare tables and transfer policies to be changed or added (e.g., a fare increase). MTC shall forward the operator data to the ClipperSM Contractor for implementation.

3.7.6 Changes to ClipperSM Configuration Data to Enable Fare Changes

Transit operators shall notify MTC at least 60 days prior to the effective date of the changes to the fare tables and transfer policies. More time is required for significant or structural changes.

The date of the download may be prior to the effective date of the change. A transit operator with mobile devices (i.e., installed on vehicles) may opt to select a download date one or two weeks prior to the effective date of the change in order to maximize the percentage of devices that have received the download when the effective date is reached.

3.7.7 Field Testing

At their option, operators may conduct field tests of software/CD releases to confirm that the software/CD functions as documented in the release notes and as demonstrated in the test-bed. Operators shall report any negative findings from such field testing to MTC and/or CSB.

3.7.8 Notification of Issues Following Software/CD Deployment

Operators shall immediately notify CSB of any problems arising from a software/CD download.

3.8 CLIPPERSM ASSET MANAGEMENT SERVICES

3.8.1 Software Management Services

An operator may assume responsibility for software installation for the systems installed at its facilities or on its vehicles subject to MTC's approval of such transfer of responsibility. Otherwise, the Contractor shall be responsible for software installation at all levels of the system.

3.8.2 Transit Operator Asset Management Responsibilities

Operators are responsible for ensuring that access to ClipperSM devices is controlled, protected, and limited to authorized personnel within their organizations.

3.9 TECHNICAL SUPPORT AND MAINTENANCE LEVELS

3.9.1 Responsibility for Failure Detection

Operators, as well as the Contractor and MTC, shall be responsible for reporting device failures and events that could indicate a failure affecting information processing systems at the CCS.

3.9.2 Operation and Maintenance of ClipperSM Equipment

All participating operators are obligated to operate and maintain ClipperSM equipment in accordance with these rules, and maintain equipment to ensure the highest level of availability for use by consumers. Operational and maintenance responsibilities include, but are not limited to:

- a. Managing the inventory of spare components stored on each Operator's property;
- b. Isolating failed Card Interface Devices ("CIDs") and components (e.g., Add Value Machine ("AVM") modules) and replace with spares;
- c. Returning failed CIDs and components to the CSB for replacement;
- d. Revenue servicing TOTs and AVMs;
- e. Performing fingertip maintenance; and
- f. Operating ClipperSM equipment (e.g., driver consoles, TOTs, Handheld Card Readers ("HCRs"), etc.) as required.

3.9.3 Responsibilities Shared by the Contractor and the Operators

Maintenance of equipment installed at operators' sites will be a shared responsibility between operator staff and the Contractor. Operator staff will be responsible for first-line maintenance, which includes preventive maintenance and depot maintenance item diagnosis, removal and installation. The Contractor shall be responsible for the overall depot maintenance program and on-call maintenance when escalated beyond the operator's handling of the situation.

3.9.3.1 Maintenance Responsibilities by Device

The following table provides an overview of the maintenance responsibilities of the operators that are further described in this section.

MAINTENANCE SERVICES	
EQUIPMENT	Operator Responsibility

MAINTENANCE SERVICES	
EQUIPMENT	Operator Responsibility
On-Board CID (CID 1)	1 st Line Maintenance
Stand-Alone CID (CID 2)	1 st Line Maintenance
CID Faregates	1 st Line Maintenance
Wireless Data Transmission System (“WDTS”)	1 st Line Maintenance
Handheld Card Reader	1 st Line Maintenance
Add Value Machine	1 st Line Maintenance
Ticket Office Terminal	1 st Line Maintenance
Clipper SM Data Server (“CDS”)	1 st Line Maintenance
Automatic Zone Determination System (“AZDS”)	1 st Line Maintenance
Clipper SM Ticket Vending Machines (“TVM”)	1 st Line Maintenance

3.9.3.2 First Line Maintenance

Certified operator personnel will perform first line maintenance.

3.10 DATA COMMUNICATIONS AND REPORTING

3.10.1 Data Communications Links

Operators share responsibility with the Contractor for maintaining the data communications links between ClipperSM devices on their properties. In addition, if operators purchase ClipperSM equipment independently (i.e., not through MTC), they are responsible for extracting data from that equipment and transmitting it to the CCS in accordance with message and data format and security standards as defined by the ClipperSM Contractor.

3.11 CLIPPERSM FINANCIAL SETTLEMENT AND RELATED SERVICES

3.11.1 Establishment of Settlement Accounts

Each operator shall establish bank accounts and account agreements with CSB to enable their participation in the settlement process.

3.11.2 Deposit of Cash

Operators are responsible for depositing cash from ClipperSM card and value distribution transactions into their accounts to cover funds due to the ClipperSM funds pool. Net settlement will debit operators for card and value distribution transactions of value during the cycle in which the transactions take place regardless of whether operators have deposited the cash collected.

3.11.3 Collection of Cash from Distributors and Vending Machines

Distributors, including operators, will be debited for ClipperSM e-cash, cards, and other operators’ products sold on their properties and will be responsible for collecting cash from vending machines on their properties. Operators will be debited according to ClipperSM records. For devices revenue serviced by the transit operators, cash shortfalls or overages shall be the responsibility of the operators.

3.12 MARKETING

3.12.1 General Responsibility

Operators shall promote the use of ClipperSM cards to their respective customers.

3.12.2 Responsibility for Maintaining Inventory of Cardholder Education Materials

Operators shall maintain a sufficient inventory of cardholder education materials at locations that they operate. When needed, operators shall request additional cardholder education materials from CSB or MTC.

3.12.3 Operator-Specific Card Graphics

Any operator that wishes to develop an operator-specific card graphic will fund incremental charges associated with the design, development, manufacture, and/or printing of that card.

3.13 CUSTOMER SERVICES

3.13.1 Coordination Between CSB Customer Service Center And Transit Operator Customer Service Centers

Operators shall work cooperatively with the CSB to resolve customer service issues.

