



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

Agenda Item No. 5

TO: Operations Committee

DATE: June 1, 2012

FR: Executive Director

W.I. 320-1221, 310-2700

RE: Final Title VI Summary Report: Clipper[®] Fare Media Transitions and Clipper[®] Operating Rules: MTC Resolution No. 3983, Revised

Staff presented the *Draft Title VI Summary Report, Clipper[®] Fare Media Transitions (Draft Summary Report)* to the Operations Committee in September 2011. This report included MTC's analysis concerning the impact of the Clipper[®] fare media transition for five transit agencies¹ on individuals protected by Title VI of the Civil Rights Act of 1964. Following a three month community outreach effort and public comment period ending in December 2011 (see Attachment 1) and the completion of Title VI analyses of the Clipper[®] fare media transitions for SamTrans and VTA, staff prepared the *Final Title VI Summary Report, Clipper[®] Fare Media Transitions (Final Summary Report, Attachment 2 to this memorandum; Appendices B – L to the Final Summary Report* are posted on MTC's website at: [http://apps.mtc.ca.gov/meeting_packet_documents/agenda_1886/5c.Clipper Title VI Report Appendices.pdf](http://apps.mtc.ca.gov/meeting_packet_documents/agenda_1886/5c.Clipper_Title_VI_Report_Appendices.pdf)).

Based on the comments received from members of the public, MTC's Policy Advisory Council, and transit operators, the *Final Summary Report* includes significant changes and enhancements to the mitigation activities identified in the *Draft Summary Report*, as follows.

Revisions to the Planned Activities to Mitigate Potential Disparate Impacts of the Clipper[®] Fare Media Transitions

1. Establish a process that enables youths (or their parents/guardians) and seniors to apply for Clipper[®] cards by mail or email.
2. Accept school identification that include birthdates and explore the feasibility of 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.
3. Institute a \$3 Clipper[®] card acquisition fee (adult cards only) and eliminate any minimum load requirement, effective September 1, 2012.
4. Eliminate the \$5 minimum load requirement for customers acquiring new cards, effective September 1, 2012.

¹ The five agencies are AC Transit, BART, Caltrain, Golden Gate Transit and Ferry and San Francisco Municipal Transportation Agency.

5. Set a consistent \$5 Clipper[®] card and balance replacement fee that applies to all customers at all locations.
6. Actively monitor the Clipper[®] retailer network to ensure adequate and comprehensive geographic coverage, particularly for minority and low-income individuals.
7. Provide Clipper[®] materials at MTC-sponsored public meetings and engage in partnership arrangements with community based organizations (CBOs), through which the CBOs will provide Clipper[®] cards and information to their constituents.

Several of the mitigation activities require revisions to the Clipper[®] Operating Rules (Attachment 3, MTC Resolution No. 3893, Revised).

Final Summary Report

In addition to the mitigation activities described above, the *Final Summary Report* includes the results of the Title VI analyses for the SamTrans and VTA Clipper[®] fare media transitions. To highlight the changes to the *Draft Summary Report*, all substantive revisions or additions are either inserted into the report as “Final Report Supplements” or attached as appendices to the *Final Summary Report*.

Clipper[®] Operating Rules and Reinstatement of Clipper[®] Card Acquisition Fee

In addition to the changes related to the planned mitigation activities, staff is recommending three additional changes to the Operating Rules related to clarifying MTC’s role as the agency that sets Clipper[®] cardholder fees, distribution of RTC Clipper[®] Cards, and the possibility of special/limited edition cards in the future. As noted in the *Final Summary Report* (pages 24 – 29), since June 2010, the Clipper[®] program has waived the card acquisition fee in order to facilitate customer adoption. Over the past two years, the program has distributed more than 1.5 million free Clipper[®] cards. While the availability of free cards has facilitated adoption, the initiative also created a fare evasion opportunity whereby some customers abused the system feature that allows a card to have a balance below \$0.00 in order to complete a single trip. The \$3 card fee, applicable to adult cards only, will curb this abuse by deterring customers who might discard cards with a negative balance and then acquire new cards.

FTA Compliance Review

As reported in the April 2012 Executive Director’s Report to the Commission, the Federal Transit Administration (FTA) issued its final report for the Title VI compliance review of MTC conducted by FTA in September 2011. Of the 13 areas reviewed, FTA requested corrective actions in three areas (Language Access to LEP Persons, Title VI Complaint Procedures, and Clipper[®]). Regarding Clipper[®], FTA directed MTC to “work with transit operators to address any disparate impacts noted before implementation or changes to the Clipper[®] Program.” MTC’s response to FTA is due on June 12, 2012. The response will be consistent with the information in the *Final Summary Report* and it will include a detailed summary of comments submitted by transit operators and MTC actions in response to those comments.

Recommendations

- Refer the *Final Title VI Summary Report, Clipper[®] Fare Media Transitions* to the Commission with the request to direct staff to submit the *Final Summary Report* to FTA and to implement changes to the Clipper[®] Program in a manner consistent with the *Final Summary Report*.
- Refer the revised Clipper[®] Operating Rules, MTC Resolution No. 3983, Revised, to the Commission for adoption.



Steve Heminger

SH:DR

J:\COMMITTEE\Operations\2012 Operations Comm Packet\06_Ops_June2012\6a_Title VI Summary Report.FINAL.doc

Attachment 1

Additional Information about Community Outreach Effort, SamTrans and VTA Analyses, and Recommended Revisions to the Clipper® Operating Rules

Community Outreach Effort, Public Comment and *Final Summary Report* Review

On October 24, 2011, MTC posted the *Draft Summary Report* on the MTC website for public comment, and MTC set a deadline for written comments of December 22, 2011. In addition, MTC staff worked with community based organizations (CBOs) and consultants to conduct 12 community meetings/focus groups in Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara counties from November to December 2011. MTC conducted the community meetings/focus groups to get feedback from individuals living in low-income communities and communities of color, and persons with limited English proficiency on the proposed mitigation strategies for the Clipper® program as well as on our general outreach strategy.

In addition to the input received through the community meetings/focus groups, MTC received 15 written comments, eight of which came from individuals and seven from agencies/organizations. Four transit agencies submitted comments during the three month period: AC Transit, BART, Caltrain and SamTrans. VTA submitted comments during the 30-day public comment period for the SamTrans and VTA analyses. The transit agency comments focused on several areas: reinstatement of the Clipper® card acquisition fee, availability of youth/senior Clipper® cards, continued availability of non-Clipper® discount BART tickets, and the availability of in-person customer service in Santa Clara County. As mentioned in the memo, Appendix K to the *Final Summary Report* describes all comments received by MTC from members of the public, MTC's Policy Advisory Council, and transit operators.

Additional information on the public participation process for the *Draft Summary Report* can be found in Part III.B of the *Final Summary Report*.

In May 2012, staff presented the draft version of the *Final Summary Report* to the Policy Advisory Council and transit agency staff.

