Clipper® Executive Board

June 1, 2026 **Agenda Item 3a – 26-0540**

Next-Generation Clipper® Implementation and Transition Update

Subject:

Update on Next-Generation Clipper System implementation, including issues and outages; transition of current Clipper cardholders to the Next-Generation Account-based System; and upcoming work.

Background:

Next-Generation Clipper System Implementation

Since the full launch of the Next-Generation Clipper (C2) system on December 10, 2025, MTC has been working closely with Cubic (in their role as C2 System Integrator) and transit operator staff to address ongoing issues. MTC Clipper staff have been meeting daily with Cubic and a working group of transit operator staff to prioritize and provide updates on issues and to discuss impacts and workarounds. Clipper staff has also been sending a daily update by email to all Clipper transit operators with the status of high-priority issues and progress on resolution. Highest priority has been given to issues with direct impacts on customers.

Since the last Clipper Executive Board meeting on April 27, 2026, Cubic has deployed software updates with fixes for the Clipper customer website and mobile app, as well as updates with fixes to revenue apportionment and settlement reporting. Cubic has also deployed database updates with migration logic fixes and has successfully completed additional rounds of bulk migration testing. However, planned deployment of a C2 back-office update with fixes for remaining issues that MTC and operators have identified as critical for ramping up migration of customer accounts to the C2 system has been delayed by issues identified during testing. Initially planned for May 17, this deployment has been delayed to May 31, which also delays subsequent deployments of fare inspection device fixes and back-office server performance improvements. As a result, Cubic will be unable to meet their target date of May 30 for completing all items on their bulk migration readiness punch list.

Furthermore, in addition to ongoing issues with fare inspection device performance, there have been additional instances since the last CEB meeting of system outages and other issues

impacting operations. This includes two outages resulting in major incidents: (1) an outage for approximately two hours on May 3 of all Clipper sales channels, the Customer Relationship Management system used by the Clipper Customer Service Center, and fare inspection devices; and (2) a network outage for approximately 27 hours on May 18–19 affecting all BART Clipper readers, leaving customers unable to purchase or add value to Clipper cards at BART vending machines and delaying processing of BART fare gate transactions. Other outages have resulted in delays in fulfilling customer orders for discount Clipper cards (Youth, Senior, Clipper Access, and Clipper START) and delays in ridership and settlement reporting for operators.

The attached presentation from Cubic provides an update on their progress in addressing ongoing issues and a revised timeline for readiness for ramping up bulk migration of customer accounts. Executives from Cubic will be at the June 1, 2026, Clipper Executive Board meeting to present this material and answer questions from Board members.

Customer Transition

As of May 26, 2026, over 1.7M Clipper cards have been successfully migrated to the new C2 back office, primarily via on-demand migration on the Clipper website/mobile app or by phone with the Clipper Customer Service Center, and 45% of trips systemwide are being processed through the C2 system (up from 38% in April). Bulk migration of customer accounts, which was planned to start in mid-December, has been on hold pending fixes from Cubic for critical issues and demonstrated readiness of the system to handle the increased load of processing account migrations and account-based fare transactions. MTC and transit operators have established conditions as prerequisites for Cubic to start bulk migration, of which the following remain to be demonstrated:

- System stability and capacity established (i.e., successful migration load testing, demonstrated system stability, demonstrated migration stability, system monitoring and alerts established, root cause analyses completed and corrective actions implemented for all past outages)
- Critical blockers resolved (i.e., all critical issues fixed and verified)
- Equipment fully functional (i.e., fixes complete for fare inspection devices)

- Financial controls in place (i.e., financial reconciliation and reporting confirmed by MTC Finance and transit operators, internal controls documented)
- Customer Service Center issues resolved (i.e., fixes implemented to eliminate critical workarounds, Customer Relationship Management system stability demonstrated)
- Organizational readiness demonstrated (i.e., migration and communication plan documented, MTC/operator/stakeholder approval received)

Upcoming Work

The current focus of MTC, Cubic, and transit operators continues to be operations support and triage of critical issues identified post-launch. System updates have been ongoing where possible to address top-priority issues, and upcoming releases will continue to prioritize fixes for issues with the greatest impacts on customers and operator front-line staff.

MTC and Cubic are also continuing migration testing in preparation for ramping up migration of customer cards and accounts once Cubic satisfies the requirements for bulk migration readiness. Per the migration plan previously presented to CEB, discount fare categories (Youth, Senior, Clipper Access, and Clipper START) remain the initial group for bulk migration. Continued testing of bulk migration will focus on confirming system readiness for migrating these customers, as well as using pilot testing to migrate specific groups of cardholders to address operational needs, such as eliminating program management workarounds (e.g., institutional pass programs), facilitating customer messaging (e.g., transition from dual-tap to single-tap operations for Marin Transit), and migrating inactive cards to prepare for decommissioning of the legacy Clipper system.

Issues:

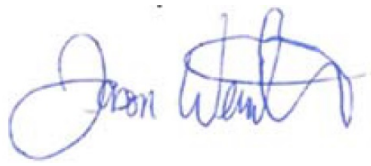
See above.

Recommendations:

None.

Attachments:

- Attachment A: Next-Generation Clipper Implementation and Transition Update Presentation



Jason Weinstein