

Final Title VI Summary Report, Clipper® Fare Media Transitions

**FINAL Title VI Summary Report
Clipper® Fare Media Transitions
Presented to the Metropolitan Transportation Commission
June 1, 2012**

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FINAL REPORT SUPPLEMENT: Introduction

Staff presented the draft Title VI Summary Report for the Clipper® fare media transitions to the Metropolitan Transportation Commission (MTC) Operations Committee in September 2011. The report summarized the Title VI analysis for five transit operators: Alameda-Contra Costa Transit District (AC Transit), San Francisco Bay Area Rapid Transit (BART), Caltrain, Golden Gate Bridge, Highway and Transportation District (GGBHTD), and San Francisco Municipal Transportation Agency (SFMTA). Following presentation of the draft report in September 2011, MTC initiated a three month-long community outreach effort and public comment period that included both focus groups and an open comment period, concluding in late December 2011. Also since September 2011, MTC has completed Title VI analyses for San Mateo County Transit District (SamTrans) and Santa Clara Valley Transportation Authority (VTA). MTC has spent the three months since the conclusion of the community outreach and public comment period for the Title VI Summary Report considering the main issues raised by members of the public and Clipper® transit operators as well as possible measures for mitigating identified potential disparate impacts.

In order to preserve the changes made to the draft Title VI Summary Report in this Final Title VI Summary Report, all of the substantive revisions or additions to this Report are either inserted into the report as "Final Report Supplements" or attached as appendices. The topics include:

- MTC Resolution No. 3866, Revised
- Clipper® youth card application process
- Card Acquisition and Balance Restoration Fees
- San Mateo County Transit District (SamTrans) Title VI analysis
- Santa Clara Valley Transportation Authority (VTA) Title VI analysis
- Summary of responses to public comments
- Supplemental Clipper® Outreach/Educational Materials

I. Executive Summary

In February 2010, the Metropolitan Transportation Commission (MTC), which oversees the Clipper® smart card system, adopted MTC Resolution No. 3866, which required transit operators to convert certain specified paper fare media to Clipper®. Shortly after the adoption of Resolution No. 3866, Clipper® staff began work to identify the appropriate steps to ensure Clipper®'s compliance with the regulations of Title VI of the Civil Rights Act of 1964, and determined that an assessment of the fare media conversions to Clipper® would be the appropriate course of action. To ensure an independent and thorough review, MTC asked its primary Clipper® project consultant, Booz Allen Hamilton (BAH)¹, to procure the services of an experienced Title VI consultant to perform this assessment. This report provides the results of the analyses performed by that consultant, Milligan and Company (Milligan). It also provides context for the overall fare media change to Clipper® and additional information on strategies

¹ Now known as CH2M Hill.

MTC has employed to make the shift to Clipper® as smooth as possible for all of the Bay Area's transit riders and more specifically for persons protected by Title VI.

MTC and the transit agencies are still in the process of deploying Clipper® region-wide. While these analyses were being performed, the program was undergoing tremendous growth and rapid consumer adoption. Consequently, it was difficult for the individual reports for each fare media transition to reflect the latest developments to the program. This report describes the current state of the program's implementation and summarizes issues that were consistently raised in the individual reports.

Milligan analyzed the transitions of 30 fare products, and found no potential disparate impact for 24 of them. Where potential disparate impacts were found, they were related to retailer locations, the \$5 card acquisition fee, distribution of special (discount category) cards, and outreach, all of which will be discussed in the body of this report.

Before discussing the findings of the Title VI assessments, this report explains the basics of the Clipper® system and provides an overview of the various ways in which the Clipper® program has strived to provide equitable access to Clipper®'s services and benefits.

FINAL REPORT SUPPLEMENT: In October 2011, MTC revised Resolution No. 3866, updating the fare media transition requirements to reflect lessons learned since MTC's initial adoption of Resolution No. 3866, add transition requirements for SamTrans and VTA fare products, and revise transition dates for specific fare products, where appropriate.

The final report now includes the results of the analyses for SamTrans and VTA fare media transitions. The SamTrans and VTA analyses were performed by MTC staff. MTC analyzed 10 fare media transitions at SamTrans and VTA and found no potential disparate impacts for seven of them.

The final report also includes and describes the mitigation efforts MTC has undertaken and will be undertaking in the future to ensure that there are no disparate impacts on persons protected by Title VI.

II. Background

A. Basics of the Clipper® System

Clipper® is a smart card system that allows transit patrons to transfer seamlessly between participating transit systems in the Bay Area. The Clipper® card is reloadable and stores cash value (known as "e-cash"), tickets, and passes. It provides the ability to load from five cents to \$300 to the card at any time. Unlike most magnetic stripe tickets, the card is intended for extended use, and it can be reloaded online, by phone, or in person at retail outlets, ticket vending and add value machines.

The implementation of the Clipper® electronic fare payment system began in 1999 under the brand name “TransLink”. In 2003, MTC entered into a Memorandum of Understanding with the major transit operators of the Bay Area, calling for a phased deployment of the system. It underwent a pilot phase, testing, and various soft (limited) launches, before starting to garner more significant market share in 2010. Alameda-Contra Costa Transit District (AC Transit) and Golden Gate Bridge, Highway and Transportation District (GGBHTD) launched in 2006, San Francisco Municipal Transportation Agency (SFMTA) in 2008, Peninsula Joint Powers Board (Caltrain) and Bay Area Rapid Transit (BART) in 2009, San Mateo County Transit District (SamTrans) in 2010, and Santa Clara Valley Transportation Authority (VTA) in early 2011. These seven systems account for 95% of the ridership in the region.

TransLink was re-branded as Clipper® on June 16, 2010 to support the official regional launch of the system. In conjunction with the launch of this new brand, a coordinated customer education campaign was initiated, which will be described in greater detail in Part III.A of this report.

The Clipper® system supports the fare structures, transit products, and transfer policies already offered by each transit agency, rather than imposing a uniform fare structure across the region. In total, the system supports 4,000 unique fares, 100 fare products, and 12,000 transfer combinations. The system also supports the various payment configurations used by different transit agencies: flat fare, distance-based, and zone-based. All operators can sell each other’s agency’s fare products. In total, there are nearly 9,000 devices deployed across the region. For a description of the types of Clipper® cards, see **Appendix A**.

B. Fare Media Transitions and MTC Resolution No. 3866

MTC is required by state statute to adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction, to require every system to enter into a joint fare revenue sharing agreement with connecting systems, and to recommend consolidation of transit operator functions to improve transit efficiency.² Initiating and managing the Clipper® program is a significant part of MTC’s efforts to comply with these statutory requirements.

MTC’s first adopted a Transit Coordination Implementation Plan (Plan) in 1998 via MTC Resolution 3055. The first Plan was largely voluntary and did not produce significant results in terms of fare coordination. Throughout the fall of 2009, MTC worked with its transit partner agencies to develop the update to the Plan, with the intention of establishing the Clipper® smart card fare collection system as the foundation for fare coordination in the Region. The result of those efforts was a revised Transit Coordination Implementation Plan, MTC Resolution No. 3866, which was adopted in February 2010. (See http://www.mtc.ca.gov/planning/tcip/RES-3866_approved.pdf.) Among other requirements, Resolution No. 3866 requires transit operators participating in the Clipper® program (AC Transit, BART, Caltrain, GGBHTD, and SFMTA) to implement, operate and promote Clipper® as their primary fare payment system. The Plan also identified a list of fare products that would transition to be exclusively available through

² Per California Government Code Sections 66516 and 66516.5, enacted in 1989 and 1996, respectively.

Clipper®. Per the Resolution, MTC declared that failure to eliminate these specified existing paper fare products and transition them to Clipper® exclusively could result in sanctions, including withholding funds.

Dubbed “fare media transitions”, the Resolution put forth a schedule, negotiated with transit operators, of the dates the paper form of these products were to be eliminated. For the first five operators, the fare media transitions were set to begin in March 2010 and conclude in June 2011. The original schedule is shown in Table 1.

Table 1: Fare Media Transition Schedule per Resolution No. 3866

Assessment Number	Date of Transition	Transit Operator	Fare Media Transition Description
1	October 1, 2010	BART	Acceptance ends of EZ Rider card as transit payment
2	August 1, 2010	SFMTA	Acceptance ends of paper Adult Muni/BART Fast Pass
3	September 30, 2010	AC Transit	Sales end of paper 31-day youth ticket
	December 31, 2010	AC Transit	Acceptance ends of paper 31-day youth ticket
3	September 30, 2010	AC Transit	Sales end of paper 31-day adult ticket
	December 31, 2010	AC Transit	Acceptance ends of paper 31-day adult ticket
4	August 1, 2010	Golden Gate Transit	Acceptance ends of \$25.00 Transit Value Card
	August 1, 2010	Golden Gate Transit	Acceptance ends of \$50.00 Transit Value Card
	August 1, 2010	Golden Gate Transit	Acceptance ends of \$75.00 Transit Value Card
5	August 1, 2010	SFMTA	Acceptance ends of paper BART two-way transfer
	August 1, 2010	SFMTA	Acceptance ends of paper BART/Daly City two-way transfer
6	September 30, 2010	AC Transit	Sales end of paper 10-ride tickets (A/Y/S/D)
	December 31, 2010	AC Transit	Acceptance ends of paper 10-ride tickets (A/Y/S/D)
7	September 30, 2010	SFMTA	Acceptance ends of paper RTC/Disabled Fast Pass
8	January 31, 2011	Caltrain	Acceptance ends of paper full fare 8-ride ticket
	January 31, 2011	Caltrain	Acceptance ends of paper discounted 8-ride ticket
9	January 31, 2011	Caltrain	Acceptance ends of paper full fare monthly pass
	January 31, 2011	Caltrain	Acceptance ends of paper discounted monthly pass
	January 31, 2011	Caltrain	Acceptance ends of paper Caltrain + Muni monthly pass
	January 31, 2011	Caltrain	Acceptance ends of paper Go Pass
10	February 1, 2011	SFMTA	Acceptance ends of paper Senior Muni-only Fast Pass
	February 1, 2011	SFMTA	Acceptance ends of paper Youth Muni-only Fast Pass
11	March 1, 2011	BART	Sales end of High Value Discount magnetic stripe tickets
	May 1, 2011	BART	Sales end of senior (green) magnetic stripe tickets
	May 1, 2011	BART	Sales end of youth & disabled (red) magnetic stripe tickets
12	April 1, 2011	SFMTA	Acceptance ends of paper Adult Muni-only Fast Pass
13	April 1, 2011	SFMTA	Sales end of Adult Single Token
14	June 30, 2011	SFMTA	Acceptance ends of paper 1-day, 3-day, and 7-day Passports
15	September 30, 2011	SFMTA	Acceptance ends of paper bus, metro/subway, and ADA transfers
16	TBD	SFMTA	Acceptance ends of paper Senior and Disabled Muni/BART Fast Passes
	TBD	SFMTA	Acceptance ends of paper Lifeline Pass
	TBD	SFMTA	Acceptance ends of paper Class Pass
17	March 30, 2010	SFMTA	Acceptance ends of paper Golden Gate Ferry Two-Way Transfer
18	April 30, 2010	SFMTA	Sales end of paper Adult Single Ride Ticket Book (10 rides)

Note that a portion of these transitions did not meet the original schedule. Some were delayed and are underway now, or are being re-examined to determine when or if they should take place.