SamTrans and VTA Title VI Equity Analyses and Key Findings

The SamTrans and VTA analyses performed by MTC staff analyzed the transition of 10 fare products to Clipper®-only availability, and the analyses found no potential disparate impacts for seven of the fare products. MTC based these findings on analyses of demographic data indicating that minority and low-income patrons use these fare products at a disproportionately higher rate compared to non-minority and higher income patrons, and therefore are potentially more severely impacted by their transition to Clipper®-only availability. The areas where MTC found potential disparate impacts are:

1. Geographic distribution of retailer locations (SamTrans);
2. Access to enrollment opportunities for youth Clipper® cards (SamTrans and VTA); and
3. Access to enrollment opportunities for senior Clipper® cards (SamTrans).

As part of the process for completing the analysis, MTC posted draft versions of the analyses 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.

The SamTrans and VTA analyses are Appendices I and J, respectively, to the *Final Summary Report*.

Changes to the Clipper[®] Operating Rules

In conjunction with the mitigation activities described above, staff is recommending the following changes to the Clipper[®] Operating Rules:

1. Addition of Section 2.4.1, Setting Clipper[®] Cardholder Fees, which identifies MTC as the party responsible for setting Clipper[®] cardholder fees;
2. Changes to Section 4.2.4.3.2, Availability of Cards Configured for the Senior Citizen Fare Category, to include provisions for acceptance of applications by mail and email;
3. Changes to Section 4.2.4.3.3, Availability of Cards Configured for the Youth Fare Category, to include provisions for acceptance of applications by mail and email;
4. Changes to Sections 4.2.7.3.1, Availability of Cards Configured for the Senior/Disabled (RTC Discount) Fare Category, and 4.2.8, Balance Restoration, to include provisions allowing for the Clipper[®] Service Bureau to issue such cards configured for the Senior/Disabled (RTC Discount) fare category (this change is not specifically related to the planned mitigation activities described in the memo above); and
5. Changes to Section 4.6.1, Schedule of Cardholder Fees, and 4.6.2, Card Replacement and Balance Restoration Fee, to reduce the card acquisition fee for standard cards to \$3, establish a placeholder for a different card acquisition fee for special/limited edition/commemorative adult cards (this change is not specifically related to the planned mitigation activities described in the memo above); and combine the card replacement and balance restoration fees into a single \$5 fee rather than two separate \$5 fees.

Attachment 2

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

Table of Contents

FINAL REPORT SUPPLEMENT: Introduction	4
I. Executive Summary	4
II. Background	5
A. Basics of the Clipper® System	5
B. Fare Media Transitions and MTC Resolution No. 3866	6
III. MTC’s Initiatives to Ensure Equitable Access to Clipper®	9
A. Customer Education	10
B. Outreach	12
1. General Outreach	12
2. Outreach through Community Based Organizations	16
3. Public Engagement	18
C. Customer Service	20
D. Card and Value Distribution	20
1. Clipper®	21
2. CVS Participation in Clipper® Retailer Network	23
3. Distribution of Youth and Senior Clipper® Cards	23
E. Card Policy	24
1. Card Acquisition Fee	24
2. Operational Issues and Minimum Load Requirement	26
IV. Process of Conducting the Title VI Reviews	29
V. Findings of the Title VI Reviews	30
A. Operators with Potential Disparate Impact Findings	39
1. Alameda-Contra Costa Transit District (AC Transit)	39
2. San Francisco Municipal Transportation Agency (SFMTA)	41
B. Operators without Potential Disparate Impact Findings	44
1. San Francisco Bay Area Rapid Transit District (BART)	44
2. Peninsula Corridor Joint Powers Board (Caltrain)	45
3. Golden Gate Bridge, Highway and Transportation District (GGBHTD)	45
C. Operators with Upcoming Fare Media Transitions	45
1. Santa Clara Valley Transportation Authority (VTA)	45
2. San Mateo County Transit District (SamTrans)	46
VI. Conclusion and Next Steps	46
VII. Appendices	48
A: Types of Clipper® Cards	
B: Spanish and Chinese Media Plan	
C: Samples of Media Campaign in Spanish and Chinese	
D: Street Team Event Locations	
E: Senior Outreach Event Locations	
F: Sample Letter to General Managers re: Title VI Assessment Project	
G: AC Transit GM Memo re: Elimination of Paper Fare Media	
H: MTC Resolution No. 3866, Revised	
I: San Mateo County Transit District (SamTrans) Title VI analysis	
J: Santa Clara Valley Transportation Authority (VTA) Title VI analysis	

- K. Summary of Responses to Public Comments
- L. Supplemental Clipper[®] Outreach/Educational Materials

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		
--	--	--	--	-------------------------------------	--	--

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.

S:\Project\Clipper\Fare Media Transition Plans\Title VI\Final Clipper Title VI Report\Draft - Final Clipper Title VI Analysis Summary Report 5.24.12.doc

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.

Attachment 3

MTC Resolution No. 3983, Revised (Clipper[®] Operating Rules)

Date: February 22, 2012
W.I.: 310-2700, 320-1221
Referred by: MTC Operations
Revised: 06/27/2012-C

ABSTRACT

MTC Resolution No. 3983, Revised

This resolution adopts the Clipper® Operating Rules for the Clipper® fare payment system, effective February 22, 2012.

This resolution was revised on June 27, 2012 to update the following Sections of the Clipper® Operating Rules: 2.4.1, 4.2.4.3.2, 4.2.4.3.3, 4.2.7.3.1, 4.2.8, 4.6.1, and 4.6.2.

Date: February 22, 2012
W.I.: 310-2700, 320-1221
Referred by: MTC Operations

Re: Clipper[®] Fare Payment System Operating Rules

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION No. 3983

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

Whereas, the Clipper[®] fare payment system, currently operating on seven Bay Area transit systems (AC Transit, BART, Caltrain, Golden Gate Transit bus and ferry, SamTrans, San Francisco Municipal Transportation Agency, and VTA) requires a common set of operating rules;

WHEREAS, pursuant to the requirements of California Government Code §§ 66516 and 66516.5 and Public Utilities Code §§ 99282.5, MTC has adopted the MTC Transit Coordination Implementation Plan (Resolution No. 3866), according to which MTC is responsible for adopting and maintaining operating rules for the Clipper[®] fare payment system; and

WHEREAS, MTC and the seven Clipper[®] transit operators have executed a Clipper[®] Memorandum of Understanding (MOU), pursuant to which MTC has agreed to notify and consult with the operators concerning changes to the Operating Rules affecting transit operator roles and responsibilities; and

WHEREAS, MTC has developed Clipper[®] Operating Rules, consistent with the MOU, that identify MTC and transit operator roles and responsibilities pertaining to the operation and maintenance of the Clipper[®] fare payment system; now therefore, be it

RESOLVED, that MTC hereby adopts the Clipper[®] Operating Rules , as set forth in Attachment A to this Resolution, and incorporated herein as though set forth at length; and be it further

RESOLVED, that MTC hereby delegates to the Executive Director or his designated representative the authority to authorize non-substantive changes to the Operating Rules or changes affecting the transit operator roles and responsibilities, in accordance with any applicable requirements of the Clipper[®] MOU and as needed for the efficient operation of the Clipper[®] fare payment system.