4. SYSTEM POLICIES

4.1 ACCEPTANCE AND CONDITIONS OF USE

4.1.1 Conditions of Use

The cardholder, while using the services and facilities of the operators, shall be subject to and comply with the bylaws, rules, and regulations of the respective operators. Upon distribution, a card may be used in accordance with these conditions by a cardholder who is:

- The bearer of the card; and
- The person identified as being entitled to use of the card in the card data with respect to any registered card.

4.1.2 Transferability of the Card

The card (except for registered cards and unregistered personalized cards, such as cards configured for the Senior/Disabled [RTC Discount] fare category) is transferable, and it is valid for use by the bearer. Registered cards, as defined in Section 4.2.4, and personalized cards, as defined in Section 4.2.7, are not transferable and can only be used by the person identified in the card data as authorized to use the card.

4.1.3 Operator Fees, Charges, Discounts, Etc.

Payment by deduction of the encoded value in the card for transit services is subject to the fee, charge, discount and/or concession and other relevant conditions of the respective operators effective at the time when service is offered and used.

4.1.4 Rejection of ClipperSM Card for Fare Payment

Operators may demand fare payment in a form other than the ClipperSM card under the following conditions:

- a. E-cash balance on the card upon entry is insufficient to pay the fare;
- b. E-cash balance on the card upon entry has a negative value;
- c. The pass and/or stored rides on the ClipperSM card have expired;
- d. The value stored in the BART High Value Discount E-purse is lower than the fare for the least expensive one way trip on BART;
- e. ClipperSM card is expired;
- f. Upon request by transit operator personnel, the patron cannot verify eligibility for a discount fare enabled by his/her card;
- g. The patron is attempting to use a card fraudulently;
- h. ClipperSM card has been added to the hotlist or blocked from the system; or
- i. ClipperSM card is damaged or defective.

4.1.5 Card Reader Failure

In the event of a card reader failure, operators may at their option either demand an alternative form of payment or allow ClipperSM cardholders a free ride. Neither MTC nor the Contractor shall reimburse operators for free rides granted due to malfunctioning readers and in accordance with individual operator policies.

4.2 CARD BASE MANAGEMENT

4.2.1 Expiration of ClipperSM Cards

ClipperSM cards will not expire unless the card is a Senior/Disabled (RTC Discount) Card.

4.2.2 Adding Cards to the Hotlist

ClipperSM cards can be blocked from use in the system under the following circumstances:

- The card is reported as lost, stolen, or damaged;
- Fraudulent use of the card is suspected or has been established; and
- Funding for the Autoload feature is denied.

ClipperSM products can be blocked from use in the system under the following circumstances:

- Funding for the Autoload feature is denied;
- An employee's tenure terminates with an employer that funds value and/or authorizes eligibility for a particular product on a particular employee's card; or
- An individual is no longer a participant in an institutional program.

4.2.3 Unregistered Cards

Unregistered cards are those where the Card Issuer does not know the identity of the cardholder. If distributed by the RTC Discount Card Program Central Processor, unregistered cards will be personalized with a cardholder's name and photograph, but the Central Processor may only provide the card serial number to the Card Issuer. CSB will not receive the cardholder's information from the Central Processor.

- All unregistered cards distributed by operators or third party distributors will be configured for the Adult fare category.
- All unregistered cards distributed by the RTC Discount Card Program Central Processor will be configured for the Senior/Disabled (RTC Discount) fare category.
- All unregistered cards distributed by the RTC Discount Card Program Central Processor will be personalized (see Section 4.2.7).
- Unregistered cards and any confirmed value remaining on unregistered cards cannot be replaced if lost, stolen, or non-functioning, unless the card is determined to be defective by CSB or the card is configured for the Senior/Disabled (RTC Discount) fare category.¹

4.2.4 Registered Cards

Registered cards are those where the Card Issuer knows the identity of the cardholder. Some registered cards may have distinguishing physical features such as the printed word "Senior" and/or a colored stripe in the case of registered cards used by senior citizens or the cardholder's printed name and/or photograph in the case of personalized cards.

A cardholder must register his/her card to:

¹ If a cardholder claims his/her card is defective and submits the card to CSB in exchange for a replacement card, the cardholder will need to provide his/her name and mailing address to CSB.

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- Receive the card via mail from CSB;
- Utilize optional features such as Balance Restoration, Autoload, and automatic enabling of audio and/or alternate language functions when using AVMs;
- Receive value through employers, employer benefit programs (except where the cardholder redeems a voucher or a benefit program debit card) and/or institutional programs;
- Receive a refund of any confirmed remaining e-cash value on his/her card;
- Receive a card that is configured for either the Youth fare category or the Senior Citizen fare category; and
- Enable the retrieval of a lost or stolen card that is returned to CSB or an operator.

The process of registering a card and the processes of electing to utilize ClipperSM's optional features; arranging to receive loads through an institutional program; or seeking to qualify for discount fares and/or products may be distinct. This will be the case for patrons with cards configured for the Senior/Disabled (RTC Discount) fare category.

4.2.4.1 Information Required for Card Registration

To register a card, a patron must provide his/her name, a mailing address, a telephone number, and a security question and answer. Patrons may submit this information to CSB in writing, via telephone, or through the ClipperSM website; at a transit operator ticket office equipped with a TOT; or a location that accepts the ClipperSM Youth and Senior Card Application. Where a patron registers a card through the ClipperSM website, the patron must provide an e-mail address. An institutional program may also furnish the registration data to CSB.

4.2.4.2 Additional Information that May Be Captured When Registering a Card

Additional cardholder account information may include, but is not limited to, the cardholder's fax number, e-mail address, bank account number, credit card account number, and/or birth date.

The specific required additional cardholder information depends on whether a patron registers for optional features; receives value through an employer, employer benefit program, or institutional program; or seeks to qualify for discount fares and/or products.

4.2.4.3 Availability of Registered Cards

4.2.4.3.1 Availability of Registered Cards Configured for the Adult Fare Category

A cardholder may acquire a registered card configured for the Adult Fare Category directly from CSB, a transit operator ticket office equipped with a TOT, or an institutional program.

