Next Generation Clipper System Operating Rules – Access Test

MTC Resolution No. 3983, Revised February 2026

TABLE OF CONTENTS

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, adopted June 27, 2012, 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.
6. MTC adopts Resolution No. 3983, Revised, on October 28, 2015, delegating authority to make changes in the Clipper Operating Rules to the Clipper Executive Board.
7. Operating Rules update approved by Clipper Executive Board on January 25, 2021.
8. Operating Rules update approved by Clipper Executive Board on September 20, 2021.
9. Operating Rules updated for the Next Generation Clipper System and approved by Clipper Executive Board on (insert date).

1. INTRODUCTION

1.1 CLIPPER OVERVIEW

Clipper® was cooperatively developed and implemented by the transit operators ("Operators") in the nine-county San Francisco Bay Area and the Metropolitan Transportation Commission ("MTC"). Clipper can be used for fare payment on all transit modes offered by the Operators in the Bay Area ("the Region"), including both inter-operator and intra-operator services.

MTC is the Clipper Program Contracting Agency responsible for managing and administering the Clipper Program on behalf of the participating Operators under the terms of the 2022 Amended and Restated Clipper Memorandum of Understanding ("MOU") entered into in October 2022. MTC works in close cooperation with the Operators that accept Clipper for fare payment through a Clipper Executive Board that establishes policy and priorities for the Clipper Program and approves certain contracts. As the Clipper Contracting Agency under the MOU, MTC has contracts with the System Integrator Contractor, Cubic Transportation Systems, Inc., ("System Integrator Contractor") as well as other Contractors ("Clipper Contractors") to design, build, operate, and maintain the Next Generation Clipper system.

This document was updated to capture the changes in technology and policy associated with the launch of the Next Generation Clipper System.

1.2 PURPOSE OF THIS DOCUMENT

These operating rules establish operating policies and procedures for the operation and maintenance of the Clipper System. This document identifies 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 2022 Amended and Restated Clipper Memorandum of Understanding ("MOU") or the Clipper Contracts, the MOU or Contracts, respectively, shall prevail.

2. MTC RIGHTS AND RESPONSIBILITIES

2.1 CLIPPER APPLICATION OWNER AND CARD ISSUANCE AUTHORIZER

MTC is the owner of the Clipper software (also hereinafter referred to as "Clipper Application") and brand, including related brands such as Clipper START(SM), Clipper Access and Clipper BayPass. As the software owner, MTC is the Application Issuer of the Clipper Application and retains the right to issue cards and to formally approve Card Issuers to issue cards with the Clipper Application. Regardless of which party issues the Clipper card. MTC reserves the right to determine what services and entities are authorized to use Clipper.

2.1.1 CLIPPER ACCESS ADMINISTRATION, MANAGEMENT, AND OPERATION

MTC shall, subject to the policy direction of the Clipper Executive Board, manage the Clipper Access medical verifier, manage the distribution of Clipper cards configured for the Clipper Access fare category (including second cards for Customers who qualify to travel with an attendant), and otherwise administer, manage and operate the Clipper Access program.

2.1.2 CLIPPER BAYPASS ADMINISTRATION, MANAGEMENT AND OPERATION

MTC shall, subject to the policy direction of the Clipper Executive Board, manage the distribution of Clipper cards configured for the Clipper BayPass and otherwise administer, manage and operate the Clipper BayPass.

For use cases where BayPass is approved for non-BayPass purposes, such as a short term pass, a special events, or for non-institutional sales, it will be referred to as the Events Pass.

2.2 CARD BASE MANAGEMENT

2.2.1 CLIPPER CARD INVENTORY

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

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.

2.3.1 MINIMUM VALUE REQUIRED WHEN ACQUIRING CLIPPER CARD

MTC may establish temporary or permanent policies whereby a Customer shall be required to load a minimum amount of value when acquiring Clipper Fare Media.

2.4 CUSTOMER FEES

2.4.1 SETTING CUSTOMER FEES

As the Application Issuer of the Clipper Application, MTC shall have the right to set, modify and/or waive the Customer fees identified in Section 4.5.1.

2.5 CUSTOMER CONFIDENTIALITY

2.5.1 CONFIDENTIALITY OF INFORMATION

MTC shall ensure that the Clipper Contractors maintains the confidentiality and privacy on the use of individual cards unless waived by a Customer 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 and their contractors shall comply.

2.6 SYSTEM FAILURE PLAN

Responsibility for Reviewing and Approving the Disaster Recovery Plan MTC shall review the disaster recovery plans and provide comments to the System Integrator Contractor. MTC is responsible for either approving or rejecting its plans and subsequent updates.

2.7 CLIPPER FINANCIAL SETTLEMENT AND RELATED SERVICES

2.7.1 FUNDS POOL ACCOUNTING

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 4.5.1 of this document, by Operators or third party distributors;
- The amount of funds held as float funds; and
- The amount of funds generated from the investment of the Funds Pool.
- MTC 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. MTC will send quarterly reminders to Operators to request additional Customer educational materials when needed. 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.

2.8.1 UPDATES TO CUSTOMER EDUCATION MATERIALS

MTC shall update Customer education materials including Customer education materials in alternate formats and foreign languages to reflect changes in the availability of Clipper, modifications to the fees described in Section 4.5.1, and changes to the Clipper Customer Agreement (https://www.clippercard.com/ClipperWeb/agreement.html).

2.8.2 CARD GRAPHICS

All Clipper cards and paper Clipper tickets shall conform to a common design standard. MTC shall finalize the graphics standard(s) and publish them in the Clipper Brand Standards Guide available at https://www.clippercard.com/ClipperWeb/brand-guidelines.html.

2.8.3 ADVERTISING AND PROMOTION GENERAL POLICY

MTC in coordination with the Operators shall coordinate the development of advertising to support the operation of the Clipper program.

2.8.4 CARD GIVEAWAY PROMOTIONS

MTC, at its discretion, shall allow and monitor card giveaway promotions and the number of cards distributed by Operators.

3. OPERATOR RESPONSIBILITIES

3.1 ACCEPTANCE AND CONDITIONS OF USE

3.1.1 ACCEPTANCE OF CLIPPER BRANDED CARDS

All Operators are obligated to accept all Clipper Fare Media, regardless of the issuer. Operators shall accept Clipper Fare Media 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 plastic cards that are determined to be used fraudulently. Operators must mail confiscated plastic cards to the Customer Service Center ("CSC"), which will block the card from further use. A fraud investigation may be initiated by an Operator, MTC or the Clipper Contractors. Operators are required to cooperate with any investigation of fraud undertaken by MTC and/or Clipper Contractors.

