

# Regional Network Management Structures Evaluation Summary Report September, 2021

BLUE RIBBON



TRANSIT RECOVERY TASK  
FORCE

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This document is organized into several sections that summarize the work of the Consultant Team engaged to evaluate public transit network management alternatives between May and August 2021.

**Section 2.** Outlines the approach taken by the consultant team

**Section 3.** Describes the key inputs to inform the work

**Section 4.** Provides an overview of Good Governance principles used to guide structure option development

**Section 5.** Outlines the structure options and the choice framework to build from

**Section 6.** Outlines three case studies used to gain insights for identifying key criteria for assessment

**Section 7.** Describes the criteria that were used to assess and compare structure options

**Section 8.** Provides an overview of the Regional Network Management (RNM) structure options

**Section 9.** Provides an overview of how a business case approach may be applied to an assessment of RNM structures

**Section 10.** Summarizes the Consultant Team's advice to date and recommendations for next steps

Appendices contain:

1. A list of the outstanding questions for each structure option identified during the options analysis and development.
2. Detailed assessment tables presented to the Blue-Ribbon Transit Recovery Task Force (BRTRTF or TaskForce) in July.
3. A short description of case studies that informed criteria development and selection.

# 1. Introduction

The purpose of this assignment, *Public Transit Network Management Evaluation*, is to frame a set of recommendations and identify governance alternatives that will support the Blue Ribbon Transit Recovery Task Force (BTRTF or Task Force) as they work to achieve the Task Force regional transit transformation goal.<sup>1</sup> The BTRTF “transit transformation” goal has been defined by the Task Force as:

***Design, adequately invest in and effectively manage a public transit network that is equitable, inclusive, frequent, affordable, accessible, and reliable; is integrated with unified service, fares, schedules, customer information, and identity; and serves all Bay Area populations, resulting in increased transit ridership and reduced growth in vehicle miles traveled.***

A Problem Statement was adopted by the Task Force in March 2021<sup>2</sup> and was summarized as:

***Public transit services in the San Francisco Bay Area are operated by 27 agencies, each with its own unique policies, procedures, and operating practices best suited for their immediate service areas and local priorities; and not organized to support customer-friendly, interagency travel. Strong collaborative action is needed to restore and grow transit ridership to reach the ambitious targets associated with Plan Bay Area 2050’s vision of a more affordable, connected, diverse, healthy, and vibrant Bay Area for all.***

Ridership in the region has been in decline prior to the pandemic despite a growing economy and increases in services. With the sharpest declines seen in off-peak hours, non-commute directions, and outlying lines, the BTRTF is tasked with finding the policy choices that can be made at the local operator and regional levels to reverse these trends.

The BTRTF drafted a list of five desired outcomes and 14 roles and responsibilities that constitute the focus for regional network management activities. These were



adopted by the Task Force on the 24th of May<sup>3</sup> (See section 3.1 Roles and Responsibilities, Figure 3).

As noted in the Task Force’s Problem Statement, enabling more coordinated regional transit is not a new idea. MTC’s Resolution 3866 incorporates nearly 50 years of legislated transit coordination mandates, including administering fare revenue-sharing, governing inter-operator transfers, and deciding discretionary fund sources and amounts to achieve coordination and connectivity. However, the latest efforts of the Task Force represent a significant step toward regional network management.

In May, the Task Force engaged the authors of this report<sup>4</sup> to validate and provide expert opinion on Task Force work specific to regional network management and develop and compare alternative governance structures. The outputs of this work over the May-July 2021 period are documented within this report. The following sections describe the parameters of the study, the choice framework for regional network management structures, evaluation criteria, and initial assessment findings. The report concludes with a section on next steps, and a summary of significant unresolved questions that will feed into a more detailed business case analysis.

## 2. Approach

The Consultant Team presented an approach to undertaking this assignment at the May 24th Blue Ribbon Task Force meeting<sup>5</sup>. The four-step approach, beginning with validation and confirmation of existing BTRTF work (Steps 1 and 2) progressively build clarity on which network management structures and reforms can be taken forward into a business case. Separating questions into manageable groups of inquiry helps disentangle assumptions, and sharpens appreciation of the problems, consequences, and benefits to major reforms for the Bay Area's regional transit governance systems. Figure 1 below outlines this progressive approach to inquiry:

Figure 1 - 4-Step approach to project

### Validation of BTRTF Work to Date

#### STEP 1

##### Why Integrate Regionally?

The BTRTF problem statement represents a foundational rationale and case for the assessment. Through the audit and review process, the problem statement was validated, drawing from different stakeholder perspectives regarding needs, challenges, opportunities, and timing.

#### STEP 2

##### What to Manage Regionally?

The BTRTF identified key roles and responsibilities that a new network management function should address. As a second step, the team provided feedback on the extent to which the draft responsibilities supported sound network management approaches. This helped to clarify the scope of potential Regional Network Management (RNM) accountabilities and implications for the options for regional transit governance.

### Primary Consultant Team Activities May- August 2021

#### STEP 3

##### How to Enable Regional Network Management?

Form follows function – a determination of the most suitable RNM structure options should relate to the roles the RNM is expected to undertake. In June and July, the team undertook preliminary exploration of how decision accountabilities might be assigned to respective entities (regional versus local/operator) with a new RNM function in place. We identified how different levels of 'authority' and organization might be required to address certain RNM responsibilities (e.g. wayfinding versus megaprojects). The team then:

- Created an evaluation framework;
- Generated "bookend" sketch-level governance structures; and
- Undertook a high-level evaluation of the options.

#### STEP 4

##### When? Priorities and Pathways for Transition

At this initial stage of high-level evaluation, there are a number of business case and implementation questions that arise. These include matters related to implementation priority of RNM functions, phasing, political and legislative capacity for change, funding near and long term, labor, etc. These are factors that may drive the business case assessment for respective options, or implementation considerations for a preferred option. We highlight some of these questions and considerations in our advice in Section 10 of this report to aid in future scoping and development of RNM.

# 3. Discovery and Review

Four inputs described following provided context to the consultant team RNM structure alternatives.

## 3.1. BTRTF Roles and Responsibilities

The BTRTF drafted five desired transit network outcomes and a corresponding set of “roles and responsibilities” (R + R’s) needed to deliver on them (see Figure 2). The Consultant Team provided a preliminary assessment of this work in a May 24th Memo<sup>6</sup>.

This pairing of desired outcomes with regional-level management roles and responsibilities was fundamental to each structure option’s composition, and the evaluation framework used to assess outcome efficacy. It should be noted that the Consultant Team has not assessed whether some network roles are more important or impactful than others. Developing a clear rationale for which outcomes, roles, and responsibilities should be prioritized has been suggested as a future action. Additionally, the structure options described in this report have been designed to potentially address all identified roles and responsibilities, acknowledging that each option will perform differently with respect to their effectiveness.

## 3.2. Document Review

The Consultant Team reviewed transportation ridership data for Bay Area transit operators as well as general background information on funding sources for each agency. In addition, the team conducted an audit of documents, plans, strategies, studies, and reports published in the last 15 years that relate to network management proposals for the Bay Area. These included:

- MTC Transit Connectivity Plan (2006)
- MTC Transit Sustainability Project (2010-2012)
- SPUR– Seamless Transit (2015)
- Plan Bay Area 2050 Draft Documents and related reports
- FASTER Bay Area– Proposed Funding Measure (2019)
- Bay Area Transit Ridership Trend Study (UCLA, 2020)
- Proposed Assembly Bill 2057 and 629 (Chiu, 2020 & 2021)
- SPUR– A Regional Transit Coordinator for the Bay Area (2020)
- SPUR– Freeways of the Future (2021)

- Mineta Transportation Institute - Characteristics of Effective Metropolitan Areawide Public Transit (2020)
- Network Management proposals from Bay Area stakeholder and partner agencies (Submittals to TaskForce, various 2021)

## 3.3 Interviews

The Consultant Team conducted more than a dozen interviews with MTC Staff, Task Force Members, Advocates, and Transit Operators to understand key challenges, lessons learned, and interviewees’ perspectives on Bay Area regional transit delivery.

Common themes emerged from this process. Chief among them was a desire to sustain momentum of the significant collaboration on regional network management that has occurred throughout the pandemic. Many participants cited this moment as a once-in-a-generation opportunity to advance a shared regional customer and community priorities and address previous barriers.

It was also clear that the work of the Task Force over the preceding twelve months had unified stakeholders around the case for change and the need for more collaborative regional management on matters of shared interest. While there was some agreement on the initial priorities for implementation, such as wayfinding, bus priority and some fare issues, significant, persistent points of difference are also present. In particular, there are differences around if the RNM should tackle the more challenging and expensive domains of regional interest (bus network development, rail, fares), and on the best pathway to effect structural change in decision authority and decision oversight.

The following is a summary of Consultant Team observations that were significant to the design of RNM structure options:

**Regional Outcomes and Customer Experience** An RNM should have a formal mandate for implementing a Regional Transit Vision, with the decision-making and financial tools to deliver. Regional, local, and operator buy-in is needed to ensure a balance of user, operations, and constituency needs.