4.2.4.3.2 Availability of Registered Cards Configured for the Senior Citizen Fare Category

To pay discount fares based on age, a senior citizen may acquire a ClipperSM card configured for the Senior Citizen fare category. A senior citizen may apply for a Senior Citizen card at locations designated by the Operators; applications will be forwarded to CSB for processing and card distribution by mail. A senior citizen also may acquire a Senior Citizen card at transit operator ticket offices equipped with TOTs that choose to issue Senior Citizen cards in person and other locations approved by the Operators. To acquire a Senior Citizen card from a transit operator ticket office, the patron must be the minimum age to qualify for a senior card as identified on the ClipperSM Youth and Senior Card Application. A senior citizen does not need to appear in-person when acquiring a card configured for the Senior Citizen fare category.

An applicant for a card configured for the Senior Citizen fare category must present approved identification indicating the applicant's age in order to acquire a ClipperSM card encoded with the applicant's birth date.

4.2.4.3.3 Availability of Registered Cards Configured for the Youth Fare Category

A youth may apply for a ClipperSM card encoded with his/her birth date at transit operator ticket offices equipped with TOTs that choose to make cards available on-site or that require personalized cards, other locations approved by the Operators, or through CSB. A youth does not need to appear in-person when acquiring a card configured for the Youth fare category. CSB may only fulfill requests for new youth cards if the request is made by:

- a. Approved transit operator personnel; or
- b. An entity authorized by the Operators to receive, review, and approve requests for youth cards (e.g., a school).

An applicant for a card configured for the Youth fare category must present approved identification indicating the applicant's age in order to acquire a ClipperSM card encoded with the applicant's birth date.

4.2.4.4 Tracking of Registered Youth and Senior Citizen ClipperSM Cards

In order to issue a card configured for either the Youth or Senior Citizen fare categories, the authorized ClipperSM distributor will need to enter the following information for upload into the card database:

- i) Name of the cardholder for whom the card is being encoded;
- ii) Date of birth being encoded on the card, where appropriate;
- iii) The address of the cardholder for whom the card is being encoded; and
- iv) The type and serial number of the document presented as proof of eligibility.

4.2.5 Converting an Unregistered Card to a Registered Card

A cardholder may convert an unregistered card to a registered card through the recording of the cardholder's personal information as described in Section 4.2.4.1.

4.2.6 Proof of Eligibility for Discount Fares

Transit operators may establish additional age verification procedures for determining eligibility for the Youth fare category, subject to the approval of MTC. These may include card personalization or the limitation of specific products to personalized cards.

Per the requirements of the RTC Discount Card Program, persons with disabilities and senior citizens seeking Senior/Disabled (RTC Discount) Cards must demonstrate their eligibility for discounts based on age or disability by submitting a complete RTC Discount Card Application to a participating transit operator, which forwards the applications to the RTC Discount Card Program Central Processor.

Patrons who obtain a ClipperSM card configured for either the Youth fare category or the Senior Citizen fare category must be prepared to show proof of eligibility when using the card if requested by transit operator personnel.

4.2.7 Personalized Cards

All cards configured for the Senior/Disabled (RTC Discount) fare category will be personalized.

A cardholder may be required to personalize his/her card:

- To participate in certain employer benefit or institutional programs;
- To utilize an operator employee pass; and
- To use a discounted fare product on certain transit operators.

4.2.7.1 Information Required for Card Personalization

The information that a patron must provide in order to receive a personalized card depends on why the patron is receiving a personalized card. A patron requesting a card configured for the Senior/Disabled (RTC Discount) fare category must provide all information required by the policies of the RTC Discount Card Program. For other personalized cards, a patron may be required to provide his/her name, contact information, security question and answer, proof of eligibility for a discount, a photograph, and/or an employee identification number. A cardholder seeking to qualify for a card that enables payment of discount fare other than discounts available to a patron with a Senior/Disabled (RTC Discount) Card must prove the accuracy of his/her personal information according to the policies of the specific discount for which the cardholder is seeking to qualify.

4.2.7.2 Management of Personalized Cards Distributed to Institutional Program Participants

An institutional program may require a patron participating in that program to have a personalized card, subject to the approval of MTC.

4.2.7.3 Availability of Personalized Cards

The availability of personalized cards is limited to qualifying persons.

Personalized cards may be available through distributors that are qualified by the Operators. In some cases, an employer, transit operator, or institution may process requests for personalized cards, though the actual distribution of a personalized card may be through CSB.

4.2.7.3.1 Availability of Cards Configured for the Senior/Disabled (RTC Discount) Fare Category

In accordance with the policies of the RTC Discount Card Program, patrons will submit applications for cards configured for the Senior/Disabled (RTC Discount) fare category through transit operator ticket offices or through the mail for card renewals. The RTC Discount Card Program Central Processor will be responsible for processing applications and verifying the eligibility of applicants for the RTC Discount Card Program. The RTC Discount Card Program Central Processor will distribute the cards directly to patrons.

4.2.8 Balance Restoration

A patron who either registers his/her card in accordance with Section 4.2.4.1 or is the bearer of a card configured for the Senior/Disabled (RTC Discount) fare category may use the Balance

Restoration feature to obtain a replacement of any confirmed remaining value on his/her card if s/he reports his/her card as lost, damaged, or stolen. A patron obtaining a replacement of value from a lost, stolen, or damaged card must acquire a new card and pay any fees, as indicated in Section 4.6.1 of this document. For a cardholder requesting replacement of a lost, stolen, or damaged card configured for the Senior/Disabled (RTC Discount) fare category, the RTC Discount Card Program Central Processor will restore the balance from the lost, stolen, or damaged card to a replacement card. The RTC Discount Card Program Central Processor will not provide a refund of value from a lost, stolen, or damaged card.

4.2.8.1 Requesting a Transfer of Value to a Replacement Card

To request the transfer of value from a lost, damaged, or stolen registered card configured for the Adult, Youth, or Senior Citizen fare categories to a replacement, the cardholder must contact CSB to report that his/her card is lost, damaged, or stolen. CSB will require that the cardholder verify his/her identity prior to adding the patron's card to the hotlist and transferring the remaining value on the card to a replacement.