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 unissued cards through the Maintenance Management Portal and issued cards ready for use through the Institutional and Transit Benefits (ITB) Portal.

3.2.2.1 CLIPPER PAPER TICKET ORDERS

Operators shall coordinate with MTC on any paper ticket orders to enable their use on the Clipper Fare Payment System (FPS). This may include coordination for the assignment of card serial numbers, adherence to the paper ticket design specifications, and execution of non-disclosure agreements between the System Integrator Contractor and Operator vendors.

3.2.2 OPERATOR RESPONSIBILITY FOR LOST OR STOLEN CLIPPER CARDS

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

3.2.3 MANAGEMENT OF CARDS DISTRIBUTED TO INSTITUTIONAL PROGRAM PARTICIPANTS

The Operator or third-party institutional program manager shall monitor the eligibility status of persons with Institutional Passes and use the Clipper ITB Portal to remove the member and their linked Transit Account from the institutional program in order to block further use of the Institutional Pass for those who are ineligible.

3.3 DISTRIBUTION

3.3.1 CARD DISTRIBUTION BY OPERATORS

Operators shall be responsible for distributing Youth, Senior and Adult Clipper cards to their Customers. Operators shall distribute cards at ticket offices that have been equipped with a Customer Service Terminal (CST). Operators may also distribute cards at other locations approved by MTC.

3.3.2 COLLECTION OF CASH FROM DISTRIBUTORS AND VENDING MACHINES

The Clipper Contractor will debit Operators for plastic Clipper cards, Cash Value and other Operators' products sold on their properties.

3.3.4 DISTRIBUTION OF CARDS TO OPERATOR EMPLOYEES

Operators shall be responsible for making cards and passes available to their employees, the dependents of their employees, retirees, board members, consultants, and others, as determined by individual Operator policies. Operators shall monitor the eligibility status of persons with cards with operator employee passes and use the Clipper ITB Portal to remove the member and their linked Card Serial Number from the institutional program in order to block further use of the Institutional Pass for those who are ineligible. When a Customer 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, Clipper Access or Clipper Access card, as applicable to the Customer.

3.3.5 PROOF OF ELIGIBILITY FOR YOUTH AND SENIOR DISCOUNT FARES

When a Customer requests a card configured for the Youth or Senior Citizen fare category, transit operator personnel shall require the Customer to present government issued identification showing the Customer'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 Operator personnel determine to be adequate for determining the Customer's date of birth, such as a health insurance program identification card.

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.

3.3.6 CARD REGISTRATION AT TRANSIT OPERATOR STAFFED LOCATIONS

Operators shall register Customers' Clipper cards at ticket offices equipped with a CST. Operators shall immediately register the Customers' cards upon receipt of the Customers' information.

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 and Business Rules, acting singly for services within that Operator's property and in conjunction with contiguous Operators for inter-Operator fares.

3.4.2 BUSINESS RULES AND FARE TABLE CHANGES

Operators are responsible for reviewing and updating, as needed, their Business Rules and fare tables. Operators shall request fare table and Business Rules changes through the System Integrator Contractor provided Maintenance Management Portal at least 90 days prior to the required date of change, and notify MTC of the changes. Operators should allow more than 90 days for significant or structural changes to Operator Business Rules.

3.4.3 BUSINESS RULE CHANGE MANAGEMENT

After the System Integrator Contractor completes internal testing of a pending Business Rules or fare change release, MTC shall coordinate with the System Integrator Contractor and Operators to schedule time for MTC and/or the Operators to witness testing of the release as needed.

3.5 CLIPPER CARD REFUNDS

3.5.1 OPERATOR PRODUCTS

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

Operators shall provide authorization to the Clipper CSC to grant or deny a refund of Cash Value and/or an Operator pass at their discretion up to limits specified by the Operator. Operators shall provide authorization to the CSC within 30 days. Beyond these limits, the Clipper CSC will grant or deny refunds after consultation with designated personnel from the affected Operator.

3.5.2 IDENTIFICATION OF DESIGNATED OPERATOR PERSONNEL AUTHORIZED TO APPROVE REFUNDS

Each Operator shall identify at least two representatives authorized to provide approval for the granting of refunds by the CSC Customer Manager where the refund affects the amount due to a respective Operator.

3.5.3 REFUNDS AT OPERATOR TICKET OFFICES

The transit operator ticket offices, using the CST, shall provide Clipper card refunds. These refunds are limited to only the last transaction on the Clipper card, and for products and/or cash value that has not been used since the purchase.

3.6 DISTRIBUTION AND FARE PAYMENT DEVICE NETWORK MANAGEMENT

3.6.1 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.

3.6.2 REPORTING TO THE CLIPPER FARE PAYMENT SYSTEM

All Clipper transactions shall be reported to the Clipper Fare Payment System (“FPS”). Where Operators manage devices, Operators shall ensure that those devices report all transactions to the FPS.

3.6.3 SOFTWARE APPLICATION UPDATES

Operators shall ensure that devices are powered on to enable transaction reporting and software updates. Operators shall cooperate with the System Integrator Contractor and perform first- line maintenance if requested by the System Integrator Contractor as part of the troubleshooting process.

3.6.4 NOTIFICATION OF ISSUES FOLLOWING SOFTWARE UPDATES

Operators shall immediately notify the System Integrator Contractor of any problems arising from a software update.

3.7 CLIPPER ASSET MANAGEMENT SERVICES

3.7.1 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 System Integrator Contractor shall be responsible for software installation at all levels of the system.

3.7.2 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.

3.8 TECHNICAL SUPPORT AND MAINTENANCE LEVELS

3.8.1 RESPONSIBILITY FOR FAILURE DETECTION

Operators, as well as the System Integrator Contractor and MTC, shall be responsible for reporting device failures and events that could indicate a failure affecting the Clipper Fare Payment System.

3.8.2 OPERATION AND MAINTENANCE OF CLIPPER EQUIPMENT

All 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:

- Managing the inventory of spare components stored on each Operator's property;
- Isolating failed Clipper readers and components and replace with spares;
- Returning failed On-Board Validators ("OBVs") and components to the System Integrator Contractor for replacement;
- Revenue servicing CSTs, Add Fare Machines ("AFMs") and Ticket Vending Machines ("TVMs");
- Maintaining inventory of Clipper cards and paper Clipper tickets in TVMs;
- Performing fingertip maintenance; and
- Operating Clipper equipment (e.g., Operator Console Unit (OCUs), CSTs, Fair Inspection Mobile Payment Solutions ("FIMPS"), Stand Alone Validators ("SAVs"), etc. as required.