Resolution No. 3866 did not require all fare products offered by these five transit agencies to transition to Clipper®-only availability. Only fare products that were mutually agreed upon after discussions with the transit operators are listed in the Resolution. Some paper fare products were

excluded due to a higher degree of difficulty in implementing various aspects of their fare media transitions. Additionally, MTC has allowed for continued, limited distribution of paper fare media to populations for whom distribution concerns exist, on a case-by-case basis.

The fare media transition process as specified in Resolution No. 3866 has been instrumental in promoting the mass adoption of Clipper® as the primary payment system for the original five participating operators. This shift has allowed these operators to begin to limit the expenditure and resources necessary to support two separate fare payment systems. Largely due to the elimination of paper fare media, the number of monthly Clipper® fare payment transactions grew from under 2 million in June 2010 to over 12 million in June 2011.

Resolution No. 3866 did not specify the fare product transitions for SamTrans and VTA. Also, these systems had not launched Clipper® at the time the Title VI assessment process was initiated.³ Therefore, Milligan was not asked to produce Title VI reports on the as yet to-be-determined fare media transitions for these agencies. MTC and the transit agencies are currently in the process of updating Resolution No. 3866, and part of that update involves specifying which fare products SamTrans and VTA will transition to Clipper®-only availability. Therefore, the Title VI analyses of their fare media transitions will be forthcoming.

FINAL REPORT SUPPLEMENT: MTC revised Resolution No. 3866 in October 2011. Revisions include deletion or revision of some transition requirements, and adoption of new transition dates. The revised resolution includes a transition date of December 31, 2011 for SamTrans fare products and a transition date of June 30, 2012 for VTA fare products, both of which were not included in the original resolution. Resolution No. 3866, Revised, is attached as Appendix H.

The Draft Summary Report described the role of Resolution No. 3866 in establishing Clipper® as the primary fare payment system for the original five participating transit operators. As of February 2012⁴, the percentage of weekday riders paying with Clipper® on the original five participating transit operators is as follows: AC Transit (26.5%), BART (48.9%), Caltrain (69.1%), Golden Gate Transit bus (37.8%), Golden Gate Ferry (96.5%), and SFMTA (46.3%).

III. MTC's Initiatives to Ensure Equitable Access to Clipper®

In advance of and beyond the scope of the fare media transitions and Milligan's assessments, MTC and transit agency staff have undertaken a number of initiatives intended to ensure that Title VI-protected persons have equitable access to Clipper® program benefits and services. These activities fall into the categories of customer education, outreach, customer service, card and value distribution, and card policy. These are each considered in detail below.

³ The introductory language in Milligan's Title VI reports indicates that only five systems operated Clipper® at the time their assessments were conducted.

⁴ Data for Golden Gate Transit bus and Golden Gate Ferry is for January 2012.

A. Customer Education

When the Clipper® brand launched in June 2010, MTC initiated a media and customer education campaign to inform transit riders about how to get and use a Clipper® card. This effort included multi-lingual advertising materials (10% translated into Chinese and 10% translated into Spanish). It should be noted that most of the customer education messaging during this campaign was placed in “free space” areas on the various transit operators’ systems and therefore MTC had little control over the appropriateness of the placement of linguistically-specific signage, car cards, etc.

Beginning in March 2011, MTC implemented a media campaign to specifically communicate with persons with Limited English Proficiency (LEP) about how to get and use a Clipper® card. (See **Appendix B.**) Spanish- and Chinese-speaking communities were identified as the core LEP communities at a regional level, while individual operators have taken responsibility for outreach to other LEP communities within their respective service areas.

Table 2 summarizes this initiative. Samples of advertising materials in Spanish and Chinese from both campaigns are attached at **Appendix C.**

Table 2: Recent LEP Media Campaign

Type of Media	Spanish	Chinese
Print	Mix of ¼ & ½ page color insertions	Mix of ¼ & ½ page color insertions
Number of Newspapers	3	2
Number of Insertions	19	13
Estimated Impressions	1,000,000	750,000
Television	30s spots targeting Adults 25-54	30s spots in Cantonese & Mandarin
Number of Channels	3	1
Number of Spots	282	60
Estimated Impressions	2,000,000	Not measured
Radio	30s spots & 15s traffic/weather sponsorship	60s spots in Cantonese & Mandarin
Number of Stations	3	3
Number of Spots	337	270
Estimated Impressions	3,000,000	Not measured
Outdoor	Advertising, eco-posters, bus shelters & vinyl clings in SF’s Mission District	Wild posting, bus shelters & vinyl clings in SF’s Chinatown
Estimated Impressions	800,000	75,000

FINAL REPORT SUPPLEMENT: MTC sponsored a second round of advertising in fall 2011 to educate transit customers about the transition of SamTrans paper monthly passes and BART high value, red and green tickets to Clipper®-only availability.

MTC designed and purchased space for the following LEP media to support the SamTrans transition:

Type of Media	Spanish	Chinese
Print		
Number of Newspapers	2	1
Number of Insertions	4	2
Transit		
Interior bus cards	175	175
Queen exteriors	55	

MTC also produced 20 Spanish-language posters and 1,600 Spanish-language "buckslips" to promote Walgreens outreach events (a "buckslip" is a small information flyer); these were displayed or distributed at Walgreens stores in the SamTrans service area.

For the BART transition, MTC provided funding to BART to place advertising in ethnic media outlets as shown below.

Type of Media	Spanish	Chinese	Korean	Punjabi	Vietnamese
Print					
Number of print ads	10	16	18	12	28
Broadcast					
Radio (261 spots between Spanish and Chinese)					
Transit					
Bus interior ads (car cards)	400	400			400
Light-rail King exteriors	10	10			10
Light-rail station posters	50	50			50
Bus King ads	10	10			10
Bus Shelter posters	15	10			10

To accommodate Korean-speakers, MTC translated a flyer announcing outreach events into Korean.

Samples of advertising materials from the second round of advertising held in fall 2011 are attached as Appendix L.

MTC is sponsoring a third round of advertising for spring and early summer 2012 to educate VTA riders about the transition of VTA's passes to Clipper®-only availability. The following table shows the details of the advertising plan.

Type of Media	Spanish	Chinese	Filipino	Vietnamese
Print				
Number of Newspapers	2	1	1	1
Number of Insertions	34	11	5	11
Broadcast				
TV	71 spots on 2 networks			
Radio	150 spots on 1 network (3 radio stations)			
Transit				
Bus interior ads (car cards)	400	400		400
Light-rail King exteriors	10	10		10
Light-rail station posters	50	50		50
Bus King ads	10	10		10
Bus Shelter posters	15	10		10

For the VTA fare media transition, MTC has translated all regularly used printed Clipper® materials into Spanish, Chinese, Vietnamese and Korean. MTC will also produce and translate a special flyer for use at outreach events and a buckslip advertising the Walgreens outreach events.

B. Outreach

In addition to broader customer education activities described in Part III.A, MTC has and will continue to engage in culturally appropriate Clipper® outreach 1) at a regional level and 2) through targeted collaboration with Community Based Organizations (CBOs) that work with low-income and minority communities.

1. General Outreach

In FY 2010 - 2011, MTC, with support from transit agencies, conducted approximately 800 outreach events to educate transit riders about the Clipper® card; while many of these events were intended for general outreach to educate all potential Clipper® customers, MTC employed outreach staff members who speak English, Spanish, Mandarin, Cantonese and other languages for events in areas that might attract monolingual non-English speakers. Activities included transit and street team events, retail support and participation in community events. MTC has

also provided funding for targeted Clipper® outreach by transit agencies, specifically for outreach to seniors, youth and disabled persons.

FINAL REPORT SUPPLEMENT: MTC sponsored a second round of outreach events in late summer, fall and winter 2011/12 to support the transitions of the SamTrans monthly passes and the BART high discount, red and green tickets to Clipper®-only availability. In both cases, MTC worked collaboratively with BART and SamTrans to determine geographic, demographic and ethnographic distribution of the events to design an outreach schedule that was intended to reach as many low-income and limited English-proficient customers as possible, with the understanding that the transit agencies are best positioned to know their customers and their needs. Both agencies often provided a transit agency staff person to work alongside MTC outreach staff at the events. Transit agencies usually staffed senior outreach events themselves. Following is a breakdown of the events included in this round of outreach:

Type of Event	BART	SamTrans
Community Centers/Events	8	9
Employer Events	4	0
Senior/RTC Events	45	12
Transit Center/Station/Bus Ride-along Events	47	20
School Events	1	1
Mall Events	3	5
In-Person Customer Service Centers	10	0

MTC made every effort to staff events with at least one Spanish-speaking person and one Chinese-speaking person. In some cases, where MTC staff estimated a greater need for one particular language, MTC assigned two outreach staff members who spoke the particular language. Transit agencies generally handled promotion of the events, although MTC distributed news releases and posted upcoming events on the Clipper® website, clippercard.com. MTC also sent a mailing to all public and private elementary, middle and high schools in the two service areas with a flyer listing the retail and mall events that were aimed at accepting youth card applications and distributing senior cards.

MTC is sponsoring a third round of outreach events to support the transition of VTA paper fare media to Clipper®-only availability. While the final schedule is not yet complete, staff projects this effort will include at least 30 events at Walgreens stores, including those in neighborhoods that serve largely minority, limited English proficient, and low-income populations; 30 events at light-rail stations and transit centers; several community events for Earth Day and Cinco de Mayo; 4-6 farmers' markets; two flea markets; and four malls. MTC will work with VTA to send a letter to targeted schools (with high transit ridership) to provide advance information on events and offer to conduct a youth application event on-site. MTC will also be contacting community-based organizations that serve largely minority, limited English proficient, and low-income populations to offer to conduct events on-site and to provide free Clipper® cards and customer education.

Information will be provided in appropriate languages (English, Spanish, Chinese, Vietnamese and Korean), and all events will be staffed with multilingual outreach staff.

Samples of outreach materials from the second round of outreach events held in late summer, fall and winter 2011/2012 are attached as Appendix L.

Transit and Street Team Events:

MTC concentrated outreach activities on transit stations and major transfer centers. However, outreach teams also conducted “ride-alongs” - riding on the more heavily used bus lines to reach people while they are actually on the bus. MTC included non-English speakers at events at these locations, shown in **Appendix D**.

Retail Support and Events:

MTC has leveraged several third-party distribution locations for events that provide in-person multi-lingual outreach/education services to LEP customers. In San Francisco’s Chinatown, MTC has deployed outreach staff to events at Best Food, Walgreens, Photo Focus, Hop Hing Ginseng, Ho Ho Smoke Shop, and Self-Help for the Elderly. Other retail outreach events were conducted at Sapphire Photo, TransLatina Express, and Walgreens in the Mission District, and at T&MW Market in the Tenderloin neighborhood, also in San Francisco.