METROPOLITAN TRANSPORTATION COMMISSION


Adrienne J. Tissier

The above resolution was first entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on February 22, 2012.

Date: February 22, 2012
W.I.: 310-2700, 320-1221
Referred by: MTC Operations
Revised: 06/27/2012-C

Attachment A
Resolution No. 3983
Page 1 of 42

**Clipper[®] Operating Rules,
Effective June 27, 2012
For the
Clipper[®] Fare Payment System**



CLIPPER

Operating Rules

**MTC Resolution No. 3983, Revised
June 27, 2012**

DOCUMENT HISTORY

1. Draft version 1.0 distributed to transit agencies by MTC on June 29, 2010.
2. Draft version 1.1 approved by MTC Operations Committee on October 8, 2010; approval by MTC Commission deferred pending changes to Section 3.12.1.
3. MTC Resolution No. 3983 includes changes to Section 2.8.1, 3.2.2, 3.2.3, 3.2.6, 3.2.8, 3.5.1, 3.5.2, 3.9.2, 3.12.1, 4.2.1, 4.2.4.3.2, 4.2.4.3.3, 4.2.7.3.1, 4.2.8.1, 4.2.9, 4.2.9.1, 4.2.10.2, 4.11.2, and the Glossary and addition of Section 3.14, 4.6.3, and Attachment 1.
4. MTC adopts Resolution No. 3983 on February 22, 2012.
5. MTC Resolution No. 3983, Revised, includes substantive changes to Sections 4.2.4.3.2, 4.2.4.3.3, 4.2.8, 4.6.1 and 4.6.2.

TABLE OF CONTENTS

Document History..... **2**

1. INTRODUCTION..... **7**

1.1 Clipper® Overview..... **7**

1.2 Purpose of this Document **7**

2. MTC RESPONSIBILITIES **8**

2.1 Card issuance **8**

 2.1.1 *Definition of Application Issuer*..... **8**

 2.1.2 *Clipper® Application Issuer* **8**

 2.1.3 *Definition of Card Issuer* **8**

 2.1.4 *Card Issuer for Regionwide Implementation of Clipper®* **8**

2.2 Card Base Management **8**

 2.2.1 *Clipper® Card Inventory* **8**

 2.2.2 *Design of Personalized Cards* **8**

2.3 Distribution..... **8**

 2.3.1 *Right to Determine Access to Distribution Devices*..... **8**

 2.3.2 *Minimum Value Required When Acquiring Clipper® Card*..... **9**

2.4 Cardholder Fees..... **9**

 2.4.1 *Waiving of Cardholder Fees* **9**

2.5 Cardholder Confidentiality **9**

 2.5.1 *Confidentiality of Information* **9**

2.6 System Failure Plan..... **9**

 2.6.1 *Responsibility for Reviewing and Approving the Disaster Recovery Plan*.. **9**

2.7 Clipper® Financial Settlement and Related Services **9**

 2.7.1 *Treasury/Cash Management* **9**

 2.7.2 *Claims*..... **10**

2.8 Marketing..... **10**

 2.8.1 *Clipper® Marketing Materials/Advertisements*..... **10**

 2.8.2 *Updates to Cardholder Education Materials* **10**

 2.8.3 *Card Graphics*..... **10**

 2.8.4 *Advertising and Promotion General Policy*..... **10**

 2.8.5 *Monitoring of Card Promotions* **10**

3. OPERATOR RESPONSIBILITIES..... **11**

3.1 Acceptance and Conditions of Use..... **11**

 3.1.1 *Acceptance of Clipper® Branded Cards*..... **11**

 3.1.2 *Fraud Detection and Control*..... **11**

3.2 Card Base Management **11**

 3.2.1 *Order Acceptance and Shipment*..... **11**

 3.2.2 *Operator Responsibility for Lost or Stolen Clipper® Cards*..... **11**

 3.2.3 *Proof of Eligibility for Discount Fares* **11**

 3.2.4 *Management of Personalized Cards Distributed to Institutional Program Participants* **12**

 3.2.5 *Senior/Disabled (RTC Discount) Card Eligibility Tracking*..... **12**

 3.2.6 *Availability of Additional Senior/Disabled (RTC Discount) Cards for Patrons Qualified to Travel with an Attendant*..... **12**

3.2.7	<i>Tracking of Cards with Operator Employee Products</i>	12
3.2.8	<i>Card Registration at Ticket Offices</i>	12
3.3	Distribution	12
3.3.1	<i>Card Distribution by Operators</i>	12
3.3.2	<i>Collection of Cash from Distributors and Vending Machines</i>	12
3.3.3	<i>Initial Card Value</i>	12
3.3.4	<i>Distribution of Cards to Operator Employees</i>	13
3.4	FARES and Passes	13
3.4.1	<i>General Fare Policy</i>	13
3.4.2	<i>Passes</i>	13
3.4.3	<i>Stored Rides</i>	13
3.4.4	<i>Senior/Disabled (RTC Discount) Fare Category</i>	13
3.4.5	<i>Operator Employee Passes</i>	13
3.5	Clipper[®] Card Refunds	13
3.5.1	<i>Operator Products</i>	13
3.5.2	<i>Identification of Designated Operator Personnel Authorized to Approve Refunds</i>	14
3.6	Cardholder Fees	14
3.6.1	<i>Cards Configured for the Senior/Disabled (RTC Discount) Fare Category</i>	14
3.7	Distribution and Fare Payment Device Network Management	14
3.7.1	<i>Distribution Device Network Management</i>	14
3.7.2	<i>Reporting to the Clipper[®] Central System</i>	14
3.7.3	<i>Software Application and Configuration Data Downloads</i>	14
3.7.4	<i>Authorization for Software Application Downloads</i>	14
3.7.5	<i>Fare Table Updates</i>	14
3.7.6	<i>Changes to Clipper[®] Configuration Data to Enable Fare Changes</i>	14
3.7.7	<i>Field Testing</i>	15
3.7.8	<i>Notification of Issues Following Software/CD Deployment</i>	15
3.8	Clipper[®] Asset Management Services	15
3.8.1	<i>Software Management Services</i>	15
3.8.2	<i>Transit Operator Asset Management Responsibilities</i>	15
3.9	Technical Support and Maintenance Levels	15
3.9.1	<i>Responsibility for Failure Detection</i>	15
3.9.2	<i>Operation and Maintenance of Clipper[®] Equipment</i>	15
3.9.3	<i>Responsibilities Shared by the Contractor and the Operators</i>	16
3.10	Data Communications and Reporting	16
3.10.1	<i>Data Communications Links</i>	16
3.11	Clipper[®] Financial Settlement and Related Services	16
3.11.1	<i>Establishment of Settlement Accounts</i>	16
3.11.2	<i>Deposit of Cash</i>	16
3.11.3	<i>Collection of Cash from Distributors and Vending Machines</i>	17
3.12	Marketing	17
3.12.1	<i>General Responsibility</i>	17
3.12.2	<i>Responsibility for Maintaining Inventory of Cardholder Education Materials</i>	17