3.8.3 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 System Integrator Contractor. Operator staff will be responsible for first-line maintenance, which includes preventive maintenance and depot maintenance item diagnosis, removal and installation. The System Integrator Contractor shall be responsible for the overall depot maintenance program and on-call maintenance when escalated beyond the Operator's handling of the situation.

3.8.4 MAINTENANCE RESPONSIBILITIES BY DEVICE

Operators are responsible for first line maintenance for the following devices:

- On-Board Validators (OBVs)
- Stand-Alone Validators (SAVs)
- Faregate Validators
- Fare Inspection Mobile Payment Solution (FIMPS)
- Customer Service Terminals (CSTs)
- Clipper Ticket Vending Machines (TVMs)

3.8.4.2 EQUIPMENT END OF LIFE

Operators are responsible for purchasing replacements for equipment that is lost or damaged.

3.9 DATA COMMUNICATIONS AND REPORTING

3.9.1 DATA COMMUNICATIONS LINKS

Operators share responsibility with the System Integrator 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 Clipper FPS in accordance with message and data format and security standards as defined by the System Integrator Contractor.

3.10 CLIPPER FINANCIAL SETTLEMENT AND RELATED SERVICES

3.10.1 ESTABLISHMENT OF SETTLEMENT ACCOUNTS

Each Operator shall establish bank accounts and account agreements with the System Integrator Contractor to enable their participation in the settlement process.

3.10.2 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.

3.10.3 COLLECTION OF CASH FROM DISTRIBUTORS AND VENDING MACHINES

Distributors, including Operators, will be debited for Clipper Cash Value, plastic Clipper cards, and other Operators' passes 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 Operators, cash shortfalls or overages shall be the responsibility of the Operators.

3.11 MARKETING

3.11.1GENERAL RESPONSIBILITY

Operators shall promote the use of Clipper cards to their respective Customers. Operators shall provide Clipper information in multiple languages, per their Title VI requirements.

3.11.2 RESPONSIBILITY FOR MAINTAINING INVENTORY OF CUSTOMER EDUCATION MATERIALS

Operators shall maintain a sufficient inventory of Customer education materials at locations that they operate. When needed, Operators shall request additional Customer education materials from MTC, per the quarterly schedule as described in Section 2.8.1.

3.11.3 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. All cards must have the Clipper logo, and MTC must approve all card designs per the Clipper Brand Guidelines.

3.11.4 PROMOTIONAL OFFERS

Any Operator that wishes to offer promotional discounts on their fares or passes can do so through the Promotions Portal. Operators shall allow MTC staff at least two weeks to review and approve promotional offers. Operators are solely responsible for both funding the promotion as well as the parameters set for the promotion, including start and end date, type of discount, time of day or routes for which the promotion is applicable, as well as the Customer group in which the offer is sent to. Operators are responsible for managing any reporting needs on said promotions through reporting tools provided by the System Integrator Contractor. MTC will review a promotional offer prior to setting it live, but MTC is not responsible for the performance of the promotion or parameters set.

3.12 CUSTOMER SERVICES

3.12.1 COORDINATION BETWEEN THE CLIPPER CUSTOMER SERVICE CONTRACTOR AND TRANSIT OPERATOR CUSTOMER SERVICE CENTERS

Operators shall work cooperatively with the Clipper Customer Service Contractor to resolve Customer service issues.

3.13 PERSONALLY IDENTIFIABLE INFORMATION

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, as amended from time to time by MTC due to changes in applicable law or regulation.

4. SYSTEM POLICIES

4.1 ACCEPTANCE AND CONDITIONS OF USE

4.1.1 CONDITIONS OF USE

A Customer, 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 and with the Clipper Customer Agreement (https://www.clippercard.com/ClipperWeb/agreement.html). Upon distribution, a card may be used in accordance with these conditions by a Customer 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, is transferable, and it is valid for use by the bearer. Registered cards, as defined in Section 4.2.2, and personalized cards, as defined in Section 4.2.5, 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 for transit services by deduction of Cash Value 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:

- Cash Value balance upon entry is insufficient to pay the fare;
- Cash Value balance upon entry has a negative value;
- The pass and/or stored rides on the Clipper card have expired;
- The BART High-value Discount balance is lower than the fare for the least expensive one way trip on BART;
- Clipper card is expired;
- Upon request by Operator personnel, the Customer cannot verify eligibility for a discount fare enabled by their card;
- The Customer is attempting to use a card fraudulently;
- Clipper card has been blocked from the system; or
- 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 Customers a free ride. Operators may submit a claim for a loss of transit operator fare revenue due to card reader failure as a result of performance by the System Integrator Contractor or failure of the Next Generation system per Section 4.7.2 of this document.

4.2 CARD BASE MANAGEMENT

4.2.1 EXPIRATION OF CLIPPER CARDS

Clipper cards configured for the Adult, Youth and Senior fare categories will have a programmed expiration date but Customers shall be able to transfer value from an expired card to a replacement card. Certain Clipper Access Cards shall expire in accordance with the policies established by the Clipper Access program.

4.2.2 REGISTERED CARDS

Registered cards are Clipper Cards associated with a Clipper Customer Account. The Customer, at their discretion, is responsible for registering their Clipper card online, in person at an in-person Customer service center, or by calling the CSC, in order to receive the benefits listed below.

A Customer must register their card to:

- Receive the card via mail;
- Utilize optional features such as Balance Restoration and Auto-Reload,
- Receive a refund of any confirmed remaining Cash Value on their card;

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.

4.2.2.1 INFORMATION REQUIRED FOR CARD REGISTRATION

To register a card, a Customer must provide their name, a mailing address and a telephone number. Customers may submit this information to the Clipper CSC through clippercard.com or the Clipper mobile app, via telephone; at an Operator ticket office or Clipper in-person Customer service center equipped with a CST; or a location that accepts the Clipper Youth and Senior Card application or the Clipper Access application. Where a Customer registers a card through clippercard.com or the Clipper mobile app, the Customer must provide an e-mail address.

4.2.2.2 AVAILABILITY OF REGISTERED CARDS CONFIGURED FOR THE ADULT FARE CATEGORY

A Customer may acquire a registered card configured for the Adult Fare Category directly through the Clipper website or Clipper mobile app, by calling Clipper Customer Service, or by visiting an Operator ticket office or Clipper in-person Customer service center equipped with a CST. A Customer with an unregistered Adult card can register it at any time through the previously listed channels by providing the information described in Section 4.2.2.1.

4.2.2.3 AVAILABILITY OF REGISTERED CARDS CONFIGURED FOR THE SENIOR FARE CATEGORY

To pay discount fares based on age, a senior citizen may acquire a Clipper card configured for the Senior fare category. A senior citizen may apply for and receive a card upon submission of a qualifying application at: an 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 CSTs, but which have agreed to the provisions in Attachment 1; 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 3.3.5; or by applying online at clippercard.com. Seniors applying for senior Clipper cards must be present and show valid identification verifying they meet the minimum age requirement.

Operator ticket offices may select from two options that provide a senior Clipper card to the Customer immediately upon submission of a qualifying application: (1) The CST option requires Operator verification of the eligibility of the date of birth, entering the applicant information into the CST directly, and providing a registered card to the Customer. (2) At MTC's discretion, MTC could support the pre- initialized card issuance option as needed, based on accessibility or equity priority community needs. This option requires the Customer's application be sent to the Clipper CSC for registration.

4.2.2.4 AVAILABILITY OF REGISTERED CARDS CONFIGURED FOR THE YOUTH FARE CATEGORY

A youth, or their representative, may apply for a Clipper card encoded with their birth date at Operator ticket offices; at in-person Customer service centers overseen by MTC and equipped with CSTs; by mail or email; online at clippercard.com; or at a location operated by a third party operating under a written agreement with MTC or an Operator where the written agreement includes the provisions of Attachment 1. Operators and in-person Customer service centers will provide Clipper youth cards on-site upon receipt of qualifying applications and verification of age eligibility.

The Clipper CSC and Fare Card Fulfillment contractor may only fulfill requests for new youth cards if the request is made by:

- An approved Operator personnel;
- An entity authorized by the Operators to receive, review, and approve requests for youth cards (e.g., a school);
- In-person Customer service center personnel;
- Mail or email using an MTC-approved card application form and accompanied by copies of documentation that indicates proof of eligibility in accordance with Section 3.3.5; or
- Submitting an application online at clippercard.com.

4.2.2.5 TRACKING OF YOUTH AND SENIOR CLIPPER CARDS

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

- Name of the Customer for whom the card is being encoded;
- Date of birth;
- The address of the Customer for whom the card is being encoded; and
- The type and complete serial number of the document presented as proof of eligibility.

4.2.3 CONVERTING AN UNREGISTERED CARD TO A REGISTERED CARD

A Customer may convert an unregistered card to a registered card through the recording of the Customer's personal information as described in Section 4.2.2.1.

4.2.4 PROOF OF ELIGIBILITY FOR DISCOUNT FARES OR INSTITUTIONAL PROGRAMS

Operators may establish additional requirements for managing programs that offer access to Institutional Passes or discounted fares and passes, subject to the approval of MTC. These requirements may include the submission of documentation related to income or status as a student, veteran or other qualifying status, as well as the limitation of specific products that are not available for Customers to purchase directly through Clipper distribution channels to personalized cards.

Per the requirements of the Clipper Access program, persons with disabilities seeking a Clipper Access card must demonstrate their eligibility for discounts by submitting a complete Clipper Access application to an Operator, which forwards the applications to Clipper Access program medical verifier.

- Proof of eligibility may include the following:
- Veteran's Letter containing VA claim number
- Medicare Card containing Medicare number
- DMV Placard Registration Receipt containing DMV placard number
- ADA-Paratransit Certification showing ADA-Paratransit number
- Disability Card from another transit agency

Per the requirements of the Clipper START program, persons must demonstrate their eligibility for discounts based on required income levels by submitting a complete Clipper START application through clipperstartcard.com. Proof of eligibility includes proof of identity and income. The following documentation is accepted as proof of eligibility:

- Identity
  - Driver's license
  - State issued ID
  - Passport
  - Permanent resident card
  - US Military ID
  - Matricula Cnsular card
  - City ID card
- Income
  - CalFresh/EBT card
  - Medi-Cal card
  - Tax documents
  - County Benefits Eligibility Letter

The personally identifiable information included in the eligibility documents listed above may also be collected as part of the application process for both Clipper Access and Clipper START.

Customers who obtain a Clipper card that offers access to Institutional Passes or discounted fares and passes must be prepared to show proof of eligibility if requested by Operator personnel.

4.2.5 PERSONALIZED CARDS

All plastic cards configured for the Clipper Access program will be personalized. A Customer may be required to personalize their card:

- To participate in certain employer benefit, institutional or discounted fare programs; and
- To utilize an Operator employee pass.

4.2.5.1 INFORMATION REQUIRED FOR CARD PERSONALIZATION

The information that appears on a personalized card depends on an Operator’s or program’s requirements, subject to the approval of MTC. A Customer requesting a card configured for the Clipper Access program must provide all information required by the policies of the program. For other personalized cards, a Customer may be required to provide their name, contact information, proof of eligibility for a discount, a photograph, and/or an employee identification number. A Customer seeking to qualify for a card that enables payment of discount fare must prove the accuracy of their personal information according to the policies of the specific discount for which the Customer is seeking to qualify.

4.2.5.2 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, Operator, or institution may process requests for personalized cards, though the actual distribution of a personalized card may be through the Clipper Contractors.

4.2.5.3 AVAILABILITY OF CARDS CONFIGURED FOR THE CLIPPER ACCESS PROGRAM

In accordance with the policies of the Clipper Access program, Customers will submit applications through Operator ticket offices or through the mail for card renewals. The Clipper Access medical verifier will be responsible for processing applications and verifying the eligibility of applicants for the program. The System Integrator Contractor will distribute the cards directly to Customers.

Customers who qualify for the Clipper Access program and who qualify to travel with an attendant may request a second card for use by the attendant. The attendant will also receive the discount when traveling with the eligible Customer.

4.2.5.4 AVAILABILITY OF CARDS CONFIGURED FOR THE CLIPPER START PROGRAM

In accordance with the policies of the Clipper START Program, Customers will submit applications on clipperstartcard.com. The START verifier will be responsible for processing applications and verifying the eligibility of applicants for the program.

4.2.6 BALANCE RESTORATION

A Customer who registers their card in accordance with Section 4.2.2. may use the Balance Restoration feature to obtain a replacement of any confirmed remaining value on their card if they report their card as lost, damaged, or stolen. A Customer 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 4.5.1 of this document.

The Clipper CSC can only process balance restorations for registered Customers, but for Clipper Access and Clipper START Customers, MTC can leverage those program databases to complete a balance restoration even if they are not registered.