Community Events:

MTC has also staffed a booth or table at the following events: Autumn Moon Festival, September 2010; Chinatown Community Street Fair, February 2011; Chinatown Community Development Center Super Sunday, March 2011; Wu Yee Children’s Services Family Resource Fair, April 2011; Oakland Cinco de Mayo Festival, May 2011; Santa Clara Cinco de Mayo Festival, May 2011; Berkeley Juneteenth Festival, June 2011; Wu Yee Children’s Services Fair, August 2011.

Senior-Specific Outreach:

MTC has provided funding for SFMTA to conduct targeted outreach to seniors at senior residences, senior centers, libraries and other events where seniors congregate. A list of the locations of these events that have targeted non-English speakers (some have had multiple events) is attached at **Appendix E**.

FINAL REPORT SUPPLEMENT:

Youth Specific Outreach:

For AC Transit, MTC sponsored two series of outreach events in 2010, which included participation in community events, reaching riders at Walgreens stores, and reaching out to riders on-board buses and at the Transbay Terminal. In 2011, MTC publicized and conducted a third series of outreach events, all of which targeted youths. The outreach included events at three high schools and two youth centers, at two mall events, and at three community events. MTC also publicized and provided outreach support at the AC Transit Customer Service Center on four days. MTC supported these efforts financially and continues to work with AC Transit staff to make sure all eligible youth are aware of and enrolled in the Clipper® program. In addition to the MTC-sponsored outreach, AC Transit sponsored outreach events to assist customers with the transition to Clipper®.

MTC supported and funded SFMTA's efforts to conduct youth outreach and provide additional locations accepting youth applications. Under a funding agreement executed between MTC and SFMTA, SFMTA conducted 100 youth-specific outreach and enrollment events beginning in March 2011 and continuing throughout summer 2011. These combined efforts resulted in customers' submitting approximately 17,000 applications for youth cards.

For the BART and SamTrans fare media transitions, MTC scheduled public events on the weekends to facilitate the attendance of youths and their parents or guardians. MTC publicized the events in advance to ensure that youths (or parent/guardians) would arrive at the events prepared to show proof of eligibility required to apply for Clipper® youth cards. Events took place in six shopping malls; three in the East Bay and three on the Peninsula:

- Stoneridge Shopping Center, Pleasanton
- Bayfair, San Leandro
- Hilltop Mall, Richmond
- Hillsdale Shopping Center, San Mateo
- Serramonte Center, Daly City
- The Shops at Tanforan, San Bruno

MTC selected five of the six locations expressly because the locations serve a large number of low-income, minority and limited English-proficient families. The Clipper® events at Walgreens stores also served as convenient opportunities for youths to apply for cards. All events were staffed with multilingual staff.

To publicize the events, MTC created a flyer listing all youth-targeted events and distributed the flyer to all schools in the BART and SamTrans service areas and asked for the schools' help in publicizing the events. MTC also publicized the events through free media and on the clippercard.com website.

2. Outreach through Community Based Organizations (CBOs)

On an agency-wide level, MTC performs numerous and ongoing equity analyses to address the needs of populations termed "Communities of Concern" and defined as areas that are either 70% minority or 30% low-income. Clipper® staff in turn has utilized this same definition and has used targeted outreach to educate Communities of Concern about the Clipper® program and any specific planned fare media transitions that may impact them. Staff first identifies CBOs who work with the desired communities in the targeted areas. Once partnerships are established with these CBOs, MTC staff strives to gain a better understanding of levels of awareness and knowledge of Clipper® within the community; who buys transit products and plans the families' use of transit; what appropriate messaging might be; what the barriers are to Clipper® adoption; and recommended methods of removing barriers. This then translates into strategies for reaching community members.

Examples of outreach strategies implemented in FY 2010-2011 include:

- Working through local service providers: Staff works with schools, churches, senior living facilities, social service groups, etc., to identify meetings/events in which MTC can participate, or works with organizations to set up special events. Outreach staff attends meetings or events to give an overview of Clipper®, distribute cards, and take applications for senior cards. Staff also provides extra materials for these providers to have on hand for their clients/members.
- Conducting outreach at local gathering places: Staff identifies locations that attract the largest number of residents of the community. This can include grocery stores that accept food stamps, community or park and recreation centers, laundromats, libraries, etc. Staff contacts these organizations to discuss displaying flyers or posters or possibly having outreach staff on-site to distribute information and cards and answer questions.
- Conducting transit events: Staff holds on-street and on-vehicle outreach activities to distribute information and cards as well as answer questions.
- Providing support at participating retailers: Staff identifies the Clipper® retailers within the community and arranges to have outreach staff on hand, either in front of or inside the store to answer customers' questions, during key periods.
- Participating in community events: Staff works with the CBO partners to identify appropriate street fairs and other community celebrations, and makes arrangements to participate by having a booth, having street teams roaming the crowd, etc.
- Utilizing community-specific media: MTC also works with CBOs to identify opportunities to use free media coverage through press events, interviews, etc., to promote Clipper® in general and local events specifically.

Communities that ranked high in MTC equity analyses in terms of low-income and minority populations included the Chinese community in San Francisco and the African-American and

Latino communities in western Contra Costa County. MTC has formed extremely productive partnerships with CBOs and local agencies in these communities:

San Francisco Chinese Community:

MTC established partnerships with the Chinatown Community Development Center, Self-Help for the Elderly, and Wu Yee Family Services to identify and implement appropriate strategies for conducting outreach to monolingual Chinese speakers in San Francisco. These organizations have provided assistance with scheduling events at their locations, shared advice about larger community events in which Clipper® should participate, identified retailers that need additional support, provided translation assistance to ensure materials are culturally competent, provided guidance regarding media buys for the foreign-language ad campaign in spring 2011, and set up opportunities for media interviews. In the case of Self-Help for the Elderly, this organization has taken an additional step of becoming a Clipper® retailer at their payment center in San Francisco Chinatown and is currently planning to provide mobile services at senior centers serving non-English speakers throughout San Francisco.

West Contra Costa County African-American and Latino Communities:

Working with the West Contra Costa Transportation Advisory Committee and the West Contra Costa Unified School District, MTC has implemented a series of events designed to help low-income, minority and monolingual Spanish youths to obtain Clipper® cards that can be used for AC Transit's significantly discounted youth pass.⁵

Going forward, MTC, in partnership with participating transit agencies, will continue providing Clipper® information in multiple languages to the public, including minority, low-income and LEP populations. In addition to providing information at participating retailers and through the transit agencies, MTC plans to provide Clipper® information materials at MTC-sponsored public meetings, and to engage in partnership arrangements with community based organizations (CBOs), under which the CBOs will provide Clipper® information to their constituents. MTC plans to directly engage CBOs and/or build on existing relationships between transit agencies and CBOs.

As of May 2012, this initiative is in the early planning phase; MTC has yet to determine details such as the quantity of cards that will be available, the number of locations that MTC will engage (directly or through transit agency partners), the expectations for the CBOs for limiting the availability of free cards to participants in the CBO's programs vs. making the cards available to the general public, and any compensation for the CBOs. MTC is working to determine these details through planning discussions with CBOs with which MTC has worked in the past. MTC expects to finalize details of the initiative by Fall 2012, which coincides with the expected reinstatement date for the Clipper® adult card acquisition fee.

Regarding materials in languages other than English, the CBOs will at minimum provide information on how to use a Clipper® card, the Clipper® vendor network,

⁵ As of May 2011

and how to obtain an Adult Clipper® card and/or a Clipper® Youth/Senior/Disabled Clipper® Card.

FINAL REPORT SUPPLEMENT:

3. Public Engagement

Following presentation of the Draft Title VI Summary Report to the MTC Operations Committee in September 2011, MTC initiated a three month community outreach effort and public comment period. As part of the community outreach effort, MTC staff presented the Draft Title VI Summary Report on the Clipper® fare media transitions to the Policy Advisory Council in October 2011 to get input on the report's findings and the proposed approaches for public participation. Following that meeting, MTC conducted 12 focus groups in seven Bay Area cities with significant populations of Title VI-protected individuals from November to December 2011. The cities selected reflect diversity across the region in terms of the counties represented, geographic distribution, and type of environment (e.g., urban vs. suburban).

MTC held these meetings to get feedback from low-income communities, communities of color, and persons with limited English proficiency on the proposed mitigation strategies for the Clipper® program and MTC's general outreach strategy. The following summarizes the locations and hosts of the focus groups, as well as the populations targeted and served:

Location: Oakland (Fruitvale), Alameda County

Type of Environment: Urban

Target Population: Latino/Hispanic

Community-Based Organization: Spanish Speaking Citizens' Foundation

Location: Oakland (Chinatown), Alameda County

Type of Environment: Urban

Target Population: Asian

Community-Based Organization: East Bay Asian Local Development Corporation (EBALDC)

Location: East Oakland, Alameda County

Type of Environment: Urban

Target Population: African American, Latino/Hispanic

Community-Based Organization: East Bay Asian Local Development Corporation (EBALDC)

Location: Monument Corridor, Concord, Contra Costa County

Type of Environment: Suburban

Target Population: Spanish Speakers

Community-Based Organization: Monument Community Partnership

Location: West Richmond, Contra Costa County

Type of Environment: Urban

Target Population: African American, Latino/Hispanic

Community-Based Organization: Building Blocks for Kids (BBK)

Location: Canal District, San Rafael, Marin County

Type of Environment: Suburban

Latino/Hispanic

Community-Based Organization: Canal Alliance

Location: Bayview / Hunters Point, San Francisco County

Type of Environment: Urban

Target Population: African American

People Organized to Win Employment Rights (POWER)

Location: San Francisco Mission District, San Francisco County

Type of Environment: Urban

Target Population: Latino/Hispanic

Community-Based Organization: People Organized to Win Employment Rights (POWER)

Location: San Francisco / Chinatown, San Francisco County

Type of Environment: Urban

Target Population: Asian

Community-Based Organization: YMCA

Location: East Palo Alto, San Mateo County

Type of Environment: Suburban

Target Population: African American

Community-Based Organization: East Palo Alto Community Alliance Neighborhood Development Organization (EPA CAN DO)

Location: South Eastern San Jose, Santa Clara County

Type of Environment: Urban

Target Population: Asian

Community-Based Organization: Vietnamese Voluntary Association (VIVO)

Location: Eastern San Jose, Santa Clara County

Type of Environment: Urban

Target Population: Latino/Hispanic

Somos Mayfair

MTC also posted the draft Summary Report on the MTC website for public comment on October 24, 2011. The deadline for written comments was December 22, 2011.