3.12.3	Operator-Specific Card Graphics.....	17
3.13	Customer Services	17
3.13.1	Coordination Between CSB Customer Service Center And Transit Operator Customer Service Centers.....	17
3.14	Personally Identifiable Information	17
3.14.1	Security of Clipper® Customers' Personally Identifiable Information.....	17
4.	SYSTEM POLICIES.....	18
4.1	Acceptance and Conditions of Use.....	18
4.1.1	Conditions of Use	18
4.1.2	Transferability of the Card.....	18
4.1.3	Operator Fees, Charges, Discounts, Etc.	18
4.1.4	Rejection of Clipper® Card for Fare Payment	18
4.1.5	Card Reader Failure	18
4.2	Card Base Management	19
4.2.1	Expiration of Clipper® Cards	19
4.2.2	Adding Cards to the Hotlist.....	19
4.2.3	Unregistered Cards.....	19
4.2.4	Registered Cards.....	19
4.2.5	Converting an Unregistered Card to a Registered Card	22
4.2.6	Proof of Eligibility for Discount Fares	22
4.2.7	Personalized Cards	22
4.2.8	Balance Restoration	23
4.2.9	Card Replacement.....	24
4.2.10	Replacement of Non-Functioning Cards.....	24
4.2.11	Blocked Cards and Products	24
4.3	Distribution.....	25
4.3.1	Loading E-cash.....	25
4.3.2	Minimum Value Required When Acquiring Clipper® Card.....	25
4.3.3	Autoload.....	25
4.4	Fares and Passes.....	25
4.4.1	Application of Fare Discount When Fare Is Paid Using E-cash	25
4.4.2	Expiration of Senior/Disabled (RTC Discount) Cards	25
4.4.3	Operator Employee Passes.....	25
4.5	Clipper® Card Refunds	25
4.5.1	General Refund Policy.....	25
4.5.2	Exceptions to the General Refund Policy.....	26
4.5.3	Responsibility for Processing Refunds.....	26
4.5.4	Processing of a Refund.....	26
4.5.5	Refund of Value Loaded as Pre-Tax Employee Benefit.....	26
4.5.6	Method of Providing Refunds.....	26
4.6	Cardholder Fees.....	26
4.6.1	Schedule of Cardholder Fees	26
4.6.2	Balance Restoration Fee	27
4.6.3	Transit Benefit Program Administrative Fees.....	27
4.6.4	Payment of Cardholder Fees.....	27

- 4.6.5 *Waiving of the Card Acquisition Fee for Patrons Who Register for Autoload or Receive Value Through an Institutional Program*..... 27
- 4.6.6 *Waiving of the Cardholder Fees During Promotional Periods and/or for Marketing Purposes* 28
- 4.6.7 *Waiving of Fees at the Discretion of the CSB Customer Services Manager*
28
- 4.7 Cardholder Confidentiality 28**
 - 4.7.1 *Cardholder Data* 28
- 4.8 Distribution and Fare Payment Device Network Management..... 28**
 - 4.8.1 *Daily CD*..... 28
 - 4.8.2 *Fare-Related CD*..... 28
 - 4.8.3 *Administrative CD* 28
- 4.9 Data Collection and Reporting..... 29**
 - 4.9.1 *Data Communications Links* 29
- 4.10 Clipper® Financial Settlement and Related Services 29**
 - 4.10.1 *Add Value Transactions*..... 29
 - 4.10.2 *Missing Transactions* 29
 - 4.10.3 *Fare Payment Transactions and the Participant Claim Fund*..... 30
 - 4.10.4 *Disbursement of the Participant Claim Fund*..... 30
 - 4.10.5 *Claims*..... 32
 - 4.10.6 *Operator-Based Claims Against the Participant Claim Fund* 32
 - 4.10.7 *Adjustments* 32
 - 4.10.8 *Disputes*..... 33
- 4.11 Marketing 33**
 - 4.11.1 *Card Design Features*..... 33
 - 4.11.2 *Card Giveaway Promotions* 33
- 5. GLOSSARY OF TERMS 35**
- 6. ATTACHMENT 1 40**
 - 6.1 Special Conditions Regarding Personally Identifiable Information: 40**

1. INTRODUCTION

1.1 CLIPPER® OVERVIEW

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

1.2 PURPOSE OF THIS DOCUMENT

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

2. MTC RESPONSIBILITIES

2.1 CARD ISSUANCE

2.1.1 Definition of Application Issuer

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

2.1.2 Clipper[®] Application Issuer

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

2.1.3 Definition of Card Issuer

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

2.1.4 Card Issuer for Regionwide Implementation of Clipper[®]

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

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

2.2 CARD BASE MANAGEMENT

2.2.1 Clipper[®] Card Inventory

MTC shall be responsible for monitoring the Clipper[®] card inventory and maintaining a sufficient card inventory to meet regional demand.

2.2.2 Design of Personalized Cards

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

2.3 DISTRIBUTION

2.3.1 Right to Determine Access to Distribution Devices

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

2.3.2 Minimum Value Required When Acquiring Clipper® Card

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

2.4 CARDHOLDER FEES

2.4.1 Setting Cardholder Fees

As the Clipper® Card Issuer and Application Issuer, as defined in Sections 2.1.2 and 2.1.3 above, MTC shall have the right to set, modify and/or waive the cardholder fees identified in Section 4.6.

2.4.2 Waiving of Cardholder Fees

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

2.5 CARDHOLDER CONFIDENTIALITY

2.5.1 Confidentiality of Information

MTC shall ensure that the Clipper® Contractor maintains the confidentiality and privacy on the use of individual cards unless waived by a cardholder or under order of a court with jurisdiction over MTC. MTC shall define Special Conditions Regarding Personally Identifiable Information, as included in Attachment 1, with which the Operators shall comply.

2.6 SYSTEM FAILURE PLAN

2.6.1 Responsibility for Reviewing and Approving the Disaster Recovery Plan

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

2.7 CLIPPER® FINANCIAL SETTLEMENT AND RELATED SERVICES

2.7.1 Treasury/Cash Management

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

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

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

2.7.1.1 Funds Pool Accounting

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

2.7.2 Claims

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

2.8 MARKETING

2.8.1 Clipper[®] Marketing Materials/Advertisements

MTC shall be responsible for designing, developing, and publishing/printing Clipper[®]-related marketing materials/advertisements. Where applicable, MTC and the operators shall be responsible for purchasing advertising space, etc. MTC shall provide Clipper[®] information in multiple languages, primarily English, Spanish and Chinese.

2.8.2 Updates to Cardholder Education Materials

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

2.8.3 Card Graphics

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

2.8.4 Advertising and Promotion General Policy

MTC in coordination with the participating transit operators shall coordinate the development of advertising to support the operation of the Clipper[®] program.