A cardholder requesting replacement of a card configured for the Senior/Disabled (RTC Discount) fare category must request a replacement card in accordance with the rules established by the RTC Discount Card Program. A cardholder requesting replacements of a card configured for the Senior/Disabled (RTC Discount) fare category will receive a replacement card with any remaining value from the lost, stolen, or damaged card.

4.2.9 Card Replacement

The cardholder holds the card at his/her own risk. If the card malfunctions due to no fault of the cardholder within one year of the cardholder first using the card, the cardholder may obtain a replacement card and transfer any confirmed remaining value (e.g., e-cash, transit pass, stored rides, and/or value in the BART High Value Discount E-purse) to the replacement card at no cost to the cardholder.

If CSB determines that a card has been in use for longer than a year, CSB will handle the card replacement as it would the replacement of a damaged card.

4.2.9.1 Requesting Replacement of a Card Suspected of Being Defective

To request a replacement for a card suspected of being defective, a cardholder must submit a completed replacement request form and provide his/her non-functioning ClipperSM card to CSB or an authorized third-party for testing. When requesting replacement of a non-functioning card via mail, a cardholder must provide CSB with a valid mailing address, even if the non-functioning card is unregistered.

4.2.10 Replacement of Non-Functioning Cards

4.2.10.1 Defective Cards

If CSB or an authorized third-party determines that a card is defective, CSB or the authorized third-party will issue, at no charge, a replacement card pre-loaded with any confirmed remaining value on the original card.

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If CSB receives a card and determines that it is defective after the cardholder has already paid fees for the card replacement and balance restoration, CSB will refund the fees back to the credit/debit card that was used to pay the fees.

4.2.10.2 Other Non-Functioning Cards

If CSB determines that a card does not function for a reason other than a defect in the card's hardware or software, the cardholder will be responsible for the replacement of the card.

4.2.11 Blocked Cards and Products

4.2.11.1 Blocking Value Due to Change in Eligibility for Specific Product

For cardholders who receive operator products on the basis of employment with a particular employer or other similar qualifications where an employer or another entity controls eligibility for a particular product (Eco Pass, etc.), the employer or other entity may request that CSB block the product if the cardholder no longer qualifies for the product.

For cardholders who receive operator products on the basis of fare category eligibility (e.g., an agency's youth pass) but who have been determined to be ineligible according to the specific requirements set by the transit agency, the transit agency may request that CSB block the product.

4.3 DISTRIBUTION

4.3.1 Loading E-cash

A cardholder may add e-cash to his/her ClipperSM card at any time up to the maximum allowable balance of \$300.00. E-cash value does not expire.

4.3.2 Minimum Value Required When Acquiring ClipperSM Card

As indicated in Section 2.3.2, MTC may establish temporary or permanent policies whereby a cardholder shall be required to load a minimum amount of value when acquiring a ClipperSM card.

4.3.3 Autoload

4.3.3.1 Value Thresholds for Autoload

When a cardholder subscribes to the Autoload Program, value reloads on the specified card whenever one of the following occurs: (1) the cardholder's e-cash balance falls below \$10.00; (2) the cardholder's transit pass expires; (3) the number of stored rides remaining on the card falls below three; or (4) the balance of the BART High Value Discount E-purse falls below \$10.00.

4.3.3.1.1 Minimum E-cash Value for Autoload

The minimum amount of e-cash that can be loaded via Autoload is \$20.00.

4.3.3.1.2 Maximum E-cash Value for Autoload

The maximum amount of e-cash that can be loaded via Autoload is \$290.00.

4.4 FARES AND PASSES

4.4.1 Application of Fare Discount When Fare Is Paid Using E-cash

When using ClipperSM e-cash, discounts will be applied at point-of-use not at point of purchase. (Note that this rule does not apply to value loaded to the BART High Value Discount E-purse.)

4.4.2 Expiration of Senior/Disabled (RTC Discount) Cards

Eligibility for the Senior/Disabled (RTC Discount) Card must be renewed at least every three years. A patron's Senior/Disabled (RTC Discount) Card shall be encoded with an expiration date in accordance with the policies of the RTC Discount Card Program so that the bearer may only use the card until 11:59 p.m. on that date, unless the date is extended per the instructions of the RTC Discount Card Program Central Processor. A patron may transfer the value from an expired card to a valid replacement card.

4.4.3 Operator Employee Passes

When a cardholder presents a card with an Operator Employee pass anywhere other than at the operator where the Operator Employee pass is valid, the card shall be treated as an Adult, Youth, Senior Citizen or Senior/Disabled (RTC Discount) card, as applicable to the cardholder.

4.5 CLIPPERSM CARD REFUNDS

4.5.1 General Refund Policy

A patron with a functioning unregistered card is not entitled to a refund of his/her confirmed remaining e-cash balance under any circumstances. A patron with a registered card may request a refund of e-cash under the condition that s/he also relinquishes his/her card to CSB.

4.5.2 Exceptions to the General Refund Policy

The following is an exception to the general refund policy described above in Section 4.5.1. The CSB Customer Service Manager will consider such exceptions on a case-by-case basis and consult with designated personnel from the affected transit operator and/or distributor.

A patron may receive a refund of e-cash via remote add value if the system overcharges the patron. For example, if a patron must tag his/her card when exiting a vehicle/station to receive an e-cash credit, and the system overcharges a patron because the CID is not available when the cardholder exits the vehicle/station.

In the cases outlined above, a patron may receive a refund of e-cash value via remote add value. The patron does not need to relinquish his/her card to receive a refund via remote add value.

4.5.3 Responsibility for Processing Refunds

Only CSB will have authorization to process a ClipperSM card refund. In any case where a refund will affect the funds due to a transit operator, the CSB Customer Service Manager will request authorization to provide a refund from designated personnel from the affected transit operator. The CSB Customer Service Manager will not need to request authorization to provide a refund of e-cash, subject to the limitations in Sections 4.5.1 and 4.5.2 of this document.