4.2.6.1 BALANCE RESTORATION FOR ADULT, YOUTH OR SENIOR CLIPPER CARDS

To request the transfer of value from a lost, damaged, or stolen registered card configured for the Adult, Youth, or Senior card types to a replacement, the Customer must contact the Clipper CSC or visit a Clipper in-person Customer service center to report that the card is lost, damaged, or stolen. The Clipper CSC or the Clipper in-person Customer service center will require that the Customer verify the registered card account details prior to issuing a replacement with the balance restored.

4.2.6.2 BALANCE RESTORATION FOR CLIPPER ACCESS CARDS

A Customer requesting replacement of a card configured for the Clipper Access program must request a replacement card in accordance with the rules established by the program. A Customer requesting replacements of a card configured for the Clipper Access program will receive a replacement card with any remaining value from the lost, stolen, or damaged card.

Eligibility for certain Clipper Access Cards must be renewed periodically. Clipper Access Cards that are subject to periodic renewal shall be encoded with an expiration date in accordance with the policies of the Clipper Access program so that the bearer may only use the card until 11:59 p.m. on that date. A Clipper Access Customer may transfer the Cash Value from an expired card to a valid replacement card.

4.2.6.3 BALANCE RESTORATION FOR CLIPPER START CARDS

A Customer requesting replacement of a card configured for the Clipper START program must request a replacement card in accordance with the rules established by the program.

4.2.7 CARD REPLACEMENT

The Customer holds the card at their own risk. If a plastic Clipper card malfunctions due to no fault of the Customer within six months of the Customer first using the card, the Customer may obtain a replacement card and transfer any confirmed remaining value (e.g., Cash Value, transit passes, stored rides, and/or BART High-value Discount) to the replacement card at no cost to the Customer.

If the Clipper CSC or Clipper in-person Customer service center determines that a card has been in use for longer than six months, the CSC or Clipper in-person Customer service center will handle the card replacement as it would the replacement of a damaged card.

4.2.7.1 REQUESTING REPLACEMENT OF A CARD SUSPECTED OF BEING DEFECTIVE

To request a replacement for a card suspected of being defective, a Customer must submit a completed Defective Card Form and provide their non-functioning Clipper card to the Clipper CSC or a 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 Customer must provide the CSC with a valid mailing address, even if the non-functioning card is unregistered.

4.3 DISTRIBUTION

4.3.1 LOADING CASH VALUE

A Clipper card has both refundable and non-refundable balances.

The non-refundable balances include:

- Pre-tax transit value (maximum balance allowed $799)
- BART High-value Discount
- Loyalty
- Parking

The refundable balance includes:

- Cash Value (maximum balance allowed $400)

4.3.2 MINIMUM VALUE REQUIRED WHEN ACQUIRING CLIPPER CARD

As indicated in Section 2.3.1, MTC may establish temporary or permanent policies whereby a Customer shall be required to load a minimum amount of value when acquiring a Clipper card.

4.3.2 AUTO-RELOAD

4.3.2.1 VALUE THRESHOLDS FOR AUTOLOAD

A Customer can set up Auto-Reload at a threshold of their choosing. The selected value or pass will automatically reload:

1. when the Cash Value or BART High-value Discount balance falls below $10.00;
2. weekly, if the Customer has enabled weekly Auto-Reload or
3. monthly, if the Customer has enabled monthly Auto-Reload

4.3.2.2 MINIMUM CASH VALUE FOR AUTO-RELOAD

The minimum amount of Cash Value that can be loaded via Auto-Reload is $20.00.

4.3.2.3 MAXIMUM CASH VALUE FOR AUTO-RELOAD

The maximum amount of Cash Value that can be loaded via Auto-Reload is $255.00.

4.4 CLIPPER CARD REFUNDS

4.4.1 GENERAL REFUND POLICY

A Customer with a functioning unregistered card is not entitled to a refund of their confirmed remaining Cash Value balance under any circumstances. A Customer with a registered card may request a refund of Cash Value under the condition that the card will be permanently blocked from further use. This applies to all card types.

4.4.2 EXCEPTIONS TO THE GENERAL REFUND POLICY

The following is an exception to the general refund policy described above in Section 4.4.1. The CSC Customer Service Manager will consider such exceptions on a case-by-case basis and consult with designated personnel from the affected Operator and/or distributor.

A Customer may receive a refund of Cash Value via remote add value if the system overcharges the Customer. For example, if a Customer must tap their card when exiting a vehicle/station to receive a Cash Value credit, and the system overcharges a Customer because the Clipper Card reader is not available when the Customer exits the vehicle/station.

In the above situations, a Customer may receive a refund of Cash Value via a balance adjustment. The Customer does not need to relinquish their card to receive a refund via a balance adjustment.

4.4.2.1 FARE ADJUSTMENTS

A Customer may receive a refund of Cash Value via a balance adjustment if the system overcharges the Customer. For example, if a Customer must tap their card when exiting a vehicle/station to receive a Cash Value balance adjustment, and the system overcharges a Customer because the Clipper Card reader is not available when the Customer exits the vehicle/station.

4.4.3 RESPONSIBILITY FOR PROCESSING REFUNDS

The Clipper CSC will have authorization to process a Clipper card refund. In any case where a refund will affect the funds due to an Operator, the CSC Customer Service Manager will request authorization to provide a refund from designated personnel from the affected Operator. The CSC Customer Service Manager will not need to request authorization to provide a refund of Cash Value, subject to the limitations in Sections 4.4.1 and 4.4.2 of this document.

The transit operator ticket offices, using the CST, are also authorized to process Clipper card refunds. These refunds are limited to only the last transaction on the Clipper card, and for products and/or cash value that has not been used since the purchase.

4.4.4 PROCESSING OF A REFUND

The Clipper CSC will only provide a refund to the person to whom the card is registered. MTC reserves the right, per the Customer Agreement, to not refund any value added to a card prior to the card being registered.

4.4.4.1 REFUND OF PASSES OFFERED TO PARTICIPANTS IN OPERATOR-MANAGED GROUP/EMPLOYER BENEFIT PROGRAMS (SMARTPASS, EASYPASS, ETC.)

The Clipper CSC is not responsible for issuing refunds for passes offered to participants in operator-managed or group/employer benefit programs. Operators and groups/employers are responsible for removing participants who are no longer eligible for the program, and the CSC will direct participants with questions about refunds to the Operator and/or group in question.

4.4.5 REFUND OF VALUE LOADED AS PRE-TAX EMPLOYEE BENEFIT

The Clipper CSC shall not provide refunds for any funds linked to the non-refundable pre-tax balance.

4.4.6 METHOD OF PROVIDING REFUNDS

Subject to the restriction described in Section 4.4.5, the Clipper CSC will provide refunds by the method of payment used to load the value being refunded, where possible. If a Customer loads value with cash and then requests a refund, the refund will be provided by check. If a Customer requests a refund of value loaded using multiple methods of payment, the refund will be provided by check.

4.5 CUSTOMER FEES

4.5.1 SCHEDULE OF CUSTOMER FEES

The following nonrefundable fees may be charged to Clipper Customers. MTC may waive these fees at its discretion, and examples of reasons for fee waivers can be found in Sections 4.5.5-4.5.8. Fees are documented for the public in the current Clipper Customer Agreement. MTC will evaluate if a Title VI analysis is needed for any proposed changes to the fee structure

Description	Fee
Card Acquisition for Standard Plastic Adult Cards	$3
Card Acquisition for Mobile Adult Card	$0
Card Acquisition for Special/Limited Edition/Commemorative Adult Cards	TBD
Card Acquisition for Senior Card	$0
Card Acquisition for Youth Card	$0
Card Acquisition for Clipper Access and Clipper START cards	$0
Card Replacement and Balance Restoration for Adult, Youth, Senior, Clipper START and Clipper Access cards*	$3
Conversion of Plastic Adult, Youth, Senior, Clipper START and Clipper Access Cards to Mobile Cards	$0
Administrative Fee for Card Refund Processing	$5

*The fee may be waived for a Clipper Access Customer requesting a Card replacement one time within a five-year period.

4.5.2 CARD REPLACEMENT AND BALANCE RESTORATION FEE

Each time a Customer 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, the CSC will charge a single fee covering both Card Replacement and Balance Restoration as indicated in Section 4.6.1 of this document.

4.5.3 TRANSIT BENEFIT PROGRAM ADMINISTRATIVE FEES

MTC and the Operators no longer collect fees for transit benefit program administration. Third-party transit benefit programs that enable Customers to request Clipper value through a website interface and continue to charge Customers a fee, must communicate the fee to their Customers.

4.5.4 PAYMENT OF CUSTOMER FEES

Customers can use Cash Value loaded on a Clipper card in order to pay a fee. Customers acquiring cards at self-serve machines, retailers, Operator ticket offices, or Clipper in-person Customer service centers, or through the Clipper mobile app, may use any form of payment accepted by the device or distributor.

4.5.5 WAIVING OF THE CUSTOMER FEES DURING PROMOTIONAL PERIODS AND/OR FOR MARKETING PURPOSES

MTC may agree to waive Customer fees during promotional periods. The process for establishing promotions is described in Section 3.11.4.

4.5.6 WAIVING OF FEES FOR LOW-INCOME INDIVIDUALS AND ORGANIZATIONS SERVING LOW-INCOME INDIVIDUALS

MTC may agree to waive fees for organizations that serve low-income individuals, as well as those who qualify for programs based on income eligibility, such as Clipper START(SM).

4.5.7 WAIVING OF CARD REPLACEMENT FEE FOR CLIPPER ACCESS CARDS

The card replacement and balance restoration fee will be waived for a Clipper Access card holder once during a five-year period.

4.5.8 WAIVING OF FEES AT THE DISCRETION OF THE CLIPPER CONTRACTOR

The Clipper CSC may waive fees described above in Section 4.5.1 on a case-by-case basis. As indicated in Section 2.4.1 of this document, MTC shall monitor the waiving of fees by the Clipper CSC.

4.6 CUSTOMER CONFIDENTIALITY

4.6.1 CUSTOMER DATA AND PERSONALLY IDENTIFIABLE INFORMATION

All aggregate information including personally identifiable information (PII – as defined in Section 5) and data relating to Customers 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 PII shall be dealt with in a confidential manner consistent with the Clipper Privacy Policy as posted on the Clipper websites, unless:

- MTC obtains the express written consent of the Customer; and/or
- As otherwise required by law or ordered by a court of competent jurisdiction.

4.6.2 DATA COLLECTION AND REPORTING

4.6.2.1 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.

4.7 CLIPPER FINANCIAL SETTLEMENT AND RELATED SERVICES

4.7.1 ADD VALUE TRANSACTIONS

Add value transactions can occur at distribution devices (CSTs, Retail Devices, TVMs, and FIMPs). The distribution devices provide for direct sales of Clipper products and Cash Value.

4.7.2 CLAIMS

Operator-based claims provide a means to recover value if a loss of Clipper data has occurred due to a failure of the Clipper FPS. Operators may only submit claims for reimbursement of transaction for:

- A total loss of transaction data records due to failure of C2 System validators
- Other C2 System failures resulting in such data loss

Per 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.

4.7.3 ADJUSTMENTS

Transactions impacting an 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 rectify miscellaneous financial discrepancies. Affected Operators will be notified in advance of any adjustments.

4.7.4 DISPUTES

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 have been completed. MTC and operators shall resolve all disputes in accordance with the Amended and Restated Clipper® Memorandum of Understanding.

4.7.5 UNFUNDED LIABILITIES ALLOCATION

If the System Integrator Contractor is unable to recover an Unfunded Liability from the responsible Customer after a reasonable period of time—which shall be no less than 111 days—using reasonable efforts to collect or dispute the Unfunded Liability, the Unfunded Liability will be allocated to and among the Operators. The calculation of the total amount of Unfunded Liabilities to be allocated among the Operators, and the calculation of the amount of Unfunded Liabilities to allocate to each Operator, shall be in accordance with this Section:

- The System Integrator Contractor is to calculate, for a specified time frame, all chargebacks of a purchase made with either a credit card or a debit card that result in a negative Cash Value balance. If a Clipper account continues to have a negative Cash Value balance as of the end of the specified time frame, and there has been no activity on that card for at least the 110 days prior to the end of the specified time frame, the financial liability for that Unfunded Liability shall be allocated among all Operators based on the aggregate dollar amount of cash fares paid to Operators during the same specified time frame. The amount of financial liability for any chargeback of a Cash Value purchase shall be limited, however, to the amount of Cash Value spent prior to a block of a Clipper card.
- The System Integrator Contractor will determine, for a specified time frame, all fare payment transactions that result in a negative Clipper card balance. If a Clipper card continues to have a negative Cash Value balance as of the end of the specified time frame, and there has been no

activity on that card for at least the 110 days prior to the end of the specified time frame, the financial liability for that negative Cash Value balance shall be solely allocated to the Operator upon which occurred the fare payment transaction that produced the negative Clipper card balance.

- Once an Unfunded Liabilities allocation has been calculated, the System Integrator Contractor will send a communication to each Operator showing the System Integrator Contractor's calculation of an Operator's allocated Unfunded Liabilities amount, with supporting documentation.
- No fewer than five business days after sending the above communication--to allow an Operator a reasonable amount of time to review the proposed allocation of Unfunded Liabilities-- the System Integrator Contractor will perform a manual financial adjustment to the daily settlement to recover the allocated Unfunded Liabilities from each Operator.
- An Operator shall be credited if any subsequent collection occurs of an Unfunded Liability which had been previously allocated solely to that Operator.

4.8 MARKETING

4.8.1 CARD DESIGN FEATURES

All Clipper cards, including paper Clipper tickets, shall include certain basic elements as described below and adhere to the design requirements defined in the Clipper Brand Standards Guide (https://clippercard.com/ClipperWeb/brand-guidelines.html).

All physical Clipper cards shall contain the following basic elements:

- A unique serial number;
- The Clipper logo;
- A reference to the Clipper Customer Agreement;
- The address of the Clipper website(s); and
- The Clipper Customer Service Center telephone number(s).

*Note that the Clipper CSC telephone number is not required for paper Clipper tickets given the limited Customer services available to unregistered paper Clipper ticket holders.

Other elements that may be included are as follows:

- Customer photo, Customer name, and Employer/School/Institutional Program name, logo and identification numbers for some personalized cards;
- The Clipper Access program information for some personalized cards;
- Advertisements, if either MTC or an Operator (applies to paper Clipper tickets only) has entered into business arrangements for advertising on the card;
- "Special graphics," if MTC chooses to issue collector cards.

5. GLOSSARY OF TERMS

APPLICATION ISSUER

MTC, as owner of the Clipper software and brand, on a smart card or on a mobile device that integrates smart card functionality, is the Application Issuer of the Clipper Application and retains the right to issue cards and to formally approve Card Issuers who can issue cards with the Clipper Application.

AUTO-RELOAD

By setting up Auto-Reload, a Customer enables an automatic reload of value to their card. Clipper cards can automatically be loaded with the fare type of a Customer's choosing, at a period of their choosing, whenever the Cash Value balance becomes low or a transit pass or stored ride is due for renewal. The Customer designates a bank account or credit card as the payment method.

INSTITUTIONAL AND TRANSIT BENEFITS (ITB) PORTAL

The System Integrator Contractor provided web portal in which transit benefit providers and institutional programs such as employers, schools and community-based organizations, can add value to their Customers' Clipper cards.

BALANCE RESTORATION

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

BUSINESS RULES

The rules that determine how the Clipper FPS will operate, both system wide and for individual transit operators.

CLIPPER ACCESS Program (formerly known as RTC)

Clipper discount program for people with qualifying disabilities.

CUSTOMER

A user of the Clipper FPS who has a registered or unregistered Clipper card.

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 sub-set of this application that enables them to be accepted as a form of payment. No Card Issuer may issue a card with the Clipper software without the express written agreement of MTC.

CASH VALUE

An electronic record maintained on a Clipper account that represents stored value that may be used as payment for transit, or other approved services, such as Paratransit services.

CLAIM

A formal, written statement filed by an Operator with MTC 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 APPLICATION

The software that runs the Clipper FPS and is accessible on a smartcard, whether that be a plastic or mobile smartcard.

CLIPPER CONTRACTS

The group of contracts that determine the work of the Clipper Contractors.

CLIPPER CONTRACTORS

The group of contractors who support the daily operations of the Clipper Fare Payment System.

CLIPPER DISCOUNT PORTAL

The System Integrator Contractor provided web portal that is used by the Clipper CSC for processing and approving Youth and Senior Clipper card applications.

CLIPPER FARE MEDIA

Any method of payment that is licensed to Clipper Customers to pay transit fares on participating transit systems through the Clipper Fare Payment System. This includes plastic Clipper cards, Clipper cards in a digital wallet, contactless bank cards (plastic or digital), and paper Clipper tickets.

CLIPPER FARE PAYMENT SYSTEM (FPS)

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

CLIPPER MOBILE APP

A mobile application for the Clipper FPS developed and maintained by the System Integrator Contractor that provides a subset of account management functions for Clipper Customers.

CLIPPER CUSTOMER SERVICE CENTER (CSC)

The Clipper Customer Service Center is operated by the Next Generation Clipper Customer Service Provider (WSP). The CSC's responsibilities include, but are not limited to: providing information, working with the fare card fulfillment contractor to fulfill card requests, handling requests to add value to cards, processing orders for optional features, and managing reports of lost or stolen cards.

CLIPPER START PROGRAM

Clipper discount program for people who meet certain income eligibility requirements.

CUSTOMER ACCOUNT

The account where a Customer's Cash Value, passes, and personal information lives in the Clipper system. Only registered Customers have Customer accounts.

CUSTOMER SERVICE TERMINAL (CST)

A device used by an Operator or authorized third party (such as the Clipper in person Customer service centers) to issue Clipper cards, sell Clipper value, register cards, replace cards, transfer balances between cards, update Customer account information, issue paper Clipper tickets, and issue Adult, Youth and Senior Clipper cards.

DAMAGED CARD

A card that, while in the possession of a Customer, has been rendered physically inoperable.

DATA COLLECTION

The process of moving the data captured at the point-of-use to the Clipper FPS.

DEFECTIVE CARD

A plastic Clipper card that fails to operate properly because of a manufacturing or design problem within 6 months of the card's being first used by a Customer.

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.

FARE INSPECTION MOBILE PAYMENT SOLUTIONS ("FIMPS")

A handheld device used by operator staff for fare inspections.

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
- Labor for scheduled replacement of devices and modules;
- Verification of power and network cable connections;
- Making minor adjustments to the position of unit;
- Resolutions of minor operational problems via power cycle or other methods; and
- Removal and replacement of devices with a spare device.

FLOAT FUNDS

The collective Cash Value of individual Clipper accounts that has not yet been spent on transit products or fare payments.

FUNDS POOL

The central account into which Clipper revenues are deposited. Payments to Operators for Clipper services they provide are made from this account.

INSTITUTIONAL PROGRAMS

Institutional Programs include government agencies, schools/universities, or employers that provide transit passes for their participants on one or more cards by establishing an account with MTC or a transit operator.

INSTITUTIONAL PASSES

Passes provided to Customers by an institutional program that are loaded to a Clipper card via the ITB portal and can be used for fare payment.

MAINTENANCE MANAGEMENT PORTAL (MMP)

A web based portal provided by the System Integrator Contractor that allows MTC, operators, and other approved third parties to place service requests and stay updated on the status of service tickets.

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.

ON-BOARD VALIDATORS ("OBVS")

A Clipper card reader installed on operator buses.

PERSONALIZED CARD

A plastic Clipper card with distinguishing features, such as a printed name or photograph of the Customer. A personalized card may be registered or unregistered.

PERSONALLY IDENTIFIABLE INFORMATION

Personally identifiable information ("PII") is any information that is collected or maintained by MTC or an 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 but are not limited to a person's name, mailing address, business name, alternate contact information (if given), email address, Clipper card serial number, telephone number, bank account information, credit card number, security code and expiration date, Clipper transit account number (if applicable), photograph and travel pattern data (i.e. a registered user's travel routes and times traveled).

PROMOTIONS PORTAL

A web application provided by the System Integrator Contractor that allows MTC and operators to create and manage product and fare promotions for Clipper Customers.

REGISTERED CARD

A Clipper card associated with a Clipper Customer Account for which the Customer has provided a valid name, address, phone number, and email address (if available) by registering on the Clipper mobile app, at clippercard.com, at an in-person Customer service center or by calling the Clipper CSC.

SETTLEMENT

The process of determining the allocation of funds among participants in the Clipper program.

STAND ALONE VALIDATORS ("SAVS")

A Clipper card reader used by distance or zone based operators.

SYSTEM INTEGRATOR CONTRACTOR

The party under contract with MTC to design, build, operate and maintain the Clipper system (i.e., Cubic Transportation Systems, Inc.).

THIRD PARTY DISTRIBUTOR

Any party other than an Operator or a Clipper Contractor that acts as a card distributor.

UNFUNDED LIABILITIES

Unfunded Liabilities: Funds that are owed MTC by Operators when Customers use transit services that are not fully paid for. These include (but are not limited to): 1) Customer purchases and uses of Cash Value or transit product but rescinds payment (e.g. credit card payment cancellation), 2) Customer has insufficient balance to cover the price of a full trip (e.g. taking a bus ride that costs $2.75 with a Clipper card that has the minimum balance of $0.01) or 3) Customer uses an invalid debit/credit card on Clipper readers for a contactless bank card transaction

UNREGISTERED CARD

Cards that have not been associated with a Clipper Customer Account 6.0.

6. ATTACHMENT 1

6.1 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 MTC or an 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 but are not limited to name, mailing address, business name, alternate contact information (if given), email address, Clipper card serial number, telephone number, bank account information, credit card number, security code and expiration date, Clipper account number (if applicable), photograph and 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 PII by Operator:

6.1.1 RIGHT TO AUDIT

Upon at least one week advance written notice given by MTC to Operator, Operator shall permit MTC and its authorized representatives to audit and inspect: (i) Operator's facilities where PII related to the Clipper Program is stored or maintained; (ii) any computerized systems used to share, disseminate or otherwise exchange PII related to the Clipper Program, including third party hosting or service provider systems; and (iii) Operator's plans, practices, procedures, and business continuity and recovery facilities and resources, that relate to Clipper data protection and security or to the Clipper Program. The audit and inspection rights hereunder shall be for the purpose of verifying Operator's compliance with these Operating Rules, this Attachment 1, and all applicable laws. MTC agrees to take all reasonable steps to minimize its interaction with non-Clipper Program data, systems, or networks. If requested by Operator, MTC agrees to enter into a Confidentiality Agreement that covers non-Clipper Program data, systems, or networks. In such event, Operator shall provide a draft Confidentiality Agreement and if the terms of such agreement cannot be mutually agreed upon within ten days from the provision of the audit notice, MTC shall have the right to proceed with the audit notwithstanding the absence of an executed Confidentiality Agreement.

6.1.2 PROTECTING 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 reasonable security procedures and practices. This includes, but is not limited to, the secure transport, transmission and storage of PII used or acquired in the performance of Operator's responsibilities and activities for the Clipper Program.

Operator agrees to properly secure at all times any computer systems (hardware and software applications), third party hosting or cloud services, or electronic media that it will use in the performance of its Clipper Program responsibilities and activities, and shall ensure that any third party hosting or service providers with access to PII adhere to the terms of this Attachment 1. 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 is prohibited from storing PII on portable media including, but not limited to, laptops thumb drives, disks and so forth, unless storing PII on portable media is an operational necessity and the PII is encrypted.

Operator agrees to retain only the PII of a Clipper customer that is necessary to perform customer account management functions including, but not limited to refunds, billing, and settlement. All other PII that may be collected and maintained shall be discarded no more than four years and six months from the date of the collection. Operator shall purge all account information, including PII, no later than four years and six months after an account is closed or terminated and all outstanding amounts due are paid. At the conclusion of this retention period, Operator agrees to use purge methods described in National Institute of Standards and Technology (NIST) Special Publication 800-88, as may be revised or superseded ("NIST Publication") to remove PII from any files. Discarded PII will be unavailable and unrecoverable following the purge on any storage media including, but not limited to, magnetic disk, optical disk, memory chips, cloud storage, or other computing system ("Storage Media"). Operator agrees to destroy hard-copy documents containing PII by means of a cross-cut shredding machine. Operator also agrees to use purge or destroy methods, as described in NIST Publication, to sanitize any Storage Media prior to disposal (including selling, discarding, donating, transferring, and abandoning).

6.1.3 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.) and in California Streets and Highways Code Section 31490. 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, including the terms and conditions contained in this Attachment 1, Special Conditions Regarding Personally Identifiable Information, and agrees to indemnify, hold harmless, and defend MTC against any loss, cost, damage or liability by reason of Operator's violation of this provision.

6.1.4 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.

6.1.5 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 ensure that all PII that is stored, processed, or transmitted is encrypted, using at least then-current best industry practices (or encryption methods mandated by law, whichever provides higher levels of protection).

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 PII.

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 ClipperProgram shall be bound by terms of a confidentiality agreement with Operator substantially the same in its terms.

6.1.6 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 unauthorized access to PII. For purposes of this section, immediately is defined as within two hours of discovery. The MTC contacts for such notification are as follows:

Privacy Officer

privacyofficer@bayareametro.gov

(415) 778-6700

and

Chief Security Information Officer

pkant@bayareametro.gov

(415) 778-5295