MTC's *Draft SamTrans Fare Media Transitions to Clipper® - Title VI Analysis* and *Draft VTA Fare Media Transitions to Clipper® - Title VI Analysis*, which summarize MTC's assessments of any potential adverse impacts on Title VI-protected and low-income SamTrans and VTA riders, respectively, were posted on the MTC website on April 2, 2012 for public review. The deadline for written comments for the draft

SamTrans and VTA reports was May 2, 2012. MTC staff also presented the Draft Final Title VI Summary Report on the Clipper® fare media transitions to the Policy Advisory Council in May 2012 to get its input on the final report.

A summary of responses to public comments is attached to this report as Appendix K.

C. Customer Service

Outside of these media campaigns and outreach activities, patrons interact with the Clipper® system on a recurring basis in a number of ways. Clipper®'s primary contractor, Cubic Transportation Systems, Inc. (Cubic), operates the Clipper® Service Bureau (CSB), which delivers the majority of Clipper®'s customer service functions. In addition, MTC manages several other contractors who oversee and provide customer support services. In total, patrons are able to access Clipper® services through the Clipper® call center, website, two in-person customer service centers⁶, an extensive third-party vendor network, and transit agency ticket offices.

MTC has instructed its contractors to take steps to ensure meaningful access for LEP persons through these various customer interfaces. The call center is staffed with Cantonese, Mandarin and Spanish speaking customer service representatives, and utilizes the AT&T Language Line service, which provides interpreter service for approximately 150 languages. The Clipper® website, clippercard.com, has key pages and critical forms translated into Spanish and Chinese. The two in-person customer service centers are staffed with Spanish, Cantonese and Mandarin speaking customer service representatives, and are stocked with Clipper® brochures in Spanish and Chinese. Cubic distributes multi-lingual brochures to third-party vendors, and has conducted special recruitments and training of merchants in San Francisco's Chinatown. The transit agency ticket offices are also able to stock brochures in Spanish and Chinese. Some transit agencies are translating the brochures into additional languages based on their ridership needs (Russian for SFMTA and Vietnamese for VTA).

FINAL REPORT SUPPLEMENT: MTC opened an in-person customer service center in downtown Oakland in April 2012.

MTC is also producing Clipper® brochures in Korean for VTA.

D. Card and Value Distribution

All of the customer interfaces described above allow for a patron to obtain an adult Clipper® card. More specifically, patrons can obtain an adult Clipper® card:

- By placing an order online, by phone, or by fax with the CSB

⁶ Two are located in downtown San Francisco; a third originally scheduled to open in downtown Oakland in winter 2011, is now scheduled to open in spring 2012.

- By accessing a Clipper® Ticket Vending Machine, located in nine Muni metro stations and three Golden Gate Ferry terminals
- By going to a Clipper® in-person customer service center
- By going to transit agency ticket offices and sales kiosks
- By going to a participating Clipper® retailer

Additionally, once a patron has a card but needs to add value to the card, there are Clipper®-enabled ticket vending machines in all 44 BART stations, as well as Clipper® Add Value Machines that dispense products and value (but not cards) in select locations.

Several of Milligan’s Title VI assessments indicated a potentially disparate impact regarding access to Clipper® retailers in predominately minority and low-income areas. These assessments related to AC Transit’s 31-Day ticket, and SFMTA’s disabled monthly sticker, youth pass, and bus transfers. While specific mitigation activities regarding these fare products will be discussed in Part V.A, MTC’s overall approach to building the Clipper® retailer network is presented in greater detail here.

1. Clipper® Retailer Network

Bay Area transit agencies have sold transit fare media through retailers for many years on a commission basis, and the Clipper® third-party distribution network preserves that option for transit riders. While Clipper® introduces other new purchasing options, such as Autoload, which is available through clippercard.com, MTC has long recognized that the third-party distribution network provides not only a continuation of a purchasing option that pre-dates Clipper®, but also a purchasing option for transit riders who either cannot or choose not to use the other purchasing options. Reasons that a transit rider may not be able to use Autoload or other online purchasing options include a transit rider’s not having a bank account (being “unbanked”) and/or not having sufficient funds to establish a recurring automatic purchase. The locations participating in the Clipper third-party distribution network all accept cash for purchases.

MTC’s contract with Cubic requires Cubic to provide 400 third-party Clipper® distribution locations (e.g., Clipper® vendors or retailers) at which patrons can purchase Clipper® cards and load Clipper® value. The contract specifies a county-by-county distribution of the locations throughout the Bay Area with the largest number of locations required in the counties with the largest numbers of transit riders, i.e. San Francisco and Alameda. The program had approximately 125 locations by November 2006, when Clipper®⁷ service began on AC Transit and Golden Gate Transit and Ferry, and approximately 225 locations by June 2010. As of July 2011, Cubic is providing third-party distribution services through a network of over 330 retailers.

MTC’s contract with Cubic requires deployment of retailer locations that provide unbanked segments of the population with convenient third-party locations for purchasing Clipper® cards and adding Clipper® value. In general, Cubic initiates its efforts to recruit Clipper® distribution locations by approaching retailers that previously sold paper transit fare media. Where a transit agency has more paper ticket sales locations than the MTC-Cubic contract requires for Clipper® distributors, transit agencies provide direction to Cubic concerning the optimal locations to

⁷ Was actually launched under the previous name TransLink

establish Clipper[®] distributors. Additionally, transit agency staff often direct Cubic to retailers located in low-income and minority communities as a matter of course. In conjunction with these efforts, MTC has taken additional steps to deploy third-party distribution locations in these communities:

- In 2007, MTC executed a change order to the Cubic contract to provide incentives for vendor recruitment in targeted communities. The change order provides an incentive (additional compensation to Cubic) for recruitment of specific distribution locations and/or locations in specific geographic areas. As described above, MTC works with the transit agencies to identify high priority retailers. Many of these are in low-income and minority communities. As detailed in Part V.A, MTC is utilizing this “incentive” change order to address findings of potential disparate impact in the Title VI reviews related to insufficient vendor distribution in certain communities.
- MTC has participated in discussions with transit agency staff and CBOs concerning the establishment of retail locations in key areas they jointly identified. This resulted in the successful recruitment of several distribution locations: Self Help for the Elderly, Foodvale Market in Oakland’s Fruitvale neighborhood, and Pal Market in East Palo Alto.

It is important to note that irrespective of whether MTC offers an additional financial incentive for specific locations, the ultimate decision concerning whether or not the retailer will participate in the Clipper[®] program is up to the retailer; a retailer cannot be mandated to vend Clipper[®].

The Clipper[®] vendor network is continually expanding; the most recent maps of the network are available at clippercard.com.

FINAL REPORT SUPPLEMENT: As of March 30, 2012, the Clipper[®] program has 350 vendors selling or reloading fare products and cash value in Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties. MTC continues to work with Cubic on the recruitment of additional vendors based on customer demand and feedback provided by transit operator staff.

In general, MTC actively monitors the overall retailer network to ensure comprehensive geographic coverage, particularly in minority and low-income communities. MTC’s review includes monitoring sales volume at existing vendor locations, receiving transit agency staff input on the network, taking note of customer input concerning the comprehensiveness of the locations, and soliciting feedback from customers through surveys. Where sales volume is high, MTC assumes that the location is sufficiently convenient to meet customers’ needs; even where sales volume is low at some locations, MTC is committed to maintaining locations in geographic areas identified as having concentrations of customers who are minority, limited-English proficient and/or low-income.

Regarding past surveys, MTC conducted a statistically valid survey of registered Clipper[®] cardholders in November 2011, and the survey included a question about the sufficiency of the vendor network. According to the survey, 56% of customers think there are enough vendors, 10% think there are not enough vendors, 24% do not know/does not matter, and 9% gave no answer. At the time MTC conducted the survey, 44% of the active Clipper[®] cards were registered to customers, which

means that the above survey results reflect the input of slightly less than half of all customers. In the future, MTC plans to conduct surveys that engage both registered and unregistered customers. As mentioned above, input gathered through surveys is just one of several ways in which MTC will continue to assess the comprehensiveness of the retailer network.

In addition to the ongoing review of the network, in any instances where retailers have voluntarily dropped out of the program, MTC and Cubic work collaboratively to identify suitable replacements in order to continue ensuring meaningful access for Title VI protected populations.

2. CVS Participation in Clipper® Retailer Network

When Milligan was originally contracted to perform MTC's Title VI analysis, the CVS pharmacy chain was under contract with Cubic to initiate distribution of Clipper® products, and Milligan included CVS locations in its vendor mapping. Subsequent to Milligan's completion of much of this work, Cubic's negotiations with CVS stalled and the implementation of CVS locations did not proceed as originally planned. To ensure that Milligan's analysis would remain intact, staff performed an analysis to determine where the absence of CVS vendors would significantly impact areas that Milligan had identified as predominately minority and low-income. This analysis revealed that generally speaking, CVS stores were not located within these areas.

However, staff identified five sites region-wide where there was an absence of a CVS vendor in a predominately minority and low-income area, and no Clipper® vendors within three-quarters of a mile of that CVS store: two in Oakland, one in Richmond, and two in Santa Rosa. To rectify these gaps, MTC has offered Cubic the same incentives as described above to recruit vendors in these areas.

3. Distribution of Youth and Senior Clipper® Cards

Discount category cards – youth, senior, and RTC – have eligibility requirements, and different card acquisition processes and fees than adult cards. These are discussed in detail in **Appendix A**.

Discount fare categories, specifically senior and youth, are intended to offer significant discounts for eligible patrons. However, the potential for fraudulent use is high with paper fare media, as the burden of enforcement falls to private retailers and bus or train operators. With Clipper,® however, eligibility for these heavily discounted fares is centralized at the ticket offices of the participating transit agencies or at Clipper® in-person customer service centers, and therefore retailers and frontline operator staff do not have to play as substantive a role in enforcement of the legitimate use of these products.

Two of Milligan's assessments of youth fare products indicate that the Clipper® in-person application process adds a potentially burdensome step to obtaining these products: AC Transit's

31-Day youth ticket and SFMTA's youth pass.⁸ However, this additional step is an intentional part of the system meant to curtail abuse of discount fare categories and its implementation was requested by the transit operators. Irrespective, the benefits of expanded add-value channels for discount category patrons after the initial card acquisition process outweigh the potential burden of the application requirement. In addition, this practice serves both the program and the public interest.

FINAL REPORT SUPPLEMENT: Based on the findings of the Milligan assessments, subsequent MTC staff assessments, and public comments MTC has determined that the most effective and immediate mitigation for Clipper® youth and senior card access is to begin accepting mail-in and email applications for Clipper® youth and senior cards. MTC will work with Cubic to ensure that the Clipper® customer service center will accept and promptly process Clipper® youth and senior card applications. Also, MTC will begin to accept those school IDs that show a student's birth date as a form of identification that proves eligibility for a youth Clipper® card, and explore accepting additional forms of documentation that indicate a youth's age, or other methods by which youths can prove their eligibility for a youth Clipper® card.