2.8.5 Monitoring of Card Promotions

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

3. OPERATOR RESPONSIBILITIES

3.1 ACCEPTANCE AND CONDITIONS OF USE

3.1.1 Acceptance of Clipper® Branded Cards

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

3.1.2 Fraud Detection and Control

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

3.2 CARD BASE MANAGEMENT

3.2.1 Order Acceptance and Shipment

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

3.2.2 Operator Responsibility for Lost or Stolen Clipper® Cards

Operators shall store Clipper® cards in a secure manner and report any loss or theft of cards to MTC. An operator must notify CSB and MTC in the event the operator discovers cards are missing.

3.2.3 Proof of Eligibility for Discount Fares

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

- Birth certificate;
- Driver's license or state identification card issued by any state;
- Federal government-issued "Green Card" (Alien Registration card, Permanent Resident card);
- Matricula Consular card issued by the Mexican government (also referred to as a Consular Identification Card);
- Passport from any nation;
- San Francisco or other City Identification Card; and
- Other identification that transit operator personnel determine to be adequate for determining the patron's date of birth.

Operators may accept expired forms of photo identification (i.e. passport and driver's license) if the applicant is present and a visual match can be made.

3.2.4 Management of Personalized Cards Distributed to Institutional Program Participants

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

3.2.5 Senior/Disabled (RTC Discount) Card Eligibility Tracking

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

3.2.6 Availability of Additional Senior/Disabled (RTC Discount) Cards for Patrons Qualified to Travel with an Attendant

Upon request by a patron, Operators, through the Regional Transit Connection Discount Card Program, shall provide a second valid card to patrons who both qualify for cards configured for the Senior/Disabled (RTC Discount) fare category and who qualify to travel with an attendant. Operators participating in the RTC Discount Card Program shall establish consistent procedures for accepting requests for second cards from eligible patrons and blocking cards in the event that an operator determines a patron has fraudulently used a card.

3.2.7 Tracking of Cards with Operator Employee Products

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

3.2.8 Card Registration at Ticket Offices

Operators shall register patrons' cards at ticket offices equipped with Ticket Office Terminals ("TOTs"). Operators shall immediately register the patrons' cards upon receipt of the patrons' information.

3.3 DISTRIBUTION

3.3.1 Card Distribution by Operators

Operators shall be responsible for distributing Youth, Senior and Adult Clipper[®] cards to their patrons. Operators shall distribute cards at ticket offices that have been equipped with TOTs; operators may also distribute cards at other locations approved by MTC.

3.3.2 Collection of Cash from Distributors and Vending Machines

CSB will debit operators for Clipper[®] cards, e-cash and other operators' products sold on their properties.

3.3.3 Initial Card Value

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

3.3.4 Distribution of Cards to Operator Employees

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

3.4 FARES AND PASSES

3.4.1 General Fare Policy

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

3.4.2 Passes

Operators shall establish vending windows for their calendar passes.

3.4.3 Stored Rides

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

3.4.4 Senior/Disabled (RTC Discount) Fare Category

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

3.4.5 Operator Employee Passes

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

3.5 CLIPPER® CARD REFUNDS

3.5.1 Operator Products

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

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

3.5.2 Identification of Designated Operator Personnel Authorized to Approve Refunds

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

3.6 CARDHOLDER FEES

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

Operators participating in the RTC Discount Card Program shall be responsible for setting cardholder fees associated with the acquisition, replacement and renewal of cards configured for the Senior/Disabled (RTC Discount) fare category. The Clipper[®] Operating Rules do not govern the RTC Discount Card Program fees.

3.7 DISTRIBUTION AND FARE PAYMENT DEVICE NETWORK MANAGEMENT

3.7.1 Distribution Device Network Management

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

3.7.2 Reporting to the Clipper[®] Central System

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

3.7.3 Software Application and Configuration Data Downloads

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

3.7.4 Authorization for Software Application Downloads

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

3.7.5 Fare Table Updates

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

3.7.6 Changes to Clipper[®] Configuration Data to Enable Fare Changes

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

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

3.7.7 Field Testing

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

3.7.8 Notification of Issues Following Software/CD Deployment

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

3.8 CLIPPER[®] ASSET MANAGEMENT SERVICES

3.8.1 Software Management Services

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

3.8.2 Transit Operator Asset Management Responsibilities

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

3.9 TECHNICAL SUPPORT AND MAINTENANCE LEVELS

3.9.1 Responsibility for Failure Detection

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

3.9.2 Operation and Maintenance of Clipper[®] Equipment

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

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

3.9.3 Responsibilities Shared by the Contractor and the Operators

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

3.9.3.1 Maintenance Responsibilities by Device

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

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

3.9.3.2 First Line Maintenance

Certified operator personnel will perform first line maintenance.

3.10 DATA COMMUNICATIONS AND REPORTING

3.10.1 Data Communications Links

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

3.11 CLIPPER[®] FINANCIAL SETTLEMENT AND RELATED SERVICES

3.11.1 Establishment of Settlement Accounts

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

3.11.2 Deposit of Cash

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

3.11.3 Collection of Cash from Distributors and Vending Machines

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

3.12 MARKETING

3.12.1 General Responsibility

Operators shall promote the use of Clipper[®] cards to their respective customers. Operators shall provide Clipper[®] information in multiple languages, primarily English, Spanish and Chinese.

3.12.2 Responsibility for Maintaining Inventory of Cardholder Education Materials

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

3.12.3 Operator-Specific Card Graphics

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

3.13 CUSTOMER SERVICES

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

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

3.14 PERSONALLY IDENTIFIABLE INFORMATION

3.14.1 Security of Clipper[®] Customers' Personally Identifiable Information

Operators shall comply, and shall cause all contractors/consultants who have access to Personally-Identifiable Information ("PII"), as defined in Section 5, Glossary of Terms, to comply, with the special provisions related to the access and protection of PII set forth in Attachment 1 to these Operating Rules, Special Conditions Regarding Personally Identifiable Information.

4. SYSTEM POLICIES

4.1 ACCEPTANCE AND CONDITIONS OF USE

4.1.1 Conditions of Use

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

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

4.1.2 Transferability of the Card

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

4.1.3 Operator Fees, Charges, Discounts, Etc.

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

4.1.4 Rejection of Clipper[®] Card for Fare Payment

Operators may demand fare payment in a form other than the Clipper[®] card under the following conditions:

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

4.1.5 Card Reader Failure

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

4.2 CARD BASE MANAGEMENT

4.2.1 Expiration of Clipper® Cards

Clipper® cards configured for the Adult, Youth and Senior Citizen fare categories will expire 20 years after issuance, and patrons shall be able to transfer value from an expired card to a replacement card. Senior/Disabled (RTC Discount) Cards shall expire in accordance with the policies established by the RTC Discount Card Program.