4.5.4 Processing of a Refund

CSB will only provide a refund to the person to whom the card is registered.

4.5.4.1 Request for Refund of Products Offered to Participants in Operator-Managed Group/Employer Benefit Programs (Eco Pass, EasyPass, etc.)

A patron may not request a refund of a product offered to participants in operator-managed group/employer benefit programs such as VTA’s Eco Pass or the AC Transit EasyPass. CSB may block these products on a patron’s card at the request of the cardholder or the operator for which the product is valid, but the patron is entitled to no refund after CSB blocks the product.

4.5.5 Refund of Value Loaded as Pre-Tax Employee Benefit

CSB shall not provide refunds of the value remaining on a card if the bearer of the card previously added value to the card via a pre-tax employee benefit program.

4.5.6 Method of Providing Refunds

Subject to the restrictions described in Section 4.5.5, CSB will provide refunds by the method of payment used to load the value being refunded, where possible. If a patron loads value with cash and then requests a refund, the refund will be provided by check. If a patron requests a refund of value loaded using multiple methods of payment, the refund will be provided by check.

4.6 CARDHOLDER FEES

4.6.1 Schedule of Cardholder Fees

The following nonrefundable fees may be charged to ClipperSM cardholders. MTC may waive these fees at its discretion with the exception of fees set by transit operators in accordance with Section 3.6.1 of this document.

Description	Fee
Card Acquisition for Adult Cards	\$5
Card Acquisition for Senior Citizen Card	\$0
Card Acquisition for Youth Card	\$0
Card Acquisition for Senior/Disabled TransLink [®] (RTC Discount) Card	\$3*
Card Replacement (Adult Cards)	\$5
Card Replacement (Senior/Disabled [RTC Discount] Card)	\$5*
Renewal of Senior/Disabled (RTC Discount) Card	\$3*
Balance Restoration	\$5**
Autoload Registration	\$0
Failed Autoload Authorization	\$5***
Administrative Fee for Card Refund Processing	\$5

*This fee is determined by the agencies participating in the RTC Discount Card Program.

** CSB will not assess this fee for a cardholder who has registered for Autoload prior to requesting Balance Restoration. Transit operators will not assess this fee for a cardholder requesting replacement of a card configured for the Senior/Disabled (RTC Discount) fare category.

*** CSB will assess this fee on the second occasion that an Autoload funding source associated with a patron’s card is declined and on every occasion thereafter.

4.6.2 Balance Restoration Fee

Each time a patron reports a card as lost, stolen, or damaged and requests the transfer of value from the lost, stolen, or damaged card to a new card, CSB will charge fees both for Card Replacement and Balance Restoration as indicated in Section 4.6.1 of this document. CSB will not assess Balance Restoration fee if the cardholder either is registered for Autoload or is enrolled in an Institutional Program prior to requesting the transfer of value from the lost, stolen, or damaged card to a new card. Transit operators will not assess this fee for a cardholder requesting replacement of a card configured for the Senior/Disabled (RTC Discount) fare category.

4.6.3 Payment of Cardholder Fees

CSB shall not deduct value from the e-cash balance on a patron's card in order to pay a fee. Patrons acquiring cards at third party distributors and transit operator ticket offices may use any form of payment accepted by the distributor or transit operator.

4.6.4 Waiving of the Card Acquisition Fee for Patrons Who Register for Autoload or Receive Value Through an Institutional Program

The card acquisition fee will be waived for patrons who acquire a card and simultaneously either submit a completed Autoload application or arrange to receive value on an ongoing basis through an Institutional Program.

4.6.5 Waiving of the Cardholder Fees During Promotional Periods and/or for Marketing Purposes

The card acquisition and balance restoration fees may be waived during promotional periods. The process for establishing promotions is described in Section 4.11.2.

4.6.6 Waiving of Fees at the Discretion of the CSB Customer Services Manager

The CSB Customer Services Manager may waive fees described above in Section 4.6.1 on a case-by-case basis at his/her discretion. As indicated in Section 2.4.1 of this document, MTC shall monitor the waiving of fees by the CSB Customer Services Manager.

4.7 CARDHOLDER CONFIDENTIALITY

4.7.1 Cardholder Data

All aggregate information and data relating to cardholders collected by the Fare Payment System shall be used by MTC and the operators for the purposes of the operation and management of the Fare Payment System ("FPS") and shall serve as a source of information and data for transit and/or related services, in general, but information about individual cardholders shall be dealt with in a confidential manner unless:

- a. MTC obtains the express written consent of the cardholder;
- b. The patron indicates at the point of card registration that s/he would like to receive Clipper/transit-related information from CSB, MTC and/or their partners; and/or
- c. There is legal requirement to the contrary.

4.8 DISTRIBUTION AND FARE PAYMENT DEVICE NETWORK MANAGEMENT

There are three classes of configuration data (CD) – daily (hotlists and action lists), fare-related (e.g., fare tables) and administrative (e.g., operator names, route names, location names, product names, and calendar).

4.8.1 Daily CD

CSB shall download daily CD automatically. No pre-authorization by operators is required.

4.8.2 Fare-Related CD

After completing internal testing of a pending fare-related CD release, CSB shall issue detailed release notes and schedule time for MTC and/or the operators to witness testing of the release in the CSB test-bed. MTC or CSB shall propose a deployment date and request operators to authorize the fare-related CD download. Operators shall not unreasonably withhold such authorization, particularly when the release is intended to implement a required fare change.

4.8.3 Administrative CD

After completing internal testing of a pending Administrative CD release, CSB shall issue detailed release notes and notify operators of the intended deployment date. No pre-authorization by operators is required.

4.9 DATA COLLECTION AND REPORTING

4.9.1 Data Communications Links

Operators will have full access to ClipperSM usage data that is collected by ClipperSM devices installed at their facilities or on their vehicles.

4.10 CLIPPERSM FINANCIAL SETTLEMENT AND RELATED SERVICES

4.10.1 Add Value Transactions

Add value transactions can occur at distribution devices (AVMs, TOTs, TransLink[®] Retail Units, Ticket Vending Machines, and CIDs). The distribution devices provide for direct sales of ClipperSM products and the CIDs provide for fulfillment of Autoload and remote add value transactions.

If a missing add value transaction does not appear within a 21-day window, the associated gap is resolved through identification of the amount of missing value, and the participants that collected funds and are due funds for the missing transaction. This information is identified using previous add value transaction history data that is stored on the card and is transmitted along with every subsequent transaction following an add value. The associated funds are automatically moved between the appropriate parties as a part of daily settlement and the gaps are closed, as follows:

- a. The party responsible for collecting cash for the sale of ClipperSM value will be debited during settlement; and
- b. The party due reimbursement for the sale of ClipperSM value will be credited during settlement.

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Information regarding settlement of recovered add value transactions will be available on the next business day. CSB will notify transit operators of any anomalies in add value transaction gaps, should they occur.

If duplicate add value data for a gap is not available, and the original transaction cannot be recovered, e-cash gaps shall be resolved through standard gaps processing. The amount of the gap shall be determined through the examination of pre-gap and post-gap transactions, and moved from the Participant Claim Fund (“PCF”) account to the Float account when the gap is closed.

An operator may file a grievance for disputes related to settlement of missing add value transactions in accordance with the procedures set forth in Section 4.10.8.

4.10.2 Missing Transactions

CSB processes all transaction records for settlement at the end of each calendar day. While most transactions are settled on the day they occur there are instances that result in missing transactions:

- Transactions stored on mobile devices that do not connect to the ClipperSM wireless network on the day transactions occur;
- Equipment failure or destruction of devices from external causes; or
- Any other situation resulting in transaction records not being received by the CCS, either temporarily or permanently.

4.10.3 Fare Payment Transactions and the Participant Claim Fund

The CCS creates transaction gaps for missing fare payment transactions. Fare payment transaction gaps then remain “at large” on the gap list for 21-days to allow sufficient time for most late transactions to appear. If missing transactions appear within the 21-day window, they will be a part of daily settlement on that date, and the associated transaction gaps will be closed automatically.

The only funds directly associated with fare payment transaction gaps will be e-cash funds initially accounted for in the Float Account. During the 21-day period that these gaps are on the gaps list, these funds would remain in the Float Account. If missing transactions appear within the 21-day window, they would be settled out of the Float Account as if they had appeared on the date the transaction occurred.

If a fare payment transaction gap is not closed by the appearance of missing transactions within the 21-day window, the transaction gap will be automatically “expired” by removal from the gaps list. Any e-cash value associated with the gap will then be moved automatically from the Float Account to a special ClipperSM account known as the Participant Claim Fund (“PCF”), as described in Section 4.10.4 below.

If missing transactions appear after the 21-day window has passed, they will not be included with daily settlement. The associated transaction gaps will have expired and the corresponding funds

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will be in the PCF. These funds will no longer be available for daily settlement, and the funds will be disbursed in accordance with Section 4.10.4.

Note that the fare payment transaction “gap” process is only applicable to e-cash fare payment transactions. There is no financial processing of monthly pass, stored ride or High Value Discount purse fare payment transaction, since these do not directly affect settlement.

4.10.4 Disbursement of the Participant Claim Fund

The PCF will hold all e-cash funds associated with fare payment transaction gaps that have been expired from the system. Allocation of PCF funds will be based on operator-based claims and system-based claims. Operators may file claims on the PCF at any time. While valid operator-based claims will be settled first, system-based claims are expected to be the primary method for fund disbursement.

- With the exception of disbursements for operator-based claims, no disbursement from the PCF shall be made until the PCF meets or exceeds \$20,000, and no system-based disbursements shall be made that would reduce the PCF below a minimum balance of \$10,000.
- Disbursements from the PCF for system-based claims or for any remaining PCF value shall be made monthly, when justified.

PCF disbursement is based on the following sequential process.

- a. Settle all valid operator-based claims against the PCF**
Operator-based claims provide a means to recover value if either a complete loss of ClipperSM data has occurred or an operator experiences a significant single-day data discrepancy between transaction and audit register data. It is not anticipated that operator-based claims will be filed frequently. See Section 4.10.5 for a detailed description of operator-based claims.
- b. Settle all system-based claims - balance discrepancies between audit register and transaction data**
System-based claims will account for net discrepancies between the aggregate e-cash fare payment value recorded by device audit registers and the aggregate e-cash fare payment value settled through transaction data. CSB will calculate the net system-based claim to be credited or debited to each operator, as appropriate, according to the following formula:

$$(\$ \text{ Value of Audit Register}) - (\$ \text{ Value of Transaction Data}) = \text{Credit/Debit to Transit Operator}$$
- c. Disbursement of remaining PCF value**
After funds have been distributed from the PCF in accordance with Steps 1 and 2 above, any remaining value will be split among the operators based on the percentage of total e-cash business borne by each operator for that period, in accordance with the revenue allocation policies set forth in the *ClipperSM Memorandum of Understanding*:

Value of Single Operator E-cash Business

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$$\text{Operator Disbursement} = \frac{\text{-----}}{\text{Value of Total E-cash Business}} \times \text{Remaining PCF Balance}$$

Calculation of the above distributions will occur sequentially and take into account the available funds in the PCF. Net PCF distribution will occur via one manual adjustment to each operator's settlement position. The table in Section 4.10.4.1 summarizes the PCF disbursement process.

4.10.4.1 PCF Settlement Process

	Parties	Funding	Determination Basis
1. Settlement of Operator-Based Claims	Appropriate transit operators	a) Full funding, if available. Otherwise: b) Pro-rata based on all valid claims filed.	All validated claims filed since the previous distribution.
2. Settlement of System-Based Claims	Appropriate transit operators	a) Full funding, if available. Otherwise: b) Pro-rata based on total end-of-quarter discrepancies.	Discrepancies between audit register and transaction data
3. Remaining PCF Value	All transit operators	Any remaining PCF fund balance in excess of \$10,000.	Distribution based on the split of e-cash business among transit operators for the previous quarter.

Transit operators may file a grievance in accordance with the procedures set forth in Section 4.10.8 for any adjustments they believe have been made or omitted in error.

4.10.5 Claims

As indicated in Section 2.7.2 of this document, MTC shall oversee all claim investigation and assessment, although an operator may participate at its option. An operator may also be requested to assist under certain circumstances.

No claims will be entertained if transit operators fail to comply with the above procedures in furnishing supporting documentation.

4.10.6 Operator-Based Claims Against the Participant Claim Fund

Transit operators may only submit claims for reimbursement of transactions for:

- a. A total loss of both transaction and audit data records due to failure or damage of front-end devices;
- b. Other system failures resulting in such data loss (e.g., non-recoverable TDS failure); or
- c. A single business day discrepancy between transaction and audit records greater than 0.10% of the single business day overall totals received from all the devices of a transit operator (see below).

$$\text{Discrepancy level (in \%)} = \frac{\text{One-Day Total Transaction Value from all Audit Registers} - \text{One-Day Total Transaction Value from Transaction Records}}{\text{Total Transaction Value from All Audit Registers}} \times 100$$

4.10.6.1 Claims Processing

Claims will be processed as follows:

- a. Operator files a claim with MTC.
- b. MTC reviews the claim and then forwards it to CSB.

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- c. CSB investigates claim. If necessary, CSB may request additional documentation or assistance from the operator.
- d. If the claim is substantiated, CSB settles funds.
- e. If the claim is not substantiated, CSB advises operator.

Claims against the PCF will only be paid for missing fare payment transaction data. ClipperSM data will be the only form of substantiating fare payment data considered in validation of claim amounts.

4.10.7 Adjustments

Transactions impacting a transit operator's financial position, and occurring outside the context of daily transaction processing and settlement, will be actioned by manual adjustments. Adjustments will be used to settle out-of-balance conditions and claims, correct for missing add value transactions, and rectify other miscellaneous financial discrepancies. Affected transit operators will be notified in advance of any adjustments.

4.10.8 Disputes

Transit operators may file grievances for missing add value and/or fare payment transactions if they are not satisfied with the settlement results. Grievances for missing transactions shall not be considered until the standard settlement processes outlined in Sections 4.10.1 and 4.10.5 have been completed. MTC and operators shall resolve all disputes in accordance with the *ClipperSM Memorandum of Understanding*.

4.11 MARKETING

4.11.1 Card Design Features

All ClipperSM cards, with the exception of limited use cards, shall contain the following basic elements:

- a. A unique serial number;
- b. The ClipperSM logo;
- c. A reference to the ClipperSM Cardholder Agreement;
- d. The address of the ClipperSM website; and
- e. The ClipperSM Customer Service Center telephone number(s).

Other elements that may be included are as follows:

- f. Cardholder photo, cardholder name, and/or company name for some personalized cards;
- g. The RTC Discount Card program logo for some personalized cards;
- h. Advertisements, if either MTC or an operator (applies to limited use cards only) has entered into business arrangements for advertising on the card;
- i. "Special Services" account numbers, if MTC enters into special business relationships with commercial entities that require the ability to place additional information on the card; and
- j. "Special graphics," if MTC chooses to issue collector cards.

4.11.1.1 Limited Use Cards

ClipperSM limited use cards shall contain the following basic elements:

- a. A unique serial number; and
- b. The ClipperSM logo.

4.11.2 Card Giveaway Promotions

To promote the availability of ClipperSM and encourage use of the ClipperSM card, MTC shall set aside up to 176,933 ClipperSM cards for use as part of marketing promotions. The promotions may include waiving of the cardholder fees described in Section 4.6.1. The 176,933 cards shall be divided among the Operators as shown below with the expectation that each agency will use its allotment of ClipperSM cards to encourage use of ClipperSM in its service area. The number of cards available for use as part of marketing promotions does not include cards distributed to patrons at no charge in accordance with Section 4.6.4.

Agency	Number of ClipperSM Cards Available for Marketing Promotions²
AC Transit	25,250
BART	40,361
Caltrain	2,900
Golden Gate Transit	100
SamTrans	6,990
San Francisco MTA	49,500
VTA	19,429
Other Operators	9,632
Additional Cards for Future Needs	12,771
Total	176,933

Operators shall notify MTC about all planned promotions. MTC shall monitor the timing of any promotion approved under this section to ensure maintenance of a sufficient inventory of ClipperSM cards.

² The TransLink[®] Phase II Operating Rules allowed for a total of 225,000 cards to be available for use as part of marketing promotions. Prior to May 25, 2010, operators distributed cards as part of marketing promotions that reduced the total number of cards available to 176,933.

5. GLOSSARY

ACH

See Automated Clearinghouse.

ADD VALUE MACHINE

A distribution device that enables cardholders to both load value to a ClipperSM card and check the balance of a ClipperSM card.

ADJUSTMENT

The process of modifying the settlement amount for any given settlement period for a specific transit operator due to an out-of-balance condition or claim.

APPLICATION ISSUER

Any single entity or a joint entity of multiple parties that own and distribute any specific application that may be resident solely or jointly with other applications, on a smart card. MTC is the ClipperSM Application Issuer in the Region.

AUTOLOAD

By registering for the Autoload Program, a cardholder enables an automatic reload of value to his/her card. ClipperSM cards can automatically be loaded with the fare type of a cardholder's choosing whenever the e-cash balance becomes low or a transit pass or stored ride book is due for renewal. The cardholder designates a bank account or credit card as the funding source.

AUTOMATED CLEARINGHOUSE

The process by which funds are moved between participants in the ClipperSM Program (see Funds Movement).

AVM

See Add Value Machine.

BALANCE RESTORATION

This optional feature enables a cardholder with a registered card to obtain a replacement of any confirmed remaining value on his/her card if his/her card is lost, stolen, or damaged.

BLOCKED CARD

A card that is rendered inactive by the ClipperSM Service Bureau. To block a card, the ClipperSM Service Bureau will add the card to the Hotlist.

CARD

The card is the ClipperSM smart card licensed to cardholders to pay transit fares on select transit systems. The card is the property of MTC, the Card Issuer. Each card is uniquely identified by a serial number printed on the back of the card.

CARD DISTRIBUTION

The process of moving ClipperSM cards from Issuers to card distributors and from card distributors to cardholders.

CARD DISTRIBUTOR

A transit operator or third-party that vends ClipperSM cards.

CARDHOLDER

A patron who has a ClipperSM card. A card that has been registered to an individual or personalized is not transferable and can only be used by the person identified in the ClipperSM fare payment system and/or on the card itself.

CARD ISSUER

The Card Issuer is responsible for the operation and maintenance of the ClipperSM fare payment system in which the value stored on the Card can be used as payment for certain services and/or goods provided or supplied by the transit agencies participating in the ClipperSM fare payment system.

CARD INTERFACE DEVICE (CID)

The device that allows ClipperSM cards to be read and encoded via the contactless interface that is used for fare payments.

CCS

See ClipperSM Central System.

CD

See Configuration Data.

CERTIFIED OPERATOR PERSONNEL

Those who have successfully completed the ClipperSM Contractor training program delivered by the ClipperSM Contractor and/or operator trainers.

CID

See Card Interface Device.

CLAIM

A formal, written statement filed by an operator with the ClipperSM Contract Manager to dispute the accuracy of the settlement process (e.g., when an operator believes that the amount due to the agency is greater than the ClipperSM settlement process has determined).

CLIPPER CENTRAL SYSTEM (CCS)

The back-end computer system that performs functions related to the management of third party distributors, card based management, network management, settlement, reporting, customer service, and asset management of the ClipperSM System.

CLIPPERSM CONTRACTOR

The party selected as a result of the TransLink[®] (ClipperSM) Request for Best and Final Offer (“BAFO”) that has entered into the Contract to design, build, operate and maintain the ClipperSM system (i.e., Cubic Transportation Systems).

CLIPPERSM SERVICE BUREAU (CSB)

The ClipperSM Service Bureau is operated by the ClipperSM Contractor, an agent of the Card Issuer. CSB’s responsibilities include, but are not limited to: providing information, fulfilling card requests, handling requests to add value to cards, processing orders for optional features, and managing reports of lost or stolen cards.

CONFIGURATION DATA (CD)

Data that is sent to a device to configure its functionality (e.g., system settings).

DAMAGED CARD

A card that, while in the possession of a cardholder, has been rendered physically inoperable due to causes outside of the ClipperSM Contractor’s control.

DATA COLLECTION

The process of moving the data captured at the point-of-use to the ClipperSM Central System.

DATA RECONCILIATION

The process of checking ClipperSM records for accuracy.

DEFECTIVE CARDS

A card that fails to operate properly because of a manufacturing or design problem within one year of the card’s being first used by a patron.

DISTRIBUTION DEVICE

The general term for terminals and devices for both vending of ClipperSM cards and the loading of ClipperSM cards. Distribution devices include attended and unattended terminals.

DISTRIBUTOR

A general term that refers to any party that either vends ClipperSM cards or provides value loads.

ELECTRONIC CASH (E-CASH)

An electronic record maintained on a ClipperSM card that represents a cash value that may be used as payment for transit at any participating transit operator.

EMPLOYER PROGRAMS

A method of distributing cards and value to cardholder through a financial subsidy by employers for travel on one or more operators’ fixed route services. A cardholder must register his/her card to participate in an employer program.

FIRST LINE MAINTENANCE

This level of maintenance includes:

- Routine equipment checks;
- Resolution of minor operational problems such as dollar bill jams and card dispensing jams;
- External equipment cleaning;
- Internal component cleaning and lubrication (distribution devices only);
- Running diagnostics tests;
- Removal and replacement of depot maintenance devices and modules; and
- Labor for scheduled replacement of devices and modules.

FUNDS MOVEMENT

The transfer of funds between participants in the ClipperSM program. Funds movement must be accomplished by a settlement bank designated for that purpose. This is a separate process from financial settlement.

FUNDS POOL

The central account into which ClipperSM revenues are deposited. Payments to transit operators for ClipperSM services they provide are made from this account.

INSTITUTIONAL PROGRAMS

Institutional Programs include government agencies, schools/universities, or employers that provide funding for value on one or more cards by establishing an account with the ClipperSM Service Bureau.

LOAD

The function of adding e-cash, a period pass, or a number of stored rides to a ClipperSM card.

METROPOLITAN TRANSPORTATION COMMISSION (MTC)

The transportation planning, financing and coordinating agency for the nine-county San Francisco Bay Area. Under SB 1474, MTC is charged with coordinating and consolidating transit services in the Bay Area; ClipperSM is one aspect of MTC's regional transit coordination program.

OPERATOR

Transit agency participating in ClipperSM.

PERSONALIZED CARD

A card with distinguishing physical features, such as a printed name and/or photograph of the cardholder. A personalized card may be registered or unregistered.

REGISTERED CARD

A card where the Issuer knows the identity of the cardholder, but the card does not necessarily have physically distinguishing characteristics.

SETTLEMENT

The process of determining the funds between participants in the ClipperSM program.

STORED RIDE

An electronic record maintained on a ClipperSM card that permits one ride on a specific transit operator. Multiple active stored rides may be present on a single ClipperSM card for different transit operators.

THIRD PARTY DISTRIBUTOR

Any party other than a transit operator and the Contractor that acts as a ClipperSM distributor.

TICKET OFFICE TERMINAL (TOT)

A device located on the premises of a participating operator or authorized third party where a person may acquire a ClipperSM card, load value to a card, register a card, and customize the language and audio features.-

UD

See usage data.

UNREGISTERED CARD

Cards where the identity of the cardholder is not known to the Card Issuer.

USAGE DATA (UD)

Generic term for data generated within the system, which includes data captured by the devices in the ClipperSM system when patrons use a ClipperSM card.