E. Card Policy

1. Card Acquisition Fee

Beginning in November 2006, when Clipper® (then called TransLink) began operating on all AC Transit and Golden Gate Transit and Ferry routes, the program required customers to pay a \$5 fee when acquiring a TransLink Card. MTC and the participating transit operators adopted this fee as part of the Operating Rules that dictate certain program policies. The fee was adopted both to offset expenses associated with ongoing procurement of the cards and to prevent customers from abusing the card's negative balance feature. (The negative balance feature allows customers to complete a single trip even if the remaining cash balance on a card is insufficient to pay the fare required for the trip; this is a convenience feature designed to assist customers who may be in a hurry. Following a trip where the card's cash balance is negative, the customer must add value to the card before using it again.) In 2006, the system design allowed for customers to have a maximum negative balance of \$5; the corresponding \$5 card acquisition fee effectively prevented customers from cheating the system by disposing of cards with negative balances rather than adding enough value to continue using the card.

In addition to establishing the \$5 card acquisition fee, the Operating Rules specify that the card acquisition fee does not apply to customers who set up the Autoload feature or participate in an Institutional Program, e.g. employer transit benefit programs. The Operating Rules also specify that the program will set aside about 225,000 cards for distribution to customers at no charge as part of transit operator-managed promotions.

In April 2010, MTC and the participating transit operators approved both a three month suspension of the card acquisition fee for adult cards in order to encourage transit customers to adopt the card and permanent elimination of the card acquisition fee for youth and senior cards.

⁸ Mitigation activities related to these fare products will be addressed in Part V.A.

In August 2010, MTC decided to extend suspension of the card acquisition fee through June 30, 2011 to ensure cards would remain free through the end of the major fare media transitions.

While MTC had planned to reinstate the card acquisition fee on July 1, 2011, as described in Part V.A, several of Milligan's Title VI reviews indicated that reinstatement of the \$5 card acquisition fee could present a barrier to acquiring Clipper® cards for persons protected by Title VI, and the reviews recommended eliminating the fee permanently. While the reviews indicated the possibility that reinstatement of the card acquisition fee could present a barrier for certain customers, distribution of free cards to all customers since June 2010 has engendered a number of operational issues, which are described in Part III.E.2.

Taking into account both the findings of the Title VI reviews and the operational issues associated with the wide-scale distribution of free cards, MTC approached the matter of reinstatement of the \$5 card acquisition fee carefully with the goal of identifying an approach that addresses the following objectives:

- Cover cost of the cards;
- Discourage fraudulent abuse of the negative balance feature;
- Discourage the casual disposing or loss of cards;
- Discourage hoarding of cards;
- Minimize potential barriers to adoption of Clipper®; and
- Continue to support/encourage customer adoption of the Clipper® card.

MTC considered the following points as part of its deliberation about whether to reinstate the card acquisition fee:

- The fundamental premise of the Clipper® card is that it is a reloadable extended use card, and the life of a card is typically 3 years or longer; a regular transit rider would likely use the card a minimum of 100 times thereby rendering the card acquisition fee a *de minimis* fee.
- Additionally, there are several legitimate business reasons for the card acquisition fee:
 1. It helps offset the cost of procuring the cards;
 2. It encourages customers to retain their cards and not treat them as disposable; and
 3. It de-incentivizes abuse of the negative balance feature.

Title VI guidance in FTA Circular 4702.1A, Chapter V.4, indicates that offsetting benefits can be taken into account when assessing any adverse effects of proposed fare changes. Use of the Clipper® system meets a substantial need that is in the public interest and offers numerous benefits that improve the transit experience for all riders, regardless of race or income:

- The ability to transfer through multiple transit systems without changing fare instrument;
- The ability to load any amount onto the card (with certain restrictions), and to store cash value, thereby eliminating the need for exact change;
- Balance restoration if a registered card is lost or stolen - a feature not available with paper fare media;
- The negative balance feature described above; and
- The automatic calculation of transfers, which in the case of paid transfers eliminates the need for a customer to decide to purchase a transfer upon boarding a first vehicle that may or may

not be valid upon boarding a second vehicle depending on when the patron completes his or her journey.

2. Operational Issues and Minimum Load Requirement

Operational Issues

Since the suspension of the card fee began, the Clipper® program has encountered a number of operational issues related to distributing free cards.

Fraudulent use of the cards

As described above, the Clipper® system has a negative balance feature that allows customers to complete a single trip even if the remaining cash balance on a card is insufficient to pay the fare required for the trip; this is a convenience feature designed to assist customers who may be in a hurry. Following a trip where the card's cash balance is negative, the customer must add value to the card before using it again. The \$5 card acquisition fee discouraged customers from abusing this feature by disposing of cards with negative balances rather than adding enough value to continue using the card because the customers would need to pay \$5 for replacement cards. Once the program suspended the card acquisition fee, some customers began abusing the negative balance feature in the manner described above; this meant that a substantial number of customers were not paying the full fare for their trips. Media coverage of the fraud in 2010 exacerbated the problem.

Disposing and hoarding of the cards

Separate from the fraudulent use of the system, there are some patrons who dispose of or lose track of their cards but the cards may or may not have negative balances. In these instances, the customers simply acquire replacement cards at no cost to the customer, but the program bears the capital and operating expenses of providing multiple cards to a single customer. It is also possible that, due to the free card promotion, some customers are hoarding cards to be sold when the program reinstates the card acquisition fee. These types of behaviors have a negative impact on card inventory and promote inefficient use of the cards.

Financial costs and losses associated with not charging a fee for the card

Based on the program's last two card procurements, the cost of one card is \$2.22. The minimum fee to the program of distributing the card is \$1.31, which brings the total cost per distributed card to \$3.53. This is a significant expense to the Clipper® program if the program continues to waive the card acquisition fee. The program's long-term budget does not include a substantial amount of funding for card procurement because the program assumed a revenue stream from card acquisition fees.

Minimum Load Requirement

After the suspension of the \$5 card fee, Clipper®'s primary third-party distributor - Walgreens - indicated to MTC that it was losing staff time to transactions when patrons requested free Clipper® cards but did not add value on the cards. In order to address this issue, in September 2010 the Clipper® program instituted a \$2 minimum load requirement for customers acquiring new Clipper® cards. In other words, when a patron obtained a new card, he or she had to purchase either a pass product or load \$2 of cash value.

In November 2010, numerous media outlets published stories essentially instructing customers how to abuse the negative balance feature. Subsequently and not surprisingly, there was a dramatic increase in the number of cards with new negative balances. In December 2010, MTC and the transit operators began a process of considering a number of options for minimizing abuse of the negative balance feature. Rather than eliminate the negative balance feature, reinstate the card acquisition fee earlier than the planned reinstatement on July 1, 2011, or deploy other more complex solutions, MTC decided to increase the minimum load requirement from \$2 to \$5. MTC believed that this approach best balanced MTC's interests in facilitating access to Clipper[®], preserving the benefit of the negative balance feature, and deploying a solution quickly and inexpensively.

The change to increase the minimum load to \$5 went into effect on March 1, 2011. Following the implementation of a \$5 minimum load, MTC staff continued monitoring the level of negative balance abuse. Per June 2011 data, the increase in the required minimum load for new cards generally appears to be having the intended effect of reducing abuse of the negative balance feature. However, there continue to be approximately 8,000 additional cards with new negative balances each month, and the aggregate negative balance amount increases at a rate of roughly \$30,000 per month.

Reduce Card Acquisition Fee to \$3, with \$2 Minimum Load Requirement

MTC believes that as long as the Clipper[®] card is free patrons will have little incentive to treat the card as something of value, and they will continue both to prematurely dispose of and to hoard cards. Since the suspension of the card fee in June 2010, the Clipper[®] program has distributed over 1.1 million free cards. The sometimes wasteful manner in which these cards are being used has generated a rate of card inventory depletion that is not sustainable.

MTC now proposes reducing the card acquisition fee to \$3 and the minimum load requirement to \$2 on January 1, 2012— still a \$5 initial outlay – as a step to mitigate any potential impact on Title VI-protected individuals while balancing the operational needs of the Clipper[®] program as a whole. MTC plans to perform targeted outreach to Title VI populations prior to the change, and MTC will only reinstate the card fee after receiving their feedback. In addition, MTC will develop a customer education initiative to coincide with reinstatement of a card acquisition fee, and MTC will work collaboratively with transit agency staff to ensure impacted customers are aware of the fee.

FINAL REPORT SUPPLEMENT: Based on the Milligan assessments, and public comments and input received during the three-month community outreach and public comment period, MTC has decided to mitigate the adverse impacts to low-income and minority populations by lowering the \$5 card acquisition fee to \$3, effective September 1, 2012. The \$3 fee will encourage customers to retain and reload their cards, i.e. it will serve as a deterrent to customers' unnecessarily acquiring and disposing of cards, and it will also deter the abuse of the negative balance feature and consequent fare evasion. This fee will apply to customers acquiring adult cards. It will not apply to customers acquiring senior or youth cards, and it will not apply to customers who activate the Autoload feature when acquiring a new card. (MTC does not set the price for RTC Clipper[®] cards, which the transit agencies issue to qualifying persons with disabilities.)

To the extent that this approach does not wholly mitigate adverse impacts to protected populations, MTC has determined that there is a substantial legitimate interest in maintaining a card fee, in order to prevent fare evasion; to discourage patrons from viewing cards as disposable or hoarding cards; and to partially defray the cost of cards. Also, since the use of the Clipper® card offers numerous benefits (discussed above in Section E.1) not available through other fare payment mechanisms, the program itself meets a substantial need that is in the public interest. Finally, MTC has determined that a nominal card fee is the least-discriminatory alternative available, since the long range cost to the Clipper® program of continued fare evasion and unbudgeted card replacement deprives the Bay Area of funds that could otherwise be spent to support transit.

Also on September 1, 2012, MTC will eliminate the minimum load requirement for customers' acquiring new cards. Based on input received through focus groups with Clipper® customers conducted in fall 2011, MTC determined that the \$3 card fee together with \$2 required in minimum value would be confusing to customers. Accordingly, MTC plans to simplify the requirements for customers acquiring new cards by having a single \$3 fee.

These revisions to the card fee policy will be included in amendments to MTC Resolution No. 3983, Revised, Clipper® Operating Rules. Once adopted, MTC will initiate efforts, including community outreach, to educate customers about the change.

In addition to the recommendation concerning the card fee, MTC plans to combine the separate \$5 balance restoration fee and \$5 card replacement fee into a single \$5 card balance restoration/card replacement fee that applies for all customers at all locations. For most customers, this will mean a \$5 cost reduction for the two services (customers with Autoload already received both services for \$5 so there will be no change for Autoload customers). MTC is making the change in response to customer complaints received on September 28, October 2, and October 9, 2011; on those dates, a Clipper® customer filed a complaint with MTC related to the \$5 balance restoration fee imposed by Clipper® to restore the balance of a registered card that has been lost, damaged or stolen. The Title VI element of the complaint challenged the imposition of the fee prior to the finalization of the Title VI report, which did not include an analysis of the impact of the fee. Per MTC's Title VI complaint procedure, a staff review officer evaluated the complaint and found that the balance restoration fee of \$5 was applied inconsistently: the fee was charged when customers submitted card replacement and balance restoration requests through the Clipper® customer service center or website, but waived for Autoload customers, and not charged when a customer requested a card replacement and balance restoration at either of the two in-person customer service centers in downtown San Francisco. While the review officer found both that the \$5 balance restoration fee is an administrative cost associated with an optional customer service that provides balance recovery benefits and that no Title VI analysis was required prior to its imposition, the findings noted that the locations of the two in-person CSCs, at which registered cardholders would not have to pay the \$5 balance restoration fee, are convenient only to those who live or work in downtown San Francisco. The review officer's report concluded that prior to

finalizing the Clipper® Title VI Summary Report MTC should consider bringing the fees into alignment or determine whether these inconsistencies create potential for disparate impacts on minority or low-income Clipper® customers.

Additionally, one of the themes of the input from the public and focus groups also stressed that the card fees are confusing and that the fee is not applied consistently. MTC now plans to charge all customers (including Autoload customers and in-person customer service center patrons) a \$5 card balance restoration fee, effective September 1, 2012.

IV. Process of Conducting the Title VI Reviews

As previously mentioned, in order to conduct the Title VI reviews, MTC asked its primary consultant, BAH, to procure the services of a consultant with expertise in the area of Title VI. They selected Milligan to perform these analyses.

On March 18, 2010, MTC notified the general managers of each transit agency of its plan for completing these analyses of the fare media transitions, and requested their cooperation in both sharing any demographic and other relevant data with Milligan, and reviewing the documents for completeness and accuracy. (See sample letter at **Appendix F**.) In conjunction with this letter, MTC convened a meeting on March 23, 2010 with the Title VI compliance staff and Clipper® staff from each agency to define the assessment process.

MTC staff coordinated meetings with each operator individually to further explain the process of the assessment and obtain demographic data specific to each agency. Milligan then drafted reports for each agency and fare product. Each operator was given the opportunity to review the drafts of the Title VI assessments related to their agency and provide comments to MTC. In general, operator comments centered on the \$5 card fee and card acquisition challenges posed by the change in process for discount category patrons. MTC staff reviewed all comments and determined which would be included in the final assessment; all operator comments were not incorporated into the final versions of these reports. The drafts were returned to Milligan for their final review of recommended changes and completion.

Data Collection

As described above, Milligan worked with each of the five transit operators to collect any and all demographic and ridership information in their possession, which consisted mostly of passenger surveys. Milligan also relied on MTC-collected data, which was drawn primarily from the Transit Passenger Demographic Survey, an on-board passenger survey conducted region-wide in 2006. In many cases this survey was the only available data source linking demographic information to fare media usage. For general demographic information, Milligan used U.S. Census and American Community Survey data.

Methodology

The basic framework for analyzing the impacts of each fare media transition involves examining the “pre-Clipper® only” scenario, and then comparing it to the post-Clipper® only scenario. The analysis includes a description of the features and benefits associated with the paper version of the product, and then proceeds to describe the fare payment options available to patrons once the fare product under examination converts to Clipper®-only availability.

Although the Title VI circular defines low-income as meeting the federal poverty threshold, MTC instructed Milligan to define low-income as 200% of this threshold to reflect the high cost of living in the Bay Area, consistent with how MTC defines low-income in conducting equity analyses for other agency reports and projects. MTC also instructed Milligan to conform to the service area definitions used by each transit operator.

The methodology that Milligan used for its analysis of each fare product follows the same general structure, outlined below:

- Use of operator's fare media overall: Percentages of patrons using each product/cash
- Assessment of disproportionate impact: Use of fare instrument by income and race
- Assessment of adverse impact
 - Fare policy change: Change in value, card fee, etc.
 - Fare media change: Accessibility of vendor locations
 - Identification of census tracts within service area that are predominantly both low-income and minority
 - Comparison of proximity of access to paper fare media in those areas to proximity of access to Clipper®

Milligan organized the review according to the fare products listed in MTC Resolution No. 3866, resulting in 17 reports. This was done to consolidate the analysis where possible, while still maintaining the level of detail needed to assess impacts of the fare media transitions on the end user of each fare product.

FINAL REPORT SUPPLEMENT: MTC staff performed the Title VI analysis of the five fare media transitions at SamTrans and the five fare media transitions at VTA. For the sake of consistency and with the exception of a few modifications based on FTA feedback, MTC followed the same methodology for the SamTrans and VTA analyses that Milligan developed for the other five transit operators. The analysis of SamTrans and VTA does not include the card acquisition fee because the card fee is a regional policy not associated with any one particular operator.

V. Findings of the Title VI Reviews

As noted earlier, out of 30 fare media transitions, Milligan found that 24 of them would not generate a potential disparate impact. These findings are presented in Table 3.

FINAL REPORT SUPPLEMENT: MTC's Title VI analysis of the 10 fare media transitions at SamTrans and VTA found no potential disparate impacts for seven transitions. The SamTrans and VTA Title VI analyses, which detail associated findings, are attached as Appendix I and Appendix J, respectively.

Table 3: Fare Media Transitions, Title VI Assessment Findings, and MTC Mitigations

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
<i>AC Transit</i>					

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
7/31/2010	31-day paper youth ticket	Yes – Insufficient youth outreach & enrollment locations	More targeted outreach & additional locations accepting youth applications	Supporting and funding extensive AC Transit youth outreach and enrollment activities	Accept mail-in and email applications for Clipper® youth card; explore expanding the list of forms of identification that Clipper® program accepts as showing a youth's date of birth or adopting other methods by which youths can establish eligibility; continue to educate the public on ways to access the Clipper® youth card, and incorporate information into ongoing community outreach

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
12/31/2010	31-day paper adult ticket	Yes – Vendor deficiency in 1 location and \$5 card fee	1 additional Clipper® vendor; elimination of \$5 card fee	Added 2 Clipper® vendors and reduce card fee to \$3, with a \$2 minimum load	Added 2 Clipper® vendors in impacted communities and reduce card fee to \$3
12/31/2010	10-ride paper ticket (Adult)	No	N/A	N/A	N/A
12/31/2010	10-ride paper ticket (Y/S/D)	No	N/A	N/A	N/A
BART					
12/15/2010	EZ Rider smart card as transit payment	No	N/A	N/A	N/A
12/31/2011	High Value Discount magnetic stripe tickets	No	N/A	N/A	N/A

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
12/31/2011	Senior (green) magnetic stripe ticket	No	N/A	N/A	MTC agreed to allow BART to continue sales of paper green (senior) tickets at retail locations and deferred to BART the decision concerning the number and location of retailers that will sell the green tickets.

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
12/31/2011	Youth & disabled (red) magnetic stripe ticket	No	N/A	N/A	MTC agreed to allow BART to continue sales of paper red (youth/disabled) tickets at retail locations and deferred to BART the decision concerning the number and location of retailers that will sell the red tickets.
Caltrain					
1/31/2011	Full fare 8-ride paper ticket	No	N/A	N/A	N/A
1/31/2011	Discounted 8-ride paper ticket	No	N/A	N/A	N/A
3/1/2011	Full fare paper monthly pass	No	N/A	N/A	N/A
3/1/2011	Discounted paper monthly pass	No	N/A	N/A	N/A
3/1/2011	Caltrain + Muni paper monthly pass	No	N/A	N/A	N/A
TBD	Paper Go Pass	No	N/A	N/A	N/A
GGBHTD					
8/1/2010	\$25 Transit Value Card	No	N/A	N/A	N/A
8/1/2010	\$50 Transit Value Card	No	N/A	N/A	N/A

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
8/1/2010	\$75 Transit Value Card	No	N/A	N/A	N/A
SFMTA					
4/15/2010	Golden Gate Ferry paper two-way transfer	No	N/A	N/A	N/A
4/30/2010	Adult Single Ride paper Ticket Book (10 rides)	No	N/A	N/A	N/A
10/4/2010	BART to Muni paper two-way transfer	No	N/A	N/A	N/A
11/1/2010	Adult Muni/BART paper Fast Pass	No	N/A	N/A	N/A
2/1/2011	Disabled Monthly Sticker	Yes – Vendor deficiency in 2 locations	2 additional Clipper® vendors	Offered incentive to Contractor to add 2 vendors in impacted communities	Added 2 additional vendors in impacted communities
4/1/2011	Adult Muni-only paper Fast Pass	No	N/A	N/A	N/A
6/1/2011	Paper Senior Pass	No	N/A	N/A	N/A

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
8/1/2011	Paper Youth Pass	Yes – Insufficient enrollment locations and vendor deficiency in 2 locations	Additional locations accepting youth applications; 2 additional Clipper® vendors	Support and funding for SFMTA-led outreach and enrollment activities; Offered incentive to Contractor to add 2 vendors in impacted communities	Accept mail-in and email application for Clipper® youth card; explore expanding the list of forms of identification that Clipper® program accepts as showing a youth's date of birth or adopting other methods by which youths can establish eligibility; continue to educate the public on ways to access the Clipper® youth card and incorporate information into ongoing community outreach; added 2 vendors in impacted communities

Date of Transition	Fare Media No Longer Issued/Accepted	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
TBD	BART/Daly City paper two-way transfer	Yes - \$5 card fee	Elimination of \$5 card fee or retention of transfer machines	Transition has not occurred - in discussions with SFMTA and reduce card fee to \$3, with a \$2 minimum load	MTC waived requirement for transition of the paper version of this transfer, SFMTA chose to eliminate these paper transfers effective May 1, 2012; reduce card fee to \$3
TBD	Adult Single Ride Token	No	N/A	N/A	N/A
TBD	1-day, 3-day, and 7-day paper Passports	No	N/A	N/A	N/A
TBD	Paper bus transfers	Yes – Vendor deficiency, low accessibility to fare media and \$5 card fee	Retention of paper transfer; elimination of card fee; addition of Clipper® vendors in several areas; expanded distribution of limited use tickets	Transition has not occurred - in discussions with SFMTA	Established transition date of June 30, 2013, in Revised Resolution No. 3866; Added 2 additional vendors in impacted communities; reduce card fee to \$3
TBD	Paper ADA transfers	No	N/A	N/A	N/A

The following is a description of the operators whose fare media transitions are listed in Table 2, as well as those with future fare media transitions, organized into three categories: operators with potential disparate impact findings, operators without potential disparate impact findings, and operators with upcoming transitions. Only those fare media transitions with potential disparate impact findings are discussed in detail.

A. Operators with Potential Disparate Impact Findings

1. Alameda-Contra Costa Transit District (AC Transit)

AC Transit defines its service area as 331 census tracts in Alameda and Contra Costa counties. Overall, the roughly 1.5 million residents of this area are 56% minority, 26% low-income, and 19% LEP.

AC Transit’s 10-ride adult ticket and 10-ride youth/senior/disabled ticket both transitioned in December 2010. Milligan’s assessments of these products did not find their transition to cause a potential disparate impact. The assessments of the 31-Day youth and adult tickets, however, did indicate a finding of potential disparate impact, as described in Table 4.

Table 4: AC Transit Fare Media Transitions with Potential Disparate Impact Findings

Fare Product	Date of Transition in Res. 3866	Actual Date of Transition	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
31-Day youth ticket	12/31/2010	7/31/2010	Yes – Insufficient youth outreach & enrollment locations	More targeted outreach & additional locations accepting youth applications	Supporting and funding extensive AC Transit youth outreach and enrollment activities	Accept mail-in and email application for Clipper® youth card; explore expanding the list of forms of identification that Clipper® program accepts as showing a youth’s date of birth or adopting other methods by which youths can establish eligibility; continue to educate the public on ways to access the

						Clipper® youth card, and incorporate information into ongoing community outreach
31-Day adult ticket	12/31/2010	12/31/2010	Yes – Vendor deficiency and \$5 card fee	1 additional Clipper® vendor; elimination of \$5 card fee	2 additional Clipper® vendors; MTC currently plans to reduce card fee to \$3	Added 2 additional Clipper® vendors in impacted communities; reduce card fee to \$3

a. Mitigation Actions in Response to Findings

i. 31-Day Youth Ticket

As described in detail in Part III.D.3, the Clipper® system centralizes eligibility verification for discount category patrons by requiring senior and youth patrons to apply for the appropriate Clipper® card in order to receive their discounted fares. Due to this change in process and the fact that a disproportionate amount of low-income and minority youth use the 31-Day youth ticket, this assessment recommends more targeted outreach and enrollment locations for AC Transit’s youth patrons. However, because Milligan could not continually update its reports with real-time outreach activity, this assessment was written without the benefit of complete information regarding the outreach and enrollment activities that AC Transit conducted prior, during, and after this fare media transition. Between March 2010 and January 2011, AC Transit issued more than 15,500 youth Clipper® cards. Also, during an initial outreach phase that ended October 1, 2010, AC Transit held over 70 outreach events in Alameda and West Contra Costa counties. During this time period, the AC Transit Ticket Office, normally open Monday through Friday only, opened on one to two Saturdays per month to accommodate student and parent schedules.

A more recent initiative was launched in mid-May 2011, wherein seven youth outreach and enrollment events were conducted in Richmond. MTC has supported these efforts financially and continues to work with AC Transit staff to make sure all eligible youth are aware of and enrolled in the Clipper® program. However, since AC Transit has elected to require photographs on their youth cards (a unique implementation), they ultimately bear the responsibility to ensure that they have sufficient outreach and enrollment events. In addition, AC Transit has continued limited distribution of paper youth tickets in cases where Clipper® distribution concerns remain.

FINAL REPORT SUPPLEMENT: Based on this Title VI analysis and public input, MTC has decided to accept mail-in and email applications for Clipper® youth cards, continue educating the public on ways to access Clipper® youth cards, and incorporate information about youth cards into ongoing community outreach. However, these activities will not fully mitigate the potential disparate impact related to the AC Transit youth monthly pass fare media transition because AC Transit requires youth customers purchasing the youth monthly pass to have a

Clipper® youth card personalized with the bearer's photograph (a unique requirement), and such cards are only available in-person at AC Transit's customer service center or through occasional outreach events. Therefore, for the AC Transit youth monthly pass, AC Transit will have the ongoing responsibility of ensuring that youths wanting to purchase the youth monthly pass have sufficient opportunities to apply for and receive the required Clipper® youth card personalized with the bearer's photograph.

ii. 31-Day Adult Ticket

This assessment revealed that the 31-Day adult ticket is also used predominately by low-income and minority patrons, and changes associated with its transition to Clipper® could affect these patrons disproportionately. One of these potentially adverse impacts is the change in retail availability of the product. This assessment therefore examined the vendor network to ensure sufficient distribution in predominately low-income and minority areas and recommends that an additional Clipper® vendor be added in Union City. However, neither MTC nor AC Transit staff considered Union City to be a core part of AC Transit's service area due to the fact that Union City operates a separate transit system and only one AC Transit route runs through the city. Instead, AC Transit staff conducted a different vendor needs analysis, on a zip code basis, and they determined that additional Clipper® vendors were needed in the 94603 zip code (East Oakland). (See GM memo attached at **Appendix G**.) In consultation with AC Transit staff, MTC staff directed Cubic to contact the three AC Transit vendors in the area and solicit their participation in Clipper®'s retail network. Two of the three merchants joined the network. See Part III.D.1 for previous discussion regarding strategies and challenges concerning vendor recruitment.

This assessment also recommends that MTC consider eliminating the \$5 card fee as a potential barrier for persons protected by Title VI. As noted in Part III.E, the card fee was suspended on June 16, 2010; the current proposal is to implement a \$3 fee along with a \$2 minimum load requirement. The \$5 fee was suspended throughout all of AC Transit's fare media transitions.

b. Special Considerations

A major capital improvement project that was completed during Milligan's performance of these reviews and therefore was not reflected in them was the integration of Clipper® add-value capabilities into BART's existing ticket vending machines. This development favorably impacts AC Transit riders, as there are at least 15 BART stations within AC Transit's service area that now provide AC Transit e-cash riders with in-person access to Clipper® value.

2. San Francisco Municipal Transportation Agency (SFMTA)

SFMTA's service area is defined as the city and county of San Francisco, which includes 176 census tracts and about 775,000 residents. Overall, this area is roughly 50% minority, 24% low-income, and 24% LEP.

The assessments of SFMTA's Golden Gate Ferry two-way transfer, adult single ride ticket book, BART to Muni two-way transfer, adult Muni/BART Fast Pass, adult Muni-only Fast Pass, senior pass, adult single ride token, 1, 3, and 7-day passports, and ADA transfers indicated their

transitions would not yield a potential disparate impact. The assessments of the remaining fare media transitions did yield a potential disparate impact finding, as described in Table 5.

Table 5: SFMTA Fare Media Transitions with Potential Disparate Impact Findings

Fare Product	Date of Transition in Res. 3866	Actual Date of Transition	Potential Disparate Impact?	Recommended Mitigation	MTC Action	FINAL REPORT SUPPLEMENT: Revised MTC Action
BART Daly City Transfer	8/1/2010	TBD	Yes – \$5 card fee	Elimination of card fee or retention of transfer machines	In discussions with SFMTA; MTC currently plans to reduce card fee to \$3	MTC waived requirement for phase out of these transfers; reduce card fee to \$3
Disabled Monthly Sticker	2/1/2011	2/1/2011	Yes – Vendor deficiency	2 additional Clipper® vendors	Offered incentive to Contractor to add 2 vendors in impacted communities	Added 2 vendors in impacted communities
Youth Pass	2/1/2011	8/1/2011	Yes – Insufficient enrollment locations and vendor deficiency	Additional locations accepting youth applications; 2 additional Clipper® vendors	Support and funding for SFMTA-led outreach and enrollment activities; Offered incentive to Contractor to add 2 vendors in impacted communities	Accept mail-in and email application for Clipper® youth card; explore expanding the list of forms of identification that Clipper® program accepts as showing a youth's date of birth or adopting other methods by which youths can establish eligibility; continue to educate the public on ways to access the Clipper® youth card, and incorporate information into ongoing community outreach; added 2 vendors in impacted communities
Bus Transfers	9/30/2011	TBD	Yes – Vendor deficiency/low accessibility to fare media and \$5 card fee	Retention of paper transfer; elimination of card fee; addition of Clipper® vendors in several areas; expanded	In discussions with SFMTA; MTC currently plans to reduce card fee to \$3	Established transition date of June 30, 2013, in Revised Resolution No. 3866; reduce card fee to \$3

				distribution of limited use tickets		
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a. MTC's Actions in Response to Findings

i. BART Daly City Transfer

The BART Daly City transfer is a paper transfer that is accessible to BART patrons exiting the Daly City BART station. It entitles the holder to a free round-trip on two SFMTA bus routes that service the station. In its paper form, it is dispensed by machines located in the BART station.

The assessment revealed that the majority of these transfer users are minority, but not low-income. This assessment recommends the elimination of the card acquisition fee or the retention of the transfer machines in this BART station based on a study indicating that minority patrons are less likely to have banking services, and therefore would be less likely to enroll in Autoload and thus would more likely be subject to the \$5 card fee. The assessment indicates that the potential loss of savings, \$4 on a round-trip Muni ride, is significant, and if the card fee is reinstated, it recommends retention of the transfer machines so as not to require these patrons to acquire a Clipper® card to receive the transfer discount. Although MTC does not agree with the basis of this argument (given the fact that a majority of the affected patrons are higher income) and similarly does not agree with the retention of transfer machines as a viable mitigation strategy, these machines have not been removed. MTC will discuss further with SFMTA to determine the appropriate course of action.

FINAL REPORT SUPPLEMENT: In early 2012, MTC and SFMTA jointly assessed the potential adverse impacts from the transition of this transfer to Clipper®-only availability and the positive impacts, in terms of additional Clipper® customers gained and operational efficiencies resulting from transition of the transfers to Clipper®-only availability. At the conclusion of the discussions between MTC and SFMTA, MTC notified SFMTA that the phase out of the paper version of the BART-Daly City transfer would not be required.

ii. Disabled Monthly Sticker

The disabled monthly sticker, a sticker that is affixed to the Regional Transit Connection (RTC) card (see **Appendix A** for more details), is used predominately by low-income and minority patrons. Based on the vendor network analysis, this assessment recommends the addition of Clipper® vendors in two areas of San Francisco: Bernal Heights and the Richmond District. As described in Part III.D.1, MTC has informed the contractor that these areas are high priority and has offered to pay an incentive if the Contractor is able to secure two additional vendors in the impacted communities.

iii. Youth Pass

SFMTA's youth pass is a monthly pass and is also used predominately by low-income and minority patrons. Similar to the AC Transit 31-Day youth ticket, this assessment recommends outreach to youth and additional locations accepting youth Clipper® card applications. MTC is supporting and funding SFMTA's efforts to conduct youth outreach and provide additional locations accepting youth applications, which are not reflected in Milligan's report. Per a funding

agreement executed between MTC and SFMTA, SFMTA conducted youth outreach and enrollment events throughout summer 2011, culminating in the elimination of the paper youth pass at the beginning of the 2011-12 school year.

As with the disabled monthly sticker, this assessment also recommends adding additional vendors in Bernal Heights and the Richmond District. As noted above, MTC is working with Cubic to add Clipper® vendors in these locations.

FINAL REPORT SUPPLEMENT: To mitigate any potential disparate impacts related to the SFMTA Youth Pass, MTC has added two additional vendors in the impacted communities, and MTC will be accepting mail-in applications for Clipper® youth cards, continuing to educate the public on ways to access the Clipper® youth card, and incorporating information about Clipper® youth cards into ongoing outreach.

iv. Bus Transfers

Bus transfers in their paper form are issued to patrons when they pay cash fare upon boarding a Muni bus. Although demographic data regarding the patrons who uses these transfers is not available, cash-paying customers are predominately low-income and minority. Due to the ubiquitous distribution of the paper bus transfer, this assessment has multiple mitigation recommendations: retention of the paper transfer; elimination of the card fee; addition of vendors in Bayview, Visitacion Valley/Crocker Amazon, Bernal Heights, and the Richmond District; and addition of limited use ticket vending machine locations. At this time, this transition is not scheduled and MTC will discuss these issues further with SFMTA to determine the appropriate course of action.

B. Operators without Potential Disparate Impact Findings

1. San Francisco Bay Area Rapid Transit District (BART)

BART defines its service area as the entire four-county area in which its stations are located: Alameda, Contra Costa, San Francisco, and San Mateo. There are 820 census tracts and roughly 3.9 million people included in this area. Overall, residents of the service area are 53% minority, 21% low-income, and 17% LEP.

BART transitioned its EZ Rider smart card as transit payment in December 2010. The High Value Discount, senior, and youth and disabled tickets are currently scheduled to transition in December 2011.

Special Considerations:

As noted above, a major capital improvement project that was completed during Milligan's performance of these reviews was the integration of Clipper® add-value capabilities into BART's existing ticket vending machines. This development dramatically changed the issue of accessibility to Clipper® for BART's ridership, being that the ability to add value to one's Clipper® card at the point-of-use (any BART station) is the most accessible way to add value.

FINAL REPORT SUPPLEMENT: On December 22, 2011, MTC received comments from BART on the Draft Title VI Summary Report. One of BART's comments was that "BART's Senior/Youth/Disabled Fare Customers are Disproportionately Minority and/or Low-Income." Revised Resolution No. 3866 requires a transition date for both the senior magnetic stripe ticket (green) and youth and disabled magnetic stripe ticket (red) of December 31, 2011. However, the revised resolution also allows BART to continue sales of red and green tickets after December 31, 2011, at a limited number of existing sales locations subject to the mutual agreement of MTC and BART. Per Resolution No. 3866, this provision has no time limitation, i.e. BART may continue sales of red and green BART tickets at a limited number of locations in perpetuity. BART initially identified approximately 30 locations that are continuing to sell red and/or green tickets; MTC has notified BART that it will defer to BART with respect to defining the comprehensiveness of the ongoing number of locations that will continue to sell these tickets.

2. Peninsula Corridor Joint Powers Board (Caltrain)

Caltrain defines its service area as 672 census tracts located in San Francisco, San Mateo, and Santa Clara counties. This area includes about 3.1 million residents. The residents of this area are 46% minority, 18% low-income, and 21% LEP.

Although no potential disparate impact was found, MTC has determined that the addition of one Clipper® vendor within a ¼ mile of the Redwood City station would be desirable to fill the gap caused by the loss of CVS as a potential Clipper® vendor. MTC is working with Cubic to determine the feasibility of making this addition.

Caltrain transitioned its full fare and discounted 8-ride tickets in January 2011. It transitioned its monthly passes in March 2011. Its Go Pass has not transitioned yet, as there are technical aspects of the product requiring additional implementation on Clipper®.

3. Golden Gate Bridge, Highway and Transportation District (GGBHTD)

GGBHTD defines its service area as 90 census tracts located in Sonoma and Marin counties. There are 467,031 residents in this area. This population is 19% minority, 18% low-income, and 10% LEP.

GGBHTD transitioned its \$25, \$50, and \$75 transit value cards in August 2010.

C. Operators with Upcoming Fare Media Transitions

1. Santa Clara Valley Transportation Authority (VTA)

VTA began accepting Clipper® on February 16, 2011. MTC and VTA are now in the process of determining which paper fare products will be transitioning to Clipper®-only availability.

Therefore, Milligan was not asked to produce a Title VI analysis report on the elimination of VTA's fare media. Instead, MTC will work on this analysis in the coming months. The analysis will be appended to this report.

FINAL REPORT SUPPLEMENT: The VTA Title VI analysis is attached as Appendix J. The VTA analysis found a potential disparate impact related to the VTA Youth Pass. To mitigate any potential disparate impacts related to the VTA Youth Pass, MTC will be accepting mail-in and email applications for Clipper® youth cards, continuing to educate the public on ways to access the Clipper® youth card, and incorporating information about Clipper® youth cards into ongoing outreach.

2. San Mateo County Transit District (SamTrans)

SamTrans began accepting Clipper® on December 16, 2010, and will be completing its fare media transition process as of December 31, 2011. Milligan was not asked to produce a Title VI analysis report on the elimination of SamTrans's fare media, as the specifics of the transitions were not determined during the time of Milligan's engagement. MTC is currently working on this analysis. The analysis will be appended to this report.

FINAL REPORT SUPPLEMENT: The SamTrans Title VI analysis is attached as Appendix I. The SamTrans analysis found potential disparate impacts related to Youth and Senior Passes. To mitigate any potential disparate impacts related to the SamTrans Youth and Senior Passes, MTC will be accepting mail-in and email applications for Clipper® youth cards, continuing to educate the public on ways to access the Clipper® youth card, and incorporating information about Clipper® youth cards into ongoing outreach.

The analysis also found a potential disparate impact related to geographic distribution of retailers. At MTC's request, Cubic has added two additional vendors in the impacted community (South San Francisco) to mitigate any potential disparate impact.

VI. Conclusion and Next Steps

MTC and the transit operators have taken a number of steps to ensure that Clipper® is accessible to all Bay Area transit patrons, from the general (all of the initiatives outlined in Part III) to the specific (mitigation activities). MTC is committed to continuing both of these fronts, by proactively doing the following:

- Continuing outreach and customer education, with a multi-lingual, multi-cultural emphasis
- Ongoing analysis and discussions with the Clipper® Contractor to adjust locations of future Clipper® vendors and other distributors
- Title VI impact analysis of the fare media transitions for SamTrans and VTA

The Clipper® system is dynamic and requires ongoing maintenance, planning, and fine-tuning. Going forward, impacts of these processes on persons protected by Title VI will be given continued full consideration.

FINAL REPORT SUPPLEMENT: MTC is moving forward with the following mitigation strategies:

- Establishing a process that enables youths (or their parents/guardians) and seniors to apply for Clipper® youth and senior cards by mail and email;
- Reduce the card fee from \$5 to \$3; and
- Establishing a single consistent \$5 card replacement and balance restoration fee that applies to all customers at all locations.

As noted in this report, MTC is committed to working with transit operators to ensure the administration of the Clipper® program results in the least discriminatory impact. MTC will provide continuous customer education with a multi-lingual and multi-cultural emphasis, and will provide ongoing analysis and direction to the Clipper® Contractor to adjust locations of future Clipper® vendors and other distributors as necessary.

The SamTrans and VTA Title VI analysis have been finalized and are attached to this report as Appendix I, and Appendix J, respectively.

VII. Appendices

Appendix A

Types of Clipper® Cards

Adult

This is the standard full fare category applicable to the majority of riders. Prior to the launch of the Clipper® brand on June 16, 2010, the fee for this type of card was \$5; the fee was suspended in conjunction with the launch. MTC is proposing to reinstate a reduced card acquisition fee of \$3 on January 1, 2012, along with a \$2 minimum load requirement. To date, the Clipper® program has distributed over 1.1 million free adult cards.

The \$5 fee is not charged when a patron registers his or her card for Autoload. Autoload allows a patron to link his or her Clipper® card account to a credit card or bank account so that it is automatically replenished with value every time it reaches a minimum threshold: in the case of e-cash, this minimum is \$10, and in the case of monthly passes and tickets, value replenishment occurs when the pass or ticket expires or exhausts its value.

FINAL REPORT SUPPLEMENT: As indicated in Section III.E.2, MTC has decided to modify the reinstated card acquisition fee from \$3 plus a \$2 minimum load requirement to \$3 with no minimum load requirement. This will take effect September 1, 2012.

Youth

This card provides significantly discounted fares for youth; the eligible age range varies by transit operator. To obtain a youth card, a youth or his or her guardian must apply for the card in person at select locations in each transit operator's service area. Upon submitting the application, most youth will receive the card after several weeks; however, at several of the locations, instant issuance of the youth card is available. Also, there are specific provisions for use by AC Transit patrons.

FINAL REPORT SUPPLEMENT: MTC will accept mail-in and email applications for Clipper® youth cards, and MTC is working with Cubic to ensure that the Clipper® customer service center will accept and process Clipper® youth card applications.

MTC will explore expanding the list of forms of identification that the Clipper® program accepts as showing a youth's date of birth, or adopting other methods by which a youth can indicate their age.

Senior

This card provides significantly discounted fares for patrons aged 65 and up. To obtain a senior card, a patron must apply for the card in person at select locations in each transit operator's service area. Like the youth card, the card is generally mailed to the patron several weeks after

submission of his or her application, but at several locations, instant issuance is possible. Eligible age range varies by operator.

FINAL REPORT SUPPLEMENT: MTC will accept mail-in and email applications for Clipper® senior cards, and MTC will work with Cubic to ensure that Clipper® customer service center will accept and process Clipper® senior card applications.

RTC (Senior and Disabled)

The Regional Transit Connection program is a Bay Area wide program that provides disabled and senior transit patrons with discounted fares. BART manages a contract with a private entity, Cordoba Corporation, which handles the administration of the program by processing eligibility verification and issuing the fare payment instrument. The RTC card expires every three years and must be renewed. (When DMV documentation is provided to demonstrate eligibility, the card expires after two years.)

Before Clipper®, Cordoba issued the RTC Discount ID card, which patrons affixed a discount sticker to and used as a flash pass. The card also functioned as proof of eligibility for discounted cash fares, enforced at the point-of-use. Upon initiation of the RTC Clipper® card program, when patrons renewed their RTC eligibility, they received an RTC Clipper® card as the replacement fare instrument. This initiative began in 2007; by summer 2010, 100% of the approximately 90,000 participants in the program had been converted to the Clipper® form of the RTC card.

The RTC Clipper® card costs patrons \$3. However, this is not a change from the RTC Discount ID program. Also, when existing RTC Discount ID holders renew their eligibility and receive an RTC Clipper® card, the fee is waived. The fee helps offset Cordoba's administrative costs.

In addition, the application process for the RTC Clipper® card has not changed from the process to obtain the RTC Discount ID card. Patrons must apply in person at any of 16 participating transit ticket offices in the region, and their photo must be taken. The card is then sent to the patron within 3 weeks of submission of the application.

Limited Use Tickets

Clipper® limited use tickets are low-value, temporary fare media that utilize smart card technology. They are intended to be used by the occasional rider and tourist. They expire after 90 days and can be reloaded, but only with the fare product that they were initially loaded with. Currently, only two transit operators issue limited use tickets – SFMTA and Golden Gate Ferry. The only products supported by the limited use tickets are one way and round trip fares on SFMTA and Golden Gate Ferry. They are available at ticket vending machines located in the 9 Muni metro stations, and at the Golden Gate Ferry terminal locations.