4.2.2 Adding Cards to the Hotlist

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

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

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

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

4.2.3 Unregistered Cards

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

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

4.2.4 Registered Cards

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

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

A cardholder must register his/her card to:

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

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

4.2.4.1 Information Required for Card Registration

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

4.2.4.2 Additional Information that May Be Captured When Registering a Card

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

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

4.2.4.3 Availability of Registered Cards

4.2.4.3.1 Availability of Registered Cards Configured for the Adult Fare Category

A cardholder may acquire a registered card configured for the Adult Fare Category directly from CSB, a transit operator ticket office or Clipper[®] in-person customer service center equipped with a TOT, or an institutional program.

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

To pay discount fares based on age, a senior citizen may acquire a Clipper[®] card configured for the Senior Citizen fare category. A senior citizen may apply for and receive a card upon submission of a qualifying application at: a transit operator ticket office; one of the Clipper[®] in-

person customer service centers overseen by MTC; an MTC or operator-sponsored outreach event; other locations approved by the operators that may or may not be equipped with TOTs, but which have agreed to the provisions in Attachment 1; or by mail or email using a MTC-approved card application form and accompanied by copies of documentation that indicates proof of eligibility in accordance with Section 3.2.3. Except for applications submitted by mail or email, all senior citizens applying for senior Clipper® cards must apply in person and present valid identification verifying they meet the minimum age requirement.

Transit operator ticket offices may select from two options that provide a senior Clipper® card to the patron immediately upon submission of a qualifying application: (1) The TOT option requires operator verification of the eligibility of the date of birth, entering the applicant information into the TOT directly, and providing a registered card to the patron. (2) The pre-initialized card issuance option requires the verification of the patron's application and the submission of the completed application to CSB for processing.

4.2.4.3.3 Availability of Registered Cards Configured for the Youth Fare Category

A youth, or his/her representative, may apply for a Clipper® card encoded with his/her birth date at transit operator ticket offices; at in-person customer service centers overseen by MTC and equipped with TOTs; by mail or email; or at a location operated by a third party operating under a written agreement with MTC or a transit operator where the written agreement includes the provisions of Attachment 1. Transit operators and in-person customer service centers will provide Clipper® youth cards on-site upon receipt of qualifying applications and verification of age eligibility. Operators that require personalized youth cards may require additional time to produce the card. These cards will be sent via mail within an acceptable time frame. A youth does not need to appear in-person when acquiring a card configured for the Youth fare category.

CSB may only fulfill requests for new youth cards if the request is made by:

- a. Approved transit operator personnel;
- b. An entity authorized by the operators to receive, review, and approve requests for youth cards (e.g., a school);
- c. In-person customer service center personnel; or
- d. Mail or email using a MTC-approved card application form and accompanied by copies of documentation that indicates proof of eligibility in accordance with Section 3.2.3.

Except for applications submitted by mail or email, an applicant for a card configured for the Youth fare category must appear in person to present approved identification indicating the applicant's age in order to acquire a Clipper® card encoded with the applicant's birth date.

4.2.4.4 Tracking of Registered Youth and Senior Citizen Clipper® Cards

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

- a. Name of the cardholder for whom the card is being encoded;
- b. Date of birth being encoded on the card, where appropriate;

- c. The address of the cardholder for whom the card is being encoded; and
- d. The type and complete serial number of the document presented as proof of eligibility.

4.2.5 Converting an Unregistered Card to a Registered Card

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

4.2.6 Proof of Eligibility for Discount Fares

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

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

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

4.2.7 Personalized Cards

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

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

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

4.2.7.1 Information Required for Card Personalization

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

4.2.7.2 Management of Personalized Cards Distributed to Institutional Program Participants

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

4.2.7.3 Availability of Personalized Cards

The availability of personalized cards is limited to qualifying persons.

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

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

Patrons who qualify for the RTC Discount Card Program and who qualify to travel with an attendant may request a second card configured for the Senior/Disabled (RTC Discount) fare category for use by the attendant.

4.2.8 Balance Restoration

A patron who either registers his/her card in accordance with Section 4.2.4.1 or is the bearer of a card configured for the Senior/Disabled (RTC Discount) fare category may use the Balance Restoration feature to obtain a replacement of any confirmed remaining value on his/her card if s/he reports his/her card as lost, damaged, or stolen. A patron obtaining a replacement of value from a lost, stolen, or damaged card must acquire a new card and pay any fees, as indicated in Section 4.6.1 of this document. For a cardholder requesting replacement of a lost, stolen, or damaged card configured for the Senior/Disabled (RTC Discount) fare category, the RTC Discount Card Program Central Processor or CSB will restore the balance from the lost, stolen, or damaged card to a replacement card. Neither the RTC Discount Card Program Central Processor nor CSB will not provide a refund of value from a lost, stolen, or damaged card.

4.2.8.1 Requesting a Transfer of Value to a Replacement Card

To request the transfer of value from a lost, damaged, or stolen registered card configured for the Adult, Youth, or Senior Citizen fare categories to a replacement, the cardholder must contact CSB or visit a Clipper® in-person customer service centers overseen by MTC to report that his/her card is lost, damaged, or stolen. CSB or the Clipper® in-person customer service center will require that the cardholder verify his/her identity prior to adding the patron's card to the hotlist and transferring the remaining value on the card to a replacement.

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

4.2.9 Card Replacement

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

If CSB or Clipper[®] in-person customer service center determines that a card has been in use for longer than a year, CSB will handle the card replacement as it would the replacement of a damaged card.

4.2.9.1 Requesting Replacement of a Card Suspected of Being Defective

To request a replacement for a card suspected of being defective, a cardholder must submit a completed replacement request form and provide his/her non-functioning Clipper[®] card to CSB or an third-party authorized by MTC to perform this function, e.g. the Clipper[®] in-person customer service centers, for testing. When requesting replacement of a non-functioning card via mail, a cardholder must provide CSB with a valid mailing address, even if the non-functioning card is unregistered.

4.2.10 Replacement of Non-Functioning Cards

4.2.10.1 Defective Cards

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

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

4.2.10.2 Other Non-Functioning Cards

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

4.2.11 Blocked Cards and Products

4.2.11.1 Blocking Value Due to Change in Eligibility for Specific Product

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

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

4.3 DISTRIBUTION

4.3.1 Loading E-cash

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

4.3.2 Minimum Value Required When Acquiring Clipper[®] Card

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

4.3.3 Autoload

4.3.3.1 Value Thresholds for Autoload

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

4.3.3.1.1 Minimum E-cash Value for Autoload

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

4.3.3.1.2 Maximum E-cash Value for Autoload

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

4.4 FARES AND PASSES

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

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

4.4.2 Expiration of Senior/Disabled (RTC Discount) Cards

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

4.4.3 Operator Employee Passes

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

4.5 CLIPPER[®] CARD REFUNDS

4.5.1 General Refund Policy

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

4.5.2 Exceptions to the General Refund Policy

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

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

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

4.5.3 Responsibility for Processing Refunds

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

4.5.4 Processing of a Refund

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

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

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

4.5.5 Refund of Value Loaded as Pre-Tax Employee Benefit

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

4.5.6 Method of Providing Refunds

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

4.6 CARDHOLDER FEES

4.6.1 Schedule of Cardholder Fees

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

The Clipper® program does not govern the fees for RTC Discount cards. The administrative fees associated with RTC Discount cards will be set by the Operators participating in the RTC Discount Card Program.

Description	Fee
Card Acquisition for Standard Adult Cards	\$3
Card Acquisition for Special/Limited Edition/Commemorative Adult Cards	TBD
Card Acquisition for Senior Citizen Card	\$0
Card Acquisition for Youth Card	\$0
Card Replacement and Balance Restoration*	\$5
Failed Autoload Authorization	\$5**
Administrative Fee for Card Refund Processing	\$5

* CSB will not assess this fee for a cardholder requesting balance restoration for the Senior/Disabled (RTC Discount) fare category.

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

4.6.2 Card Replacement and Balance Restoration Fee

Each time a patron reports a card as lost, stolen, or damaged and requests the transfer of value from the lost, stolen, or damaged card to a new card, CSB will charge a single fee covering both Card Replacement and Balance Restoration as indicated in Section 4.6.1 of this document. Transit operators will not assess this fee for a cardholder requesting balance restoration for a card configured for the Senior/Disabled (RTC Discount) fare category.

4.6.3 Transit Benefit Program Administrative Fees

Third-party transit benefit programs that enable patrons to request Clipper® value through a website interface may charge patrons up to \$2 per month when a patron arranges to purchase Clipper® value on an ongoing basis through the benefit program’s website. Neither MTC nor the transit operators are responsible for collecting this fee; revenue generated by this fee is not payable either to MTC or the transit operators.

4.6.4 Payment of Cardholder Fees

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

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

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

4.6.6 Waiving of the Cardholder Fees during Promotional Periods and/or for Marketing Purposes

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

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

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

4.7 CARDHOLDER CONFIDENTIALITY

4.7.1 Cardholder Data

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

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

4.8 DISTRIBUTION AND FARE PAYMENT DEVICE NETWORK MANAGEMENT

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

4.8.1 Daily CD

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

4.8.2 Fare-Related CD

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

4.8.3 Administrative CD

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

4.9 DATA COLLECTION AND REPORTING

4.9.1 Data Communications Links

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

4.10 CLIPPER[®] FINANCIAL SETTLEMENT AND RELATED SERVICES

4.10.1 Add Value Transactions

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

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

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

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

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

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

4.10.2 Missing Transactions

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

- Transactions stored on mobile devices that do not connect to the Clipper[®] wireless network on the day transactions occur;
- Equipment failure or destruction of devices from external causes; or

- Any other situation resulting in transaction records not being received by the CCS, either temporarily or permanently.

4.10.3 Fare Payment Transactions and the Participant Claim Fund

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

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

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

If missing transactions appear after the 21-day window has passed, they will not be included with daily settlement. The associated transaction gaps will have expired and the corresponding funds will be in the PCF. These funds will no longer be available for daily settlement, and the funds will be disbursed in accordance with Section 4.10.4.

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

4.10.4 Disbursement of the Participant Claim Fund

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

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

PCF disbursement is based on the following sequential process.

a. Settle all valid operator-based claims against the PCF

Operator-based claims provide a means to recover value if either a complete loss of Clipper® data has occurred or an operator experiences a significant single-day data discrepancy between transaction and audit register data. It is not anticipated that operator-based claims will be filed frequently. See Section 4.10.5 for a detailed description of operator-based claims.

b. Settle all system-based claims - balance discrepancies between audit register and transaction data

System-based claims will account for net discrepancies between the aggregate e-cash fare payment value recorded by device audit registers and the aggregate e-cash fare payment value settled through transaction data. CSB will calculate the net system-based claim to be credited or debited to each operator, as appropriate, according to the following formula:

$$(\$ \text{ Value of Audit Register}) - (\$ \text{ Value of Transaction Data}) = \text{Credit/Debit to Transit Operator}$$

c. Disbursement of remaining PCF value

After funds have been distributed from the PCF in accordance with Steps 1 and 2 above, any remaining value will be split among the operators based on the percentage of total e-cash business borne by each operator for that period, in accordance with the revenue allocation policies set forth in the *Clipper® Memorandum of Understanding*:

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

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

a. PCF Settlement Process

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

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

4.10.5 Claims

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

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

4.10.6 Operator-Based Claims Against the Participant Claim Fund

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

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

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

4.10.6.1 Claims Processing

Claims will be processed as follows:

- a. Operator files a claim with MTC.
- b. MTC reviews the claim and then forwards it to CSB.
- c. CSB investigates claim. If necessary, CSB may request additional documentation or assistance from the operator.
- d. If the claim is substantiated, CSB settles funds.
- e. If the claim is not substantiated, CSB advises operator.

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

4.10.7 Adjustments

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

4.10.8 Disputes

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

4.11 MARKETING

4.11.1 Card Design Features

All Clipper[®] cards, with the exception of limited use cards, shall contain the following basic elements:

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

Other elements that may be included are as follows:

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

4.11.1.1 Limited Use Tickets

Clipper[®] limited use tickets shall contain the following basic elements:

- a. A unique serial number; and
- b. The Clipper[®] logo.

4.11.2 Card Giveaway Promotions

To promote the availability of Clipper[®] and encourage use of the Clipper[®] card, MTC shall set aside up to 80,623 Clipper[®] cards for use as part of marketing promotions. The promotions may include waiving of the cardholder fees described in Section 4.6.1. The 80,623 cards shall be divided among the Operators as shown below with the expectation that each agency will use its allotment of Clipper[®] cards to encourage use of Clipper[®] in its service area. The number of cards available for use as part of marketing promotions does not include cards distributed to patrons at no charge in accordance with Section 4.6.5.

Agency	Number of Clipper [®] Cards Available for Marketing Promotions ²	
	Previous Allocation	Updated 2011 Allocation
AC Transit	25,250	0
BART	40,361	39,361
Caltrain	2,900	0
Golden Gate Transit	100	0
SamTrans	6,990	0
San Francisco MTA	49,500	0
VTA	19,429	18,859
Other Operators	9,632	9,632
Additional Cards for Future Needs	12,771	12,771
Total	176,933	80,623

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

² The TransLink[®] Phase II Operating Rules allowed for a total of 225,000 cards to be available for use as part of marketing promotions. Prior to June 1, 2011, operators distributed cards as part of marketing promotions that reduced the total number of cards available to 80,623.

5. GLOSSARY OF TERMS

ACH

See Automated Clearinghouse.

ADD VALUE MACHINE

A distribution device that enables cardholders to both load value to a Clipper[®] card and check the balance of a Clipper[®] card.

ADJUSTMENT

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

APPLICATION ISSUER

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

AUTOLOAD

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

AUTOMATED CLEARINGHOUSE

The process by which funds are moved between participants in the Clipper[®] Program (see Funds Movement).

AVM

See Add Value Machine.

BALANCE RESTORATION

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

BLOCKED CARD

A card that is rendered inactive by the Clipper[®] Service Bureau. To block a card, the Clipper[®] Service Bureau will add the card to the Hotlist.

CARD

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

CARD DISTRIBUTION

The process of moving Clipper[®] cards from Issuers to card distributors and from card distributors to cardholders.

CARD DISTRIBUTOR

A transit operator or third-party that vends Clipper[®] cards.

CARDHOLDER

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

CARD ISSUER

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

CARD INTERFACE DEVICE (CID)

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

CCS

See Clipper[®] Central System.

CD

See Configuration Data.

CERTIFIED OPERATOR PERSONNEL

Those who have successfully completed the Clipper[®] Contractor training program delivered by the Clipper[®] Contractor and/or operator trainers.

CID

See Card Interface Device.

CLAIM

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

CLIPPER[®] CENTRAL SYSTEM (CCS)

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

CLIPPER[®] CONTRACTOR

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

CLIPPER[®] SERVICE BUREAU (CSB)

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

CONFIGURATION DATA (CD)

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

DAMAGED CARD

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

DATA COLLECTION

The process of moving the data captured at the point-of-use to the Clipper[®] Central System.

DATA RECONCILIATION

The process of checking Clipper[®] records for accuracy.

DEFECTIVE CARDS

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

DISTRIBUTION DEVICE

The general term for terminals and devices for both vending of Clipper[®] cards and the loading of Clipper[®] cards. Distribution devices include attended and unattended terminals.

DISTRIBUTOR

A general term that refers to any party that either vends Clipper[®] cards or provides value loads.

ELECTRONIC CASH (E-CASH)

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

EMPLOYER PROGRAMS

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

FIRST LINE MAINTENANCE

This level of maintenance includes:

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

FUNDS MOVEMENT

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

FUNDS POOL

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

INSTITUTIONAL PROGRAMS

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

LOAD

The function of adding e-cash, a period pass, or a number of stored rides to a Clipper[®] card.

METROPOLITAN TRANSPORTATION COMMISSION (MTC)

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

OPERATOR

Transit agency participating in Clipper[®].

PERSONALIZED CARD

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

PERSONALLY IDENTIFIABLE INFORMATION

Personally identifiable information ("PII") is any information that is collected or maintained by a transit operator that identifies or describes a person or can be directly linked to a specific individual, including that individual's account. Examples of PII include name, address, phone or

fax number, signature, date of birth, Clipper[®] account number, and travel pattern data (i.e. a registered user's travel routes and times traveled).

REGISTERED CARD

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

SETTLEMENT

The process of determining the funds between participants in the Clipper[®] program.

STORED RIDE

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

THIRD PARTY DISTRIBUTOR

Any party other than a transit operator and the Contractor that acts as a Clipper[®] distributor.

TICKET OFFICE TERMINAL (TOT)

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

UD

See usage data.

UNREGISTERED CARD

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

USAGE DATA (UD)

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

6. ATTACHMENT 1

6.1.1 Special Conditions Regarding Personally Identifiable Information:

Operator will have access to personally identifiable information (“PII”) in connection with the performance of its Clipper[®] Program responsibilities and activities. PII is any information that is collected or maintained by Operator that identifies or describes a person or can be directly linked to a specific individual, including that individual’s account. Examples of PII include name, address, phone or fax number, signature, date of birth, Clipper[®] card serial number, or travel pattern data (i.e., a registered user’s travel routes and times travelled). The following special conditions relate to the confidentiality and use of Clipper[®]-related PII by Operator

1. Right to Audit

Operator shall permit MTC and its authorized representatives to audit and inspect: (i) Operator’s facilities where PII is stored or maintained; (ii) any computerized systems used to share, disseminate or otherwise exchange PII; and (iii) Operator’s security practices and procedures, data protection, business continuity and recovery facilities, resources, plans and procedures.

2. General Confidentiality of PII

All PII made available to or independently obtained by an operator in connection with the Clipper[®] Program shall be protected by Operator from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to MTC in its privacy policy (Executive Director’s Management Memorandum No. 323). This includes, but is not limited to, the secure transport, transmission and storage of data used or acquired in the performance of Operator’s responsibilities and activities for the Clipper[®] Program.

Operator agrees to properly secure and maintain any computer systems (hardware and software applications) that it will use in the performance of its Clipper[®] Program responsibilities and activities. This includes ensuring all security patches, upgrades, and anti-virus updates are applied as Operator deems appropriate to secure PII that may be used, transmitted, or stored on such systems in the performance of Operator’s Clipper[®] Program responsibilities and activities.

Operator agrees to retain the PII of a Clipper[®] customer for no longer than four years and six months after the customer’s account is closed or terminated. At the conclusion of this retention period, Operator agrees to use Department of Defense (“DoD”) approved software to wipe any disks containing PII. Hard drives and computers shall be reformatted and reimaged in an equivalently secure fashion. Operator agrees to destroy hard-copy documents containing PII by means of a cross-cut shredding machine.

4. Compliance with Statutes and Regulations

Operator agrees to comply with the information handling and confidentiality requirements outlined in the California Information Practices Act (Civil Code sections 1798 *et.seq.*). In

addition, Operator warrants and certifies that in the performance of its responsibilities and activities for the Clipper® Program, it will comply with all applicable statutes, rules, regulations and orders of the United States, the State of California, and MTC relating to the handling and confidentiality of PII and agrees to indemnify MTC against any loss, cost, damage or liability by reason of Operator's violation of this provision.

4. Consultants/Contractors

MTC approval in writing is required prior to any disclosure by Operator of PII to a consultant/contractor or prior to any work to be done by consultant/contractor that entails receipt of PII. Once approved, Operator agrees to require such consultant/contractor to sign an agreement in substantially identical terms as this attachment, binding the consultant/contractor to comply with its provisions.

5. Operator Guarantees

Operator shall not, except as authorized or required by its duties by law, reveal or divulge to any person or entity any PII which becomes known to it in connection with the Clipper® Program.

Operator shall keep all PII entrusted to it completely secret and shall not use or attempt to use any such information in any manner inconsistent with or not contemplated by these Operating Rules.

Operator shall comply, and shall cause its employees, representatives, agents and contractors/consultants to comply, with such directions as MTC may make to ensure the safeguarding or confidentiality of all its resources.

If requested by MTC, Operator shall sign an information security and confidentiality agreement provided by MTC and attest that its employees, representatives, agents, and contractors involved in the performance of its responsibilities and activities in connection with the Clipper® Program shall be bound by terms of a confidentiality agreement with Operator substantially the same in its terms.

6. Notice of Security Breach

Operator shall immediately notify MTC when it discovers that there may have been a breach in security which has or may have resulted in compromise to PII. For purposes of this section, immediately is defined as within two hours of discovery. The MTC contact for such notification is as follows:

Privacy Officer
privacyofficer@mtc.ca.gov
(510) 817-5700