NETWORK MANAGEMENT OUTCOMES	ROLES & RESPONSIBILITIES	
<b>I. FARES AND PAYMENT:</b> Simpler, consistent, and equitable fares and payment options attract more riders.	<ul style="list-style-type: none"> <li>▪ Fare Integration Policy</li> </ul>	
<b>II. CUSTOMER INFORMATION:</b> Integrated mapping, signage and real-time schedule information makes transit easier to navigate and more convenient for both new and existing riders.	<ul style="list-style-type: none"> <li>▪ Branding, Mapping and Wayfinding</li> <li>▪ Technology and Mobile Standards</li> <li>▪ Marketing / Public Information</li> </ul>	
<b>III. TRANSIT NETWORK:</b> Bay Area transit services are equitably planned and integrally managed as a unified, efficient, and reliable network.	<ul style="list-style-type: none"> <li>▪ Bus Transit Priority</li> <li>▪ Bus Network Management Reform</li> <li>▪ Rail Network Management Reform</li> <li>▪ Connected Network Planning</li> </ul>	<ul style="list-style-type: none"> <li>▪ Station Hub Design Review</li> <li>▪ Capital Project Prioritization</li> <li>▪ Data Collection and Coordination</li> </ul>
<b>IV. ACCESSIBILITY:</b> Transit services for older adults, people with disabilities, veterans and those with lower incomes are coordinated efficiently.	<ul style="list-style-type: none"> <li>▪ Accessible Services (including Paratransit)</li> <li>▪ Centralized Program Eligibility Verification</li> </ul>	
<b>V. FUNDING:</b> The Bay Area's transit system uses its existing resources more efficiently and secures new, dedicated revenue to meet its capital and operating needs.	<ul style="list-style-type: none"> <li>▪ Funding Advocacy</li> </ul>	

Figure 2- Refined list of outcomes, roles, and responsibilities was developed and adopted by the Task Force on June 28th.<sup>7</sup> This work was validated by Consultant Team.



### Formalize Cooperation

RNM must have the authority to lead initiatives in the regional interest while protecting the resources and authority of local governments to deliver its services in line with local preferences and needs.

### Governance and Accountability

RNM should have clear, direct authority to deliver its duties. RNM oversight should be capable of sustaining trust and reflect good governance, with representation in line with its scope of policy and programming duties. How to achieve this remains uncertain.

### Funding and Cost-effectiveness

As a key accountability, an RNM should champion new funding and (through collaboration) re-prioritize funding, to fulfill its mandate. The RNM should drive network-wide efficiencies in initiative delivery.

### Momentum

An RNM, or any interim entity, should have clear timelines set for delivery for its development, creation of a Regional Transit Vision, and implementation priorities.

## 3.4 Mandates and Decision Authority

To probe the delineation of specific decision accountabilities within the areas of regional network management responsibility, the Consultant Team led a discussion at a June ad-hoc workshop with a subset of Task Force members. As a basis for informing the design of structure options, the workshop deconstructed the actions and decisions that might be made at the regional network management level, operator level, or municipal level to successfully implement RNM, and explored where decision accountabilities might be transferred to a new entity and where they would remain.

Additionally, the workshop provided insight into the preconditions that will best result in an effective and empowered regional organization. Case studies illustrated how organizations apply appropriate tools and powers to deliver their mandates. Figure 3 shows how effective entity design pairs a new mandate with

The mandate to act synchs up with corresponding authority and tools - must have legal, organizational, and financial resources to deliver.

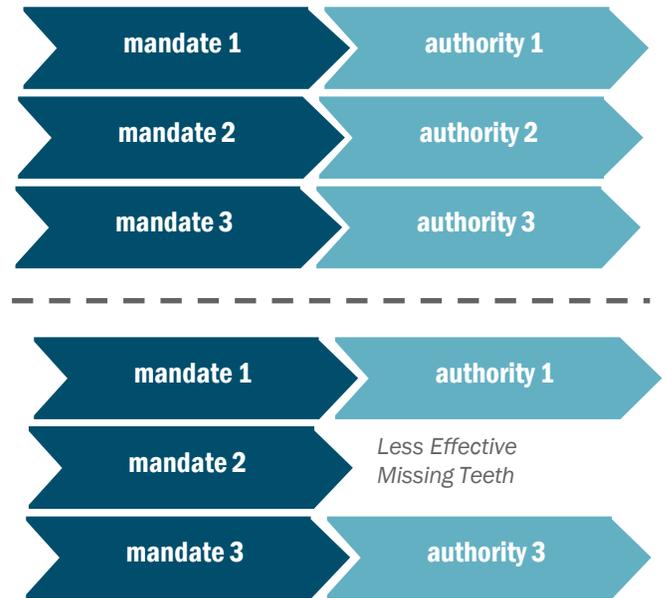


Figure 3 - Decision authorities and mandates

corresponding power (authority) to act. Without this alignment, an organization may fail to be effective in its mission.

The design of a future Bay Area RNM governance structure should follow its specific functions. There are many options on how this can be designed, from a more diffuse accountability reliant on formal collaboration to direct accountability (see case studies section 6 and Appendix 3). Achieving the right balance between local and regional accountability is a challenge unique to each region.

### 3.4.1 Exploring Regional Transit Accountabilities

In a first exercise, the Consultant Team provided workshop participants with an illustrative description of 'if statements' describing where future accountabilities might lie at the system-level (See Table 1). This exercise helped participants articulate sensitivities to the boundary conditions between local and

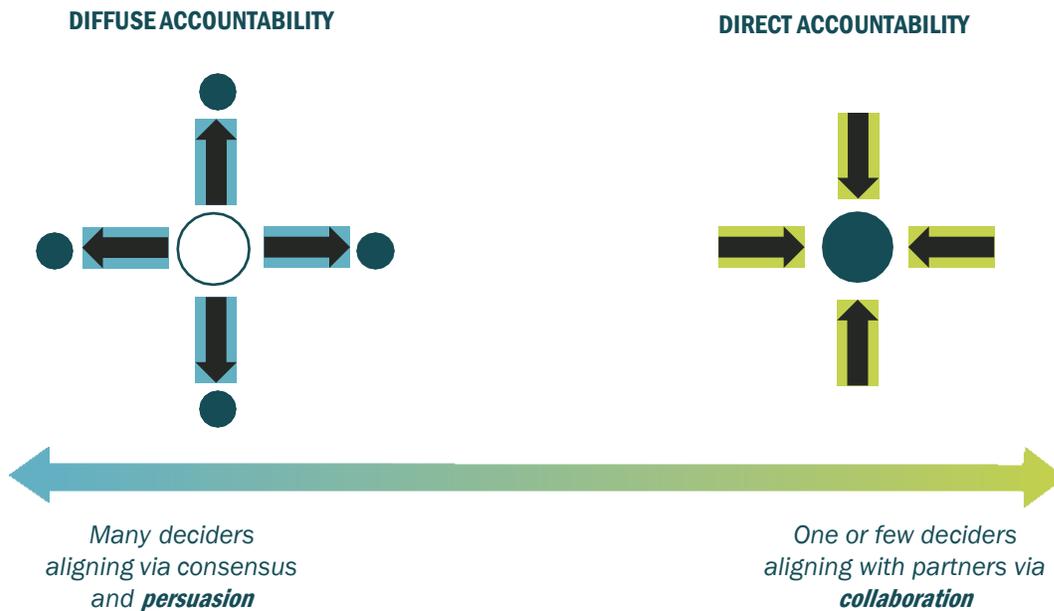


Figure 4 - Conceptual spectrum of decision accountability

regional authority, and helped distinguish between local operator and regional network manager functions. While there was general concurrence among participants with respect to the statements, further study and refinement is needed to obtain full agreement among stakeholders in the next phase of RNM structure development.

In a follow-up exercise, the Consultant Team facilitated discussion of local vs regional accountabilities for a select set of proposed RNM roles and responsibilities: a) bus transit priority, b) connected network planning, and c) integrated fare policy. This exercise further

revealed both the overlaps and distinctions with respect to delivering a transit activity. For example, developing and implementing a Connected Regional Network Plan will require collaborations on setting priorities and common approaches that build on local best practices, while implementation would occur more actively through local programs.

**Findings**

The workshop outputs confirmed that regional network management does not mean all aspects of transit accountabilities within an identified role/responsibility will be uploaded to a regional network manager. Being clear about this separation is important because it has implications about where authorities are needed to deliver networkmanagement outcomes.

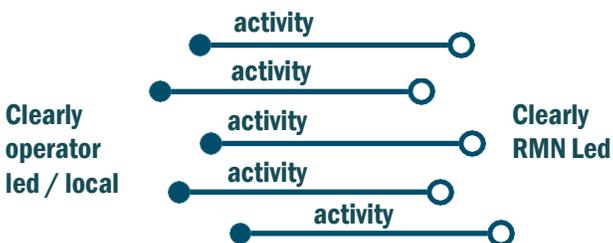


Figure 5: Testing the location of functional accountability on the spectrum of local to regional control

<b>System-Level accountability</b>	<b>Network Manager Should....</b>	<b>Operator should...</b>
Network Strategic Vision, Plan & Policy	Set Transit Vision and Plan for Bay Area, including regional bus/rail networks, infrastructure, and policy, articulating supporting guidance for local network.	Deliver and operationalize the regional network to the Vision/Plan. Local operators set the strategic vision for its transit to address its service need/preference.
Network Standards and Guidelines	Set requirements or guidelines for network services, infrastructure, and policies defined as RNM purview.	Deliver and operate to requirements or guidelines for network elements defined as RNM. Local operators set and deliver guidance to local needs and preferences.
Project Prioritization	Identify, screen, and prioritize regional initiatives consistent with approved Vision/Plan objectives, for regional network or regionally funded projects.	Nominate candidate projects, collaborate in identification and prioritization. Independently prioritize local efforts and projects.
Project Funding	Fund in whole, or in partnership with operators, regionally identified initiatives that rely on regionally derived/managed funds, as determined to be Plan consistent.	Fund local services, projects, and programs that meet local objectives. Deliver regional projects (or regional funds-supported local projects), consistent with regional requirements.
Infrastructure Development & Design	Define scope and timing of significant regional infrastructure projects to Vision/Plan and regional guidelines, in partnership with operators. (May undertake design definition to delivery readiness.)	Design infrastructure to regional Vision/Plan objectives. Develop and design ongoing operations infrastructure. Develop/design/define local major projects.
Infrastructure Delivery	Specify the requirements for the coordinated delivery of RNM infrastructure. Ensures funding is contingent on Plan network guidelines/specifications being met. May be delegate delivery duties to the appropriate entity.	Deliver local and ongoing operations infrastructure. Lead local and, as delegated, regional infrastructure delivery, or support special-purpose delivery entities.
Network Service Planning	Lead the medium and long-range planning for regionally identified networks. Support operators in service planning and coordination for these.	Lead service medium/long planning efforts for local service. Collaborate with RNM on local service planning, integrating RNM network objectives.

Table 1- Statements delineating a hypothetical split of network management and operator accountabilities

# 4. Principles of Good Governance

Given the varied and overlapping structures that comprise Bay Area transit governance, the Consultant Team have developed principles of “good governance” to establish guideposts for the creation of RNM structure alternatives. These principles are based on a significant body of North American and international practice that have established principles for good entity design. These are often adapted to the specific governance context and challenge including for regional and transit governance design\*. The principles contained herein have been adapted to the Bay Area’s specific context. Principles follow:

- **Clarity of purpose:** Clear mandate and authorities with unambiguous roles and the ability to advocate for and act on mandate
- **Accountability:** Political and administrative linkages at levels appropriate to regional network decisions made (e.g. operations, management, or policy levels)
- **Representation and Voice:** The balance of representation is reflective of the organization’s functional and geographic mandate and reflect an appropriate balance of interests of constituents
- **Transparency and Responsiveness:** Public and stakeholders have a clear understanding of the governance/decision-making process and decision-makers are accessible to constituents
- **Efficiency:** Is capable of making cost-efficient processes and timely decisions in the regional interest

In addition to good governance principles, three design considerations surfaced as specific entity design choice pathways important at this stage of evaluation.

### Local vs Regional accountabilities

As described and explored through the workshop activities summarized in Section 3.4, establishing clear ‘boundary conditions/decisions’ that rest with respective bodies will be important to full acceptance. We note that with so many agencies in the region there will necessarily be grey areas, highlighting the need for productive relationships.

### Representation and Voice

The Consultant Team observed from the stakeholder interviews and discussions that it is not clear whether existing policy bodies strike the right balance in their current composition to oversee envisioned RNM functions. Consideration of this feedback is important to enable a successful governance structure under all options. There are both legislative and non-legislative approaches to address this in the near or long term.

### Policy vs Management Accountability

A key design principle is that all structures should directly link policy decisions (e.g. decisions/guidance matters related to funding/taxation, fees, major resource allocation/service levels, priority setting, etc.) to a policy body.

These decisions should have oversight by a body with direct linkages to the electorate, primarily represented by elected officials or their direct appointees. Greater policy and financial impact require higher policy oversight. Management bodies then work within the defined objectives and directions, and any delegated authorities of the policy bodies to implement and manage systems, processes, and investments.

\*See, for example, work undertaken by the United Nations (“Governance and Sustainable Human Development” 1997), and subsequent adaptations for regional governance reform by the Conference Board of Canada and Vancouver and Edmonton.

# 5. RMN Structure Options Overview

The Consultant Team reviewed proposals for regional transport governance realignment from past reports, as well as the more current proposals prepared by individual Task Force members/organizations. No option presented is intended to entirely reflect any one RNM structure presented by a member of the BRTRTF members or their respective organizations.

In our view, there is no need to ‘reinvent the wheel’ on options. There is a subset of options and permutations for addressing the Bay Area’s unique transport governance circumstance. The team instead builds from the good thinking already presented and incorporated many of the design features included in those proposals.

## 5.1 Creating a “Choice Framework”

Reflecting on the RNM outcomes and network management roles articulated by the Task Force, the structural options have each been developed to be capable of materially advancing RNM across the full spectrum of responsibilities.

Our working assumption, founded on our experience in jurisdictions across North America, is that a region’s ability to tackle the more challenging RNM responsibilities requires increasingly clearer and higher levels of authority, funding and, organization to deliver. Accompanying higher levels of authority, funding and organization require more centralized organization and oversight models.

As explored at the June Task Force Meeting, there are likely functional areas of responsibility that may be challenged to be region-wide at a comprehensive programmatic level (e.g. implementation of a region-wide bus transit priority program), but for which some elements (e.g. lanes or signals in cities or subareas, on a project basis) may be feasible to address through well-coordinated cooperative planning regimes.

Our working hypothesis is that achieving some of the higher impact or transformational RNM roles (regional bus or rail) in full may require greater authority, funding, and central organization to effectively deliver. The primary purpose of the business case will be to test that and assess how much more benefit and at what cost/

impact, as well as general implementation feasibility and timing.

The Consultant Team presented four options for discussion to address RNM, as outlined in Figure 5. Each of these is described in detail in Section 7. Each option sits within two axes of decision choice:

- *Management versus Manager*: the extent of authority that the RNM organization has and therefore the completeness of its capability in realizing the full range of NM program outcomes from easy to hard; and then
- *Aside the MTC or with the MTC*: how to organize and govern the entity (namely where policy authority lies and who has decision say).

The Management versus Manager choice is between:

- “Management”: A potentially “lighter lift” to implement RNM organization that can be realized through formalized collaboration within existing authorities and mandates of the region’s transit two dozen transit agencies.
- “Manager”: Identifying and establishing a singular regional transport entity to realize full-extent RNM activities independently, requiring more effort to implement including new legislated authorities, the reorganization of existing transit agency organization accountabilities, and MTC.

The Aside MTC versus Within MTC choice is about where decision accountability should ultimately rest for RNM accountabilities. This reflects the importance of appropriately aligning policy accountability for regional network issues, and also about balancing the creation of new independent structures versus adapting existing structures.

The options consolidate the main structural elements described above, and highlight the most salient and relevant transport governance decisions at this stage in the evaluation.

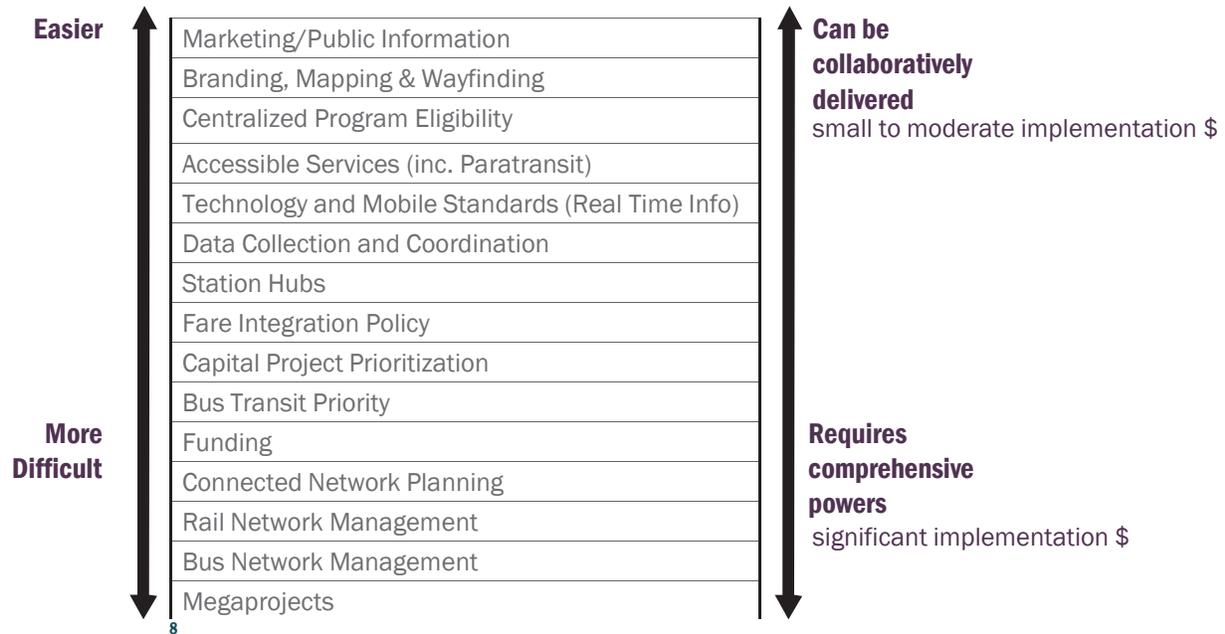


Figure 6 - Accountabilities are easier or more difficult to deliver depending on governance structure

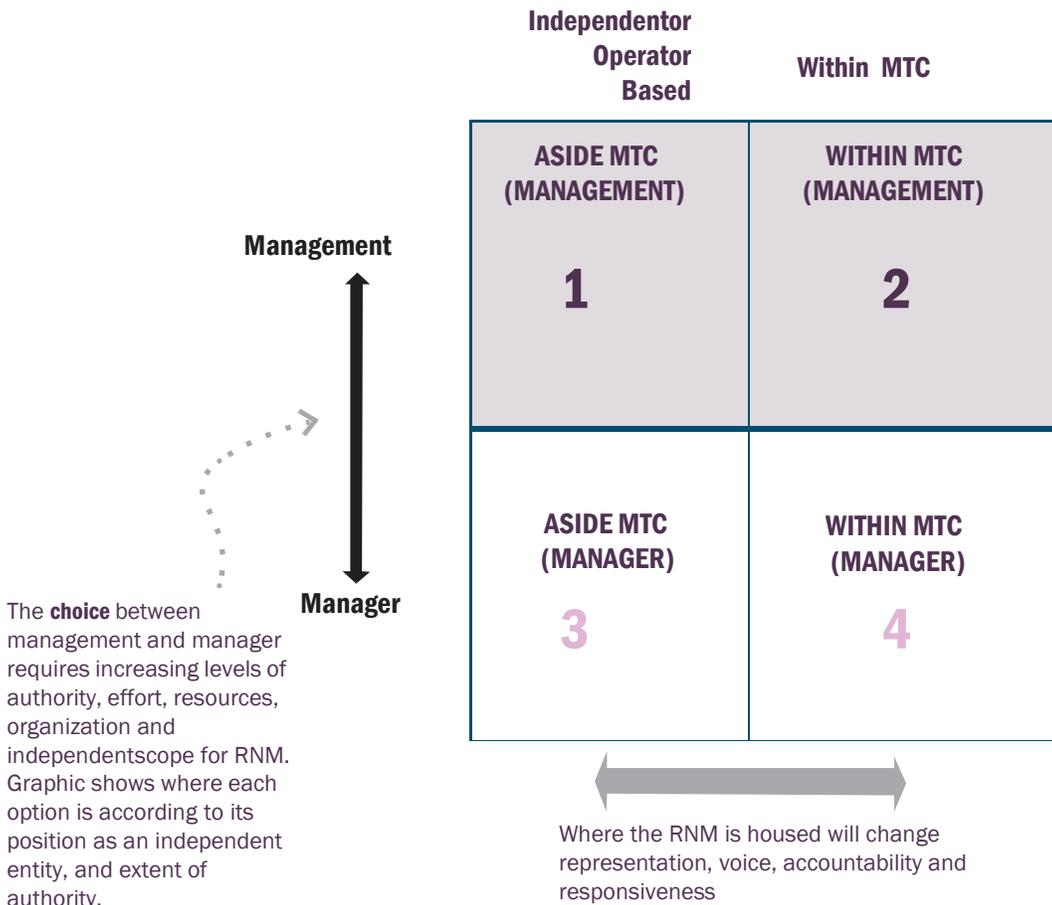


Figure 7 - Structure option choice framework

## 5.2 End States and Transitional States

Governance reform is a significant regional investment and therefore should have a long-term focus. Our working premise is that governance reform should be capable of supporting achievement along the full spectrum of RNM roles over the long term to be truly effective. A key question for the business case to address: is some form of “Manager” RNM required to deliver on the most important benefits desired, or does “Management” satisfactorily achieve the majority of benefits, for the long term?

To address this, we have developed the options and evaluated them as theoretical ‘end states’ engaged in a practice of delivering both near and long-term RNM objectives. We recognize that pragmatically, these roles and responsibilities would evolve over time.

If the decision emerging from the Business Case process is that Management suits the region’s medium to long term needs best, then it would be reasonable to assume that steps towards Management and the Task Force’s near-term priorities would be advanced in parallel to efforts focused on pathways to address longer-term regional priorities. Similarly, if a Manager approach is desired, but legislation and organization may take some time, it is reasonable to expect that some form of interim Management regime can be established pending the creation of a new entity to take immediate implementation action in priority areas. These ‘stepping stone’ approaches to implementation can be inherent to either model.

The operators’ and MTC’s respective actions to date (COVID response, Action Plan, etc.) are evidence of an ability to voluntarily collaborate. In other words, aspects of the Task Force’s near-term priorities may be readily achievable under any option/choice and the ability to act in the near term is not, in our view, a driving factor for longer-term structure decision making. The region may ‘get on with progress,’ implementing what it can today through its current cooperative processes. Structural reforms needed to tackle actions requiring higher levels of authority can proceed in parallel.

## 5.3 Option Design for “Good Governance”

In considering the structural design for the options developed, the team has considered principles for good governance (outlined in section 4). We noted a significant challenge in aligning policy oversight under Option 1 – Operator Based Management in our June 2021 presentation. While the transit operators on a Management Board/Council each have direct accountability to their respective boards or policy bodies, there is no direct linkage to a regional policy body accountable for RNM decisions. While each operator could strive to make a regional interest decision, each holds fiduciary and interest-based duty to its agency which could ultimately result in a decision on an RNM matter in its local/operator interest. Lack of reporting to a regionally-constituted policy body that manages regional resources and decisions would limit an operator-based management model’s scope and capability. This is because it would depend on the consistent application of resources and coordinated action of many agencies across many RNM roles where interests may diverge.

To address this issue and provide an operator-based management option with greater opportunity for regional resources and scope, we merge Options 1 and 2 into a singular ‘Management’ option. For working purposes, we assume that it reports to the MTC as the oversight policy body as the MTC may be allocating significant regional resources for RNM activities.

At this point, in the absence of a ready-to-go option for regional policy level oversight, and with it as a necessary condition, we have nested policy oversight for management-level decisions under the MTC. However, we note other regional policy oversight options for the Operator Council may be possible (e.g. delegated authority or other models within MTC or aside it). The details of how a structure like this would function would need to be explored through further analyses/option development in order to better understand the trade-offs.

## 5.4 Design Variants

Within this choice framework, there are design refinements that can be applied to an option's organizational makeup. These permutations could include:

- Representation. Variations to the composition of policy oversight, management, or advisory bodies in alignment with “good governance” principles highlighted above.
- Legislation and authorities. Management options are assumed to be deliverable absent legislation however, legislative ‘tweaks’ could be made over time to augment or clarify authorities. Delegation of authorities by existing bodies may address gaps related to authority to ensure RNM delivery.
- Operational responsibilities. Operational responsibilities for moderately scaled operations could be possible under any of the options (e.g. a new regional bus service layer), either directly operated or contracted service.
- Organizational consolidation. There may be outcome, efficiency, or good governance rationales for organizational consolidation of Bay Area transit agencies. Examination of consolidation is outside the scope of this study, but it has been raised in the proposals of stakeholders. Options 3 or 4 are capable of operating as pure Network Managers (no operations) or having partial to significant consolidations when established or over time. While the Bay Area's geography, political boundaries, history, and economic context make it unique, there are analogous examples that can help to frame the spectrum of structure options from management to manager models.

## 6. Case Studies

The Consultant Team considered a range of familiar structures including Vancouver, Toronto, Montreal, Auckland, Perth, Los Angeles, Seattle, Chicago, New York, London, Zurich, and Southern Nevada. Three examples were presented to a subset of the Task Force to highlight key lessons and describe attributes that could form a set of assessment criteria (these are described in Appendix 3). While each example has varying extents of geographic or modal scope, there are lessons for network management in the Bay Area:

Key ideas from case studies:

- Regional transit networks require a high degree of active collaboration with the local transit agencies - integrated board structure relationships can be a way to achieve this
- Good outcomes are possible without full authority over local networks. In a cooperative staff environment with a history of mutual respect, issues of regional significance can be addressed.
- Pure network managers with a mandate for policy, service and infrastructure harmonization can stand independent of operations. This requires delineated roles and divisions of responsibility to avoid ambiguity and overlap.
- A mixed model of accountability (provincial, expert, regional, elected) can blend a balance of representation and expertise.
- Expertise and capacity can be acquired during restructures.
- Strong policy linkages are important for regional planning and land use integration.
- Having strong executive and institutional authority and mandate is effective when it also translates into clear accountability.

# 7. Assessment Criteria and Methods

Assessment criteria (Table 2) were developed by the Consultant Team and revised following input from BTRTF members, MTC staff, and operators. The criteria help denote how well the structure *effectively* performs as well as *implementation* considerations. The consultant team assessment of RNM structures against criteria was based on a review of documents related to Bay Area transit governance pre-BTRTF, the work of the BTRTF to date, information gathered from team interviews, and the team’s professional governance experience. This qualitative approach highlights *decision-relevant information* and documents the relative opportunities or challenges each option might have in achieving the stated criteria.

It should be noted that the financial dimensions of the assessment are captured in three areas within the criteria:

- Funding (System Outcomes). A net-new source of funding dedicated towards regional initiatives is a necessary condition for achieving the regional aspirations of the bay area. The makeup of a structure option will have an impact on the public mandate to generate and apply resources to regional initiatives and is assessed with these considerations.
- Steady-state costs (Financial Cost-effectiveness). Regardless of the amount, or ability to generate funding, the ability to effectively deliver outcomes during a future, steady-state is an important criterion. The Consultant Team has assessed each structure’s likely ability to achieve this at a reasonable cost to the region.
- Transition costs (Readiness). As an implementation criterion, the start-up costs have been assessed at a high level considering the ability to overcome these initial hurdles and proceed to implementation swiftly. Each structure will perform differently under this criterion.

## 7.1 Scoring RNM structure options

Due to the high-level nature of this strategic analysis, the consultant team applied a simple assessment scale to evaluate the proposed options. Scoring in the assessment (as compared to status quo) is denoted on a three-point scale and is not intended to be a detailed quantification of performance, but as an indicator of comparison between alternatives.

- Neutral or unlikely to be better than status quo: ○
- Better than the status quo with some pros/cons: ◐
- Significantly better than the status quo: ●

In some cases, more information on the function/ make-up of the proposed Governance Structure would be needed to fully substantiate scoring, and these are noted. Additionally, the team notes where issues remain unresolved, and further analysis would be appropriate for the future business case.

Criteria	Description
<b>Effectiveness</b>	
System outcomes	<p><i>Transportation:</i> Improves local and regional mobility outcomes per BRTRTF, including ridership and user experience.</p> <p><i>Equity:</i> Capable of materially advancing stated goals such as racial, affordability of access, geographic balance, etc.</p> <p><i>Funding:</i> Capable of generating public confidence in outcomes being achieved, providing standing to drive new funding.</p>
Regional Governance/ Accountability	<p><i>Oversight systems</i> embody sound principles and practices for responsiveness, accountability, transparency, and trust (productive relationships).</p> <p><i>Appropriately aligns oversight</i> (political versus management) with decision type (public policy versus operational). For regional accountability.</p>
Institutional Authority/ Capacity	<p><i>Independence:</i> Possesses financial, policy, technical, and administrative authorities to independently and expeditiously deliver on its assigned RNM mandate and duties.</p> <p><i>Policy linkages</i> make direct, supportive policy and implementation connections between RNM and other formalized Bay Area growth, economic, and environment mandates/organizations.</p>
Nimbleness/ Agility	Can pivot and adapt to changing needs, opportunities and priorities.
Durability	Sustains consistent singular vision, clarity of purpose, mission and resources for RNM over time.
Financial (cost-effectiveness)	Cost-effectively deliver RNM outcomes at organization and system levels in its established, steady-state.
<b>Implementation</b>	
Readiness	Deliverable in the near term initiating quick implementation of priority RNM, with little complexity, at acceptable initial implementation cost.
Capability	Possess technical and organizational capacity to implement in transition and steady-state operation.
Adaptability	<p><i>Transition state</i>, if required, sets the stage for future end-state entity. Sets enabling behaviors, accountabilities and structures as ‘proof of concept’.<i>Forward compatible</i> with longer-term expanded multi-modal mandate (active modes, micro-mobility, regional roads, etc.).</p>
Politically supportable	Broadly supportable and capable of gaining necessary authorities for RNM duties; legislation and financial tools/resources from stakeholders and the public.

Table 2- List of Criteria - Decision Relevant Criteria Highlighted

# 8. Structure Options

An assessment of RNM structure options was presented at the final BRTRTF meeting on the 26th of July 2021.<sup>9</sup> No option was put forward as a preferred alternative; the intent was to prepare for a more detailed business case analysis. The following section presents an overview of the options and the assessment that was appended to the cover memo and presentation in July.<sup>10</sup>

## 8.1 Regional Network Management Status Quo

### Objective

Today, regional collaboration is achieved through an ad hoc model of regional consensus and shared decision accountabilities with MTC, transit operators, and many city and county stakeholders. Regional initiatives have been overseen by groups and task forces such as the recent BRTRTF, Fare Integration Task Force, the Clipper Executive Board, and the MTC Transit Sustainability Project Implementation. These active collaborations, especially during the COVID pandemic have achieved notable progress, forecasting positively for regional momentum building. Strong shared commitments among Task Force members to the BRTRTF outcomes may further strengthen agency collaboration, resource sharing, and potential intra-agency efficiencies.

**Mandate, Authority, and Decision Accountability** Authorities for transit network management rest with more than 25 transit operators in the Bay Area. MTC has the mandate and authority to plan, finance, and coordinate transportation regionally. MTC implements the State legislated transit coordination requirements through *Resolution Res3866*. It contains three key elements: (1) transit coordination implementation requirements applicable to 511 traveler information, regional transit hub signage, Clipper® implementation, maintenance of coordinated service, transit rider surveys; (2) fare and schedule requirements; and (3) regional transit information displays.

MTC is accountable to the public by way of elected officials or their appointees who have voting rights on the commission. Transit operators are responsible for delivering operating infrastructure, setting services, routes, policies, and fares. Some transit operators oversee both local and regional routes. They are

accountable to their respective transit boards, comprised of elected officials (BART, AC Transit), appointed experts (SFMTA), or appointed/ex officio elected officials. These boards are accountable to the public and their riders within their respective governing electorates through municipal, county, or transit district elections.

### Funding and costs for regional collaboration

Transit operators and the MTC collaborate through several forums, which have stepped up their workload during the pandemic and required additional resourcing by individual authorities. Transit operators have informed the consultant team that this is not sustainable in the medium to long term.

**Funding for regional initiatives and implementation** Some (30%) of State Transit Assistance (STA) population-based funds is applied to regional coordination programs such as Clipper, and 511.

Additionally, some One Bay Area Grant funds are allocated to regional programs but not specifically to transit operations (note: OBAG has funded transit capital). While MTC does cover some regional costs, transit operators are expected to cover the costs and implement their own coordination roles and responsibilities. This has meant leveraging existing budgets in a coordinated effort to achieve regional outcomes, such as the cost of transfer fares.

### Representation

The MTC is governed by mostly elected officials from either municipal government or county supervisory boards. With a mandate to plan and coordinate multiple modes of transportation in the Bay Area, the Commission's representation has evolved over time to fit an expanded scope.

Transit Authorities do not have direct linkages or representation on the MTC. However, transit agencies may have board members that also sit on the MTC by virtue of their positions on supervisory boards, or city councils. This means neither BART nor AC transit are likely to have representation because of their own directly elected boards.

Operators are commonly described as being 'large' or 'small' defined as having ridership greater or less than 5 million boardings per annum. They are not directly

represented on the Commission but have several indirect avenues to report and collaborate with MTC. MTC hosts the Bay Area Partnership Board and various standing technical regional working groups that transit operators participate in (such as the Transit Finance Working Group). Additionally, the operators meet within their respective groupings, collaborate frequently and, sometimes report to groups such as the BTRTF representing the views of their small/large operator peers.

An example of formalized oversight, direction and, subject-specific decision making occurs through

the Clipper Executive Board. It is composed of GMs from large and small operators plus MTC's Executive Director and has a narrow policy scope. The Executive Board consists of six large and two small operator representatives.

The MTC also has a Policy Advisory Council composed of appointed Bay Area residents, which directly advises the commission on a range of topics including regional planning, housing, land use, greenhouse gas reduction, public transit improvements, and new revenues for transportation in the Bay Area. The Council has two sub-committees focused on Equity and Access as well as Fare Coordination and Integration.

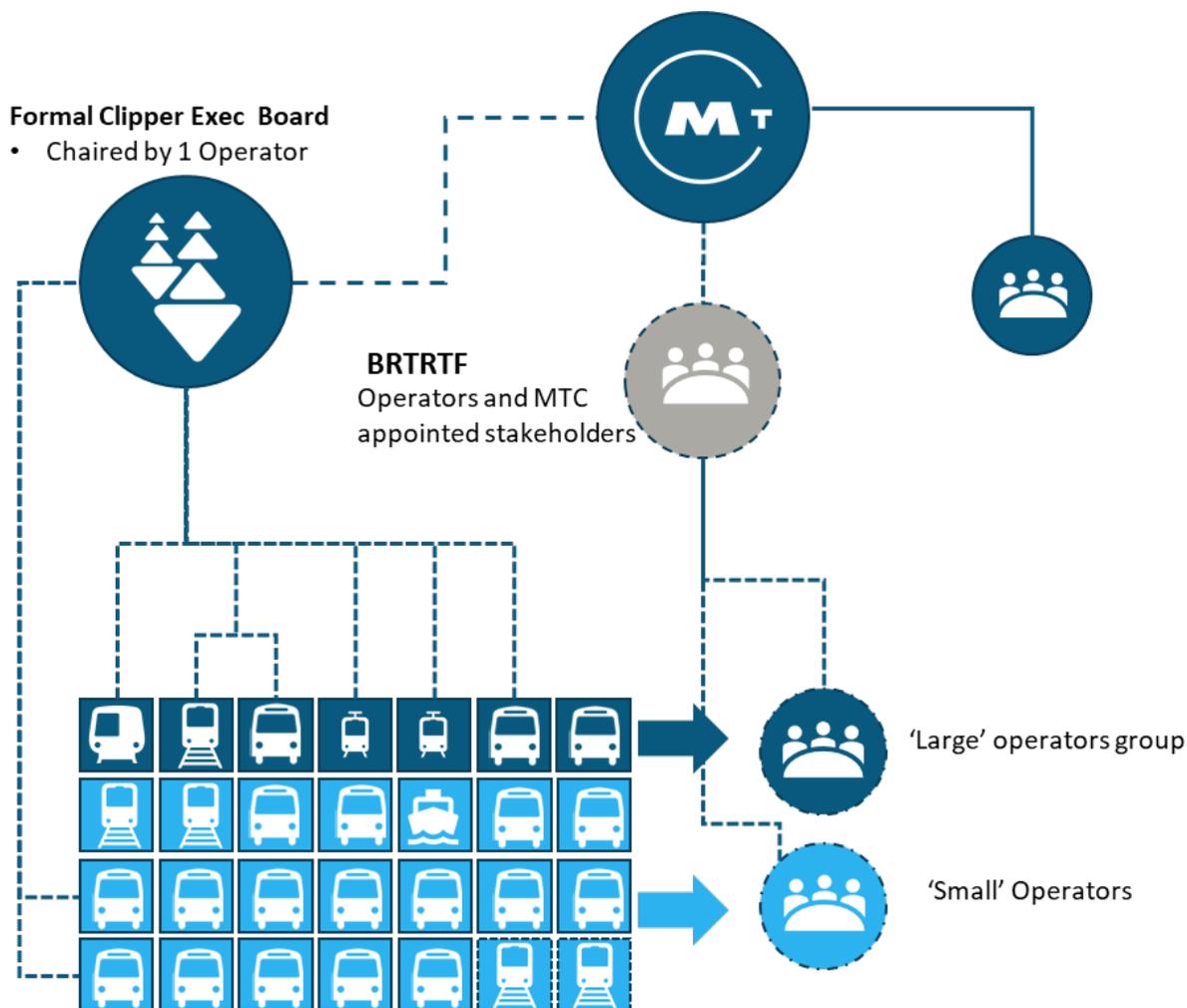


Figure 8 – Existing Regional Transit connections and reporting linkages

## 8.2 Network Management | (Formerly Options 1 & 2)

### **Objective**

The Network Management Option builds on the momentum of BRTRTF and Operator Forums for coordinated and structured decision-making on defined RNM actions. It seeks to go beyond the status quo “collaboration” to formalize centralized and comprehensive leadership on regional transit coordination. This works within the existing legislative framework and respective authorities’ implementation tools.

### **Mandate, authority, and decision accountability**

In the good governance principles laid out, formalized RNM requires accountability to a regional policy body to affect regional decisions effectively, and to tackle more difficult or costly network management decisions. This is a necessary condition.

There may be a number of options to establish this regional policy accountability. For the purposes of this analysis, the MTC is assumed to be the policy body. At this time, it is the only regional transport body ‘ready-to-go’ able to provide this oversight. With time, other variations of policy oversight could be explored such as creating a new policy oversight body within the MTC, or aside it.

For the purposes of this evaluation, the MTC could act as the ultimate accountable policy body, taking recommendations from a Network Management Board/Council. The MTC has fiduciary responsibilities for regional funding allocations upon which RNM may in part rely on and would need to remain accountable for where regional dollars are spent. To formalize this relationship with the Network Management body, MTC could publicly resolve to work on a specific set of activities directed by the BRTRTF action plan, setting timeframes, and delegating decision recommendations to a Board/Council. This would grant the Board/Council a clear mandate and scope for regional network management, while simultaneously outlining where transit agency boards would retain authorities that could not be fettered by the regional network management Board/Council nor MTC. These clearly defined boundaries would delineate which initiatives

the group would have the license to recommend which MTC-controlled funds would be allocated towards in service of regional objectives.

In this respect, existing powers and decision authorities are largely intact, although a formal authority and mandate to act is delivered through a RNM body by delegated agreement, rather than held across more than two dozen authorities.

In the near term, the sphere of influence in Management may be focused on the roles, responsibilities and, actions identified by the BRTRTF, including but not limited to:

- Marketing / Public Information
- Branding mapping and wayfinding
- Centralized program eligibility for accessible services and discounts
- Fare and service integration

RNM roles would grow over time as regional expertise, and new funding and authorities grow.

There may be some challenges to establishing authority in this model:

- It relies on clear delineation (and agreement with two dozen operators) on the ‘boundary conditions’ of local/operator versus regional decision accountability.
- It may be challenged to advance actions where there is no consensus from respective transit boards. Specifically, those areas requiring significant amounts of funding and resource prioritization or where policy or implementation interests diverge, and where agencies ultimately retain authority and can choose to opt-in or out.

### **Funding needs and costs for RNM administration**

Resourcing for this structure option would be a step up from the status quo. It assumes permanent staff, either with dedicated FTEs, project staff, and/or with seconded/reimbursable staff from operators. It is also anticipated that the consultants will be required on an as-needed basis and dedicated funding for resourcing costs would be provided by MTC on a case-by-case basis.

**Funding for initiatives and implementation** Implementing priority actions and initiatives will require shared implementation and capital costs. In the near term, reprioritization of existing funds, redirecting MTC funding or seed funding (in part or full) from federal stimulus, could potentially fund regional initiatives. A sustainable source of regional funding streams will be necessary to deliver on some of the larger and more long-term actions identified by the BRTRTF.

**Structure and representation**

It is envisioned that the makeup of the RNM Board/Council would be composed of several key individuals representing transit agency interests. However, the

final composition and makeup of the Board/Council is subject to design refinements and could vary in how it is constituted in terms of the number of operators or appointees. The Council would work under the policy guidance in an adopted Regional Transit Vision and supporting plans and policies adopted by the policy body (e.g. MTC or other) and would be charged with making implementation policy recommendations and overseeing program management, delivery, and progress. The Council may have some authorities delegated to it to aid timely implementation.

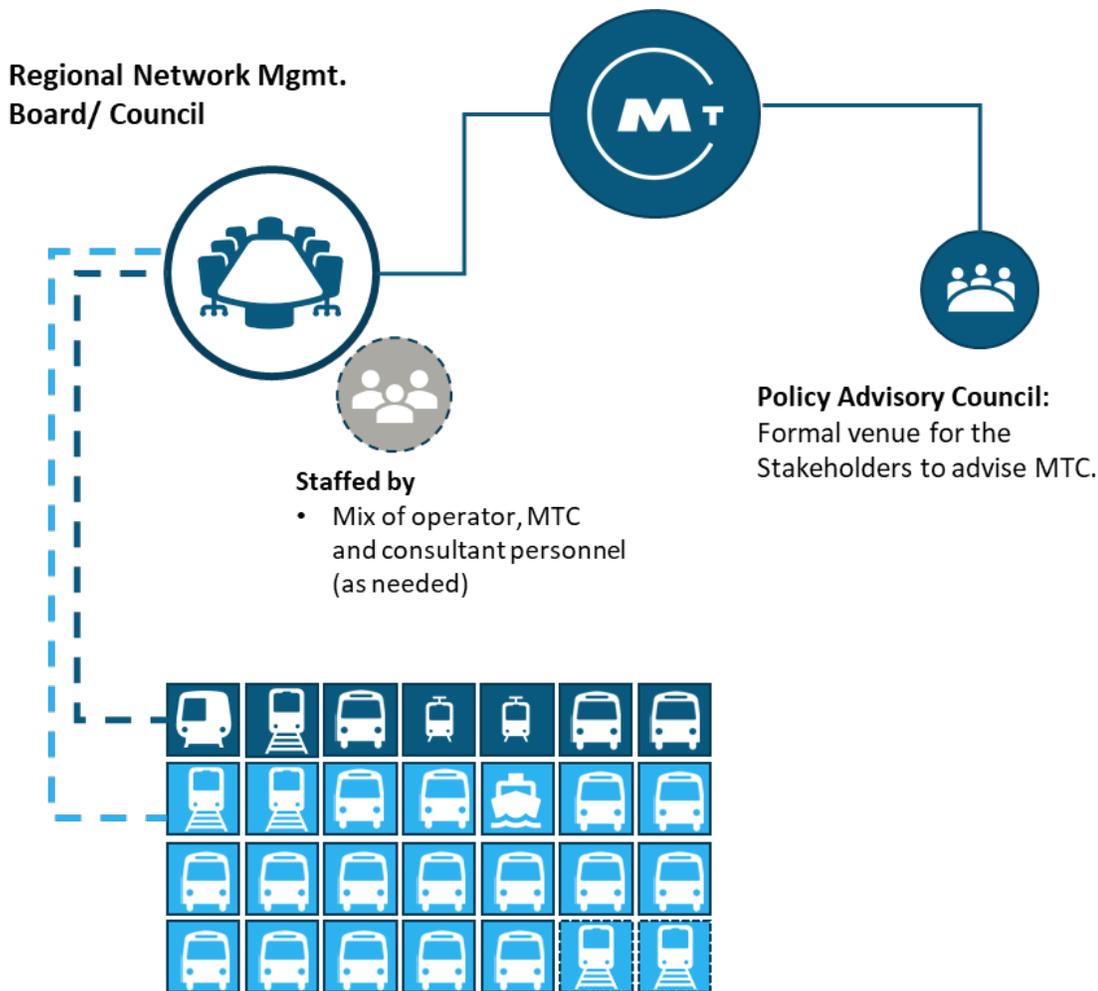


Figure 9 - Conceptual Network Management Structure (Option 1/2)

There are two broad representation approaches, neither of which require legislative mandates:

a) Operator-Based Council – this is bringing primarily operations-based perspective and expertise to recommendations and implementation.

b) Stakeholder-Based Council – this is bringing broader stakeholder and community interest and perspectives to the Council, which may include operators, to guide recommendations and implementation.

## 8.3 Network Manager | Option 3

### Design objective

Option 3 proposes a new agency, separate from the MTC with independent powers and authorities to lead Regional Network Manager activities in the Bay Area. To centralize accountability, authority, and supplement organizational resources within a reformed governance framework, Option 3 proposes a new, separate, and stand-alone entity with the legislated authority to lead a full suite of RNM initiatives. Specifically, activities that require a greater extent of authority, resources, and organizational energies relative to Network Management (such as implementing bus and rail management reforms, major funding, and capital project prioritization).

While the new entity does add a new organizational structure to transit governance in the region, its purpose can be viewed as consolidating the current RNM roles held by two dozen agencies in part or full into one agency. The benefits would be to reduce existing duplicative efforts, create a strong decision authority to enhance regional decision efficiency and effectiveness, and support a distributional compromise that would otherwise be subject to extensive debate. This option also provides a measure of independence for a regional forum that could build evidence-based support of transit initiatives in response to trips that cross jurisdictional boundaries. Sitting “aside the MTC” means that it has a clarity of purpose not diluted by the broader functions of an MPO and the interests it serves. These productive MPO-transit agency relationships are demonstrated elsewhere, for example in Los Angeles, Seattle, San Diego (and under different regulatory and legislative frameworks in Vancouver and Montreal).

### Mandate, authority, and decision accountability

As a principle, this structure would be set up as a policy body with accountability to the public – that is, officials on the governing board are primarily elected officials or directly appointed as delegates. As MTC currently has the mandate and some authority to plan, finance, and coordinate transportation, some of these powers may need to be transferred to the new body to avoid conflicting mandates. As well as the activities advanced under a Network Management Option, this new authority would be empowered through legislation to implement and undertake larger mandate and more complex activities such as:

- Comprehensive bus transit priority,
- Bus/Rail reforms,
- Capital project prioritization, and
- Project delivery and oversight.

### Funding for RNM activities

It is envisioned that this new entity would be funded through a new, dedicated regional source likely approved through a ballot measure in 2024. With legislated powers, this structure would have the authority to coordinate with stakeholders and seek voter approval of new RNM funds. This control of purse would also extend to direct or influence a reprioritization of some existing funding, now controlled by various entities.

### Structure and representation

As a new agency separate from the MTC, this new entity with independent powers and authorities may take the form of a special district or other legislated structure. This built-for-purpose board/oversight committee would make public policy decisions concerning regional network management. The entity would need all-new staff and would need to recruit to build technical and administrative capacity. The experience of other regions is that this expertise may come from pre-existing or predecessor agencies, bringing institutional knowledge and operating expertise and allowing for cross-fertilization of ideas. As a policy body, it is necessary to have political representation in order to remain publicly accountable, but the board/oversight committee could encompass subject matter appointees or representatives from the Bay Area’s transit operators.

Regional Network Manager  
Governing Board

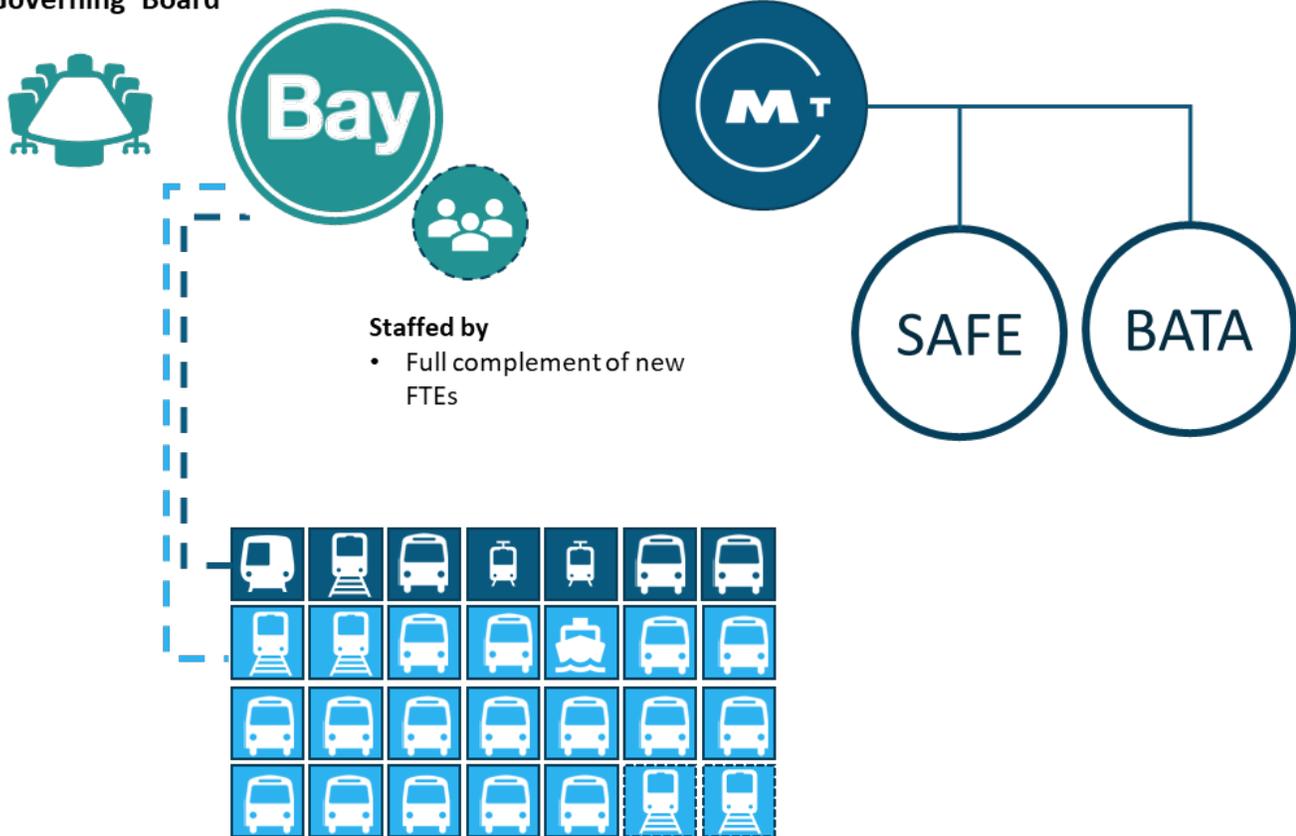


Figure 10 - Conceptual structure of Independent Network Manager (Option 3)

## 8.4 Network Manager | Option 4

### **Design objective**

To centralize accountability, authority, and organizational resources for RNM within the MTC by developing new legislated powers that clearly recognize MTC as the responsible authority for implementing a full suite of RNM initiatives.

The key distinction between Network Management and the Network Manager within MTC Structure Options is the presence of new legislated authority to undertake expanded RNM responsibilities beyond what can be achieved with existing authorities. This may include the adoption of substantial new powers specific to funding, bus and rail management reforms, and capital project prioritization.

### **Mandate, authority, and decision accountability**

A broader and more explicit mandate for network management would be derived from a new legislatively defined mandate, in a similar way to how the Bay Area Toll Authority was created in the late 1990s. This would also centralize authority and equip MTC with the powers and tools to undertake larger and more complex RNM activities. Decisions made under the RNM would be binding for the operators to carry out and implement. Option 4 proposes a new unit within MTC to be set up and overseen by MTC. Because MTC would remain ultimately accountable for policy decisions, the makeup of the Network Manager Board would not have to be composed of elected representatives because public policy accountability is maintained by a clear line to the MTC.

**Funding needs and costs for RNM administration** Housing the Network Manager within the organizational structure of the MTC may need adjusting as the entity would likely increase the MTC overall headcount with a number of new, dedicated full-time staff. The effect is to establish a new transit organizational unit within the MTC, not dissimilar to Option 3 in technical capability, but leveraging the efficiency of existing organizational, decision, and political infrastructure of the MTC.

### **Funding for RNM activities**

MTC would remain the MPO and would also coordinate with stakeholders to seek out new, dedicated funding sources for RNM actions. To undertake activities in

the near term, resources would be needed to advance priority projects. It is assumed in the near term that all activities will need to be cost-shared or redirected from existing funding sources. One of the anticipated legislative authorities for this option would be to reprioritize and redirect funding for RNM activities.

### **Structure and representation**

This proposed RNM is structurally similar to that of other MTC units or divisions such as the Bay Area Toll Authority, (administering programs and allocating revenues). Under this structure, it would be possible to have a board or committee composed of transit representatives, MTC appointees, or a mix of both to oversee RNM programs. MTC would maintain public policy accountability, which means there are a broad number of representation options and permutations that could be developed to serve regional transit interests.

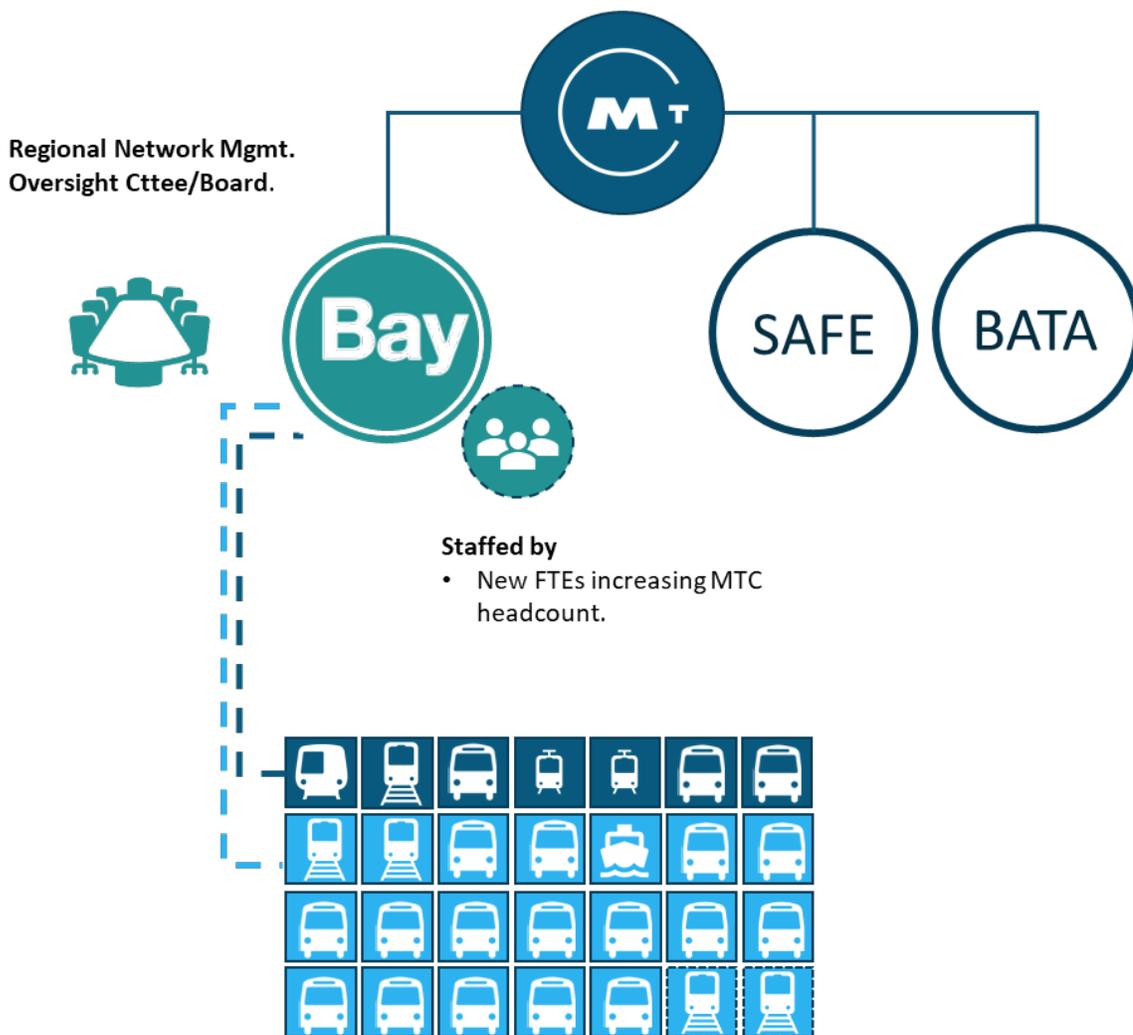


Figure 11 – Conceptual structure of MTC as Network Manager (Option 4)

Criteria	Option 1/2 Management	Option 3 Manager (independent)	Option 4 Manager (MTC)	Comments
System outcomes	◐	●	●	Delivering on the full suite of regional system outcomes will be more challenging under the Network Management option. Management is primarily within the existing legislated framework and thus has less authority to implement the more challenging network responsibilities or ability to generate new regional funding.
Institutional Authority	◐	●	●	The Network Manager options would be purpose-built with the financial, policy, technical skills to address the full range of regional roles and responsibilities.
Financial (cost effective)	◐	◐	●	Option 4 is potentially more cost-effective because it will be able to make use of existing MTC resources for certain functions, and over the long term, able to harmonize expenditures that might today be duplicative.
Politically Supportable	◐	◐	◐	All options are likely supportable by some stakeholders across the region in different ways and each possesses unique acceptance challenges.
Governance	◐	●	●	The potential for conflicting perspectives and priorities may emerge from the dual accountabilities (local and regional) under the Network Management model.
Nimbleness	◐	◐	◐	Each option provides some qualities that would enable nimbleness, though each is different. Network Management is challenged in terms of the need to get consensus to a high common denominator. The others may have more rigid roles as prescribed by legislation/mandate.
Durability	◐	●	●	The purpose-built and legislated Network Manager options would have greater durability as its mandate and powers are prescribed in law. Network Management models rely more heavily on consensus-based decision-making and sustaining/renewing agreement between many parties on their mandate and priorities.
Readiness	●	○	◐	Drawing on a range of existing capabilities, the Network Management model could be advanced more quickly in the short term, whereas Option 3 would be the least ready, needing all functions to be built from the beginning and requiring greater legislative reform.
Capability	◐	◐	◐	The technical capabilities to implement the full range of regional roles and responsibilities will need to be developed/acquired for all of the options. Management may have better ready-to-go capability in the near term and Manager will be capable of built-for-purpose regional-scale capability over time.
Adaptability	◐	◐	●	If consensus is reachable, Management may be able to pivot quickly as direction is not externally mandated (via law). All options can incorporate multimodal mandate beyond transit – drawing on MTC's past experience adapting to changing mandates, Option 4 could provide the greatest/easiest opportunity to adapt in this way.

Table 3 - Assessment Summary

# 9. Understanding a Business Case for Regional Network Management

The BTRTF Transit Transformation Action Plan will pursue a business-case analysis of potential regional transit network management structure reforms. The RNM structure options described in this Report, as well as the BTRTF problem statement, goals, objectives, and key outcomes serve as initial groundwork for this subsequent process.

The purpose of a business case is to carefully evaluate the benefits, costs, and risks of selected options and present the rationale for the preferred solution. To do this, a business case relies on a series of discrete dimensions (or cases) to assess particular aspects of the initiative or proposals. An example of a common framework is the UK’s “Better Business Case” approach. It endorses the following five sequential aspects for consideration:

- Strategic Case: Identifying a case for change and clear investment objectives
- Economic Case: Identifying the benefits (monetization of outcomes) to be achieved from a range of options / potential alternatives
- Commercial Case: Identifying contracting and procurement options, risks, and viability considerations
- Financial Case: Identifying costs, affordability, and funding considerations

- Management Case: Identifying operational and implementation considerations, including key milestones and change management processes

Ideally, a business case analysis is more than a single document. Rather, it is a process developed through stages, each of which addresses the decisions relevant to that stage, with information that is available, viable, and relevant to that stage. At different stages of business case analysis, the various “cases” or “dimensions” may have greater or lesser emphasis i.e., in earlier stages, the Strategic Case receives the most focus, as it is most relevant to the decision making and direction setting.

Figure 12 illustrates a business case process with three stage gates, but depending on the decision being sought, the nature of the initiative, and its scale, risk, and uncertainty there may be more, or fewer stages as required.

Potentially, the business case for the RNM could take a 2-stage approach, with the first stage comparing the 3-4 structures identified in this first phase of work and supporting the decision of a preferred alternative. A subsequent stage of business case analysis would then refine the analysis of benefits and costs of the preferred option, and address deliverability, operational and financial considerations in greater depth.

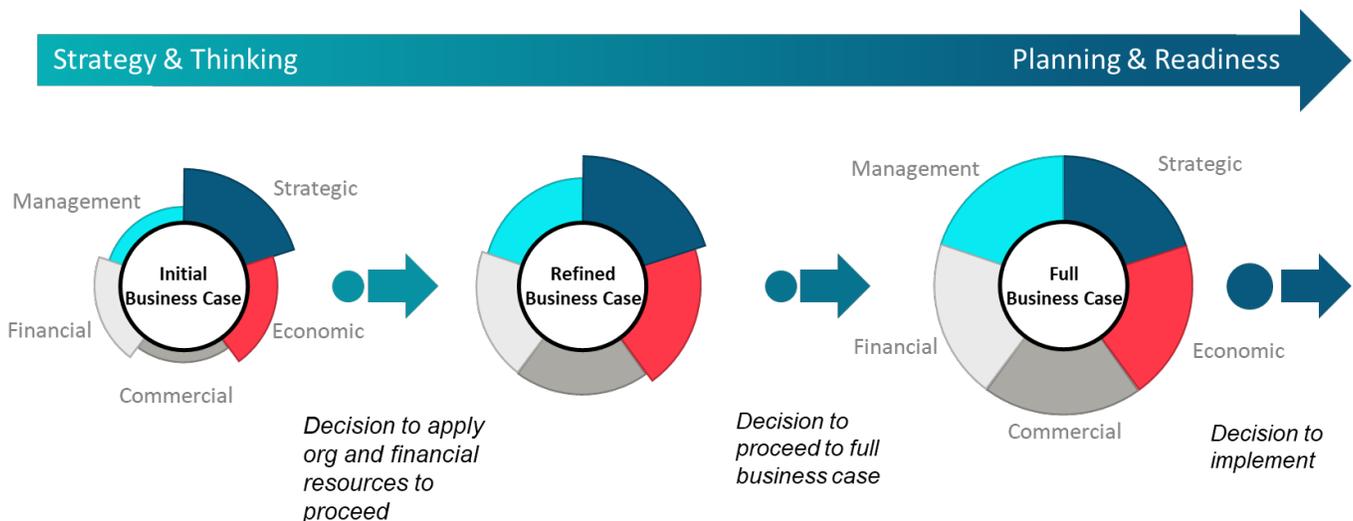


Figure 12 – Typical three-step business case for an infrastructure project

While governments around the world use different forms of the business case process, it is most frequently applied to public infrastructure investment, and employs standardized procedures for appraising benefits. Assessing RNM governance options will require modifications to the typical business case process given the unique nature of the benefits. It will be important to identify and include the non-traditional benefits sought for the Bay Area Region and how best to represent this value to the public.

### **Carrying forward outstanding questions to the business case process**

The structure of the business case process outlined above can be a helpful approach to understanding when to answer several of the outstanding questions or unresolved issues for structure options that arose throughout this initial early assessment. These questions and issues are contained in Appendix 1.

Many of these questions would be explored through later stages of business case development when detailed information concerning the commercial, financial, and management cases become clearer. Table 3 (below) illustrates how and when the business case process might resolve these questions.

	Issue for business case	Section	Stage of business case process (when) and why
<b>Option 1&amp;2</b>	1. How would disagreement on decisions between the RNM and individual transit boards be resolved?	Strategic	Early – Initial Refined Phase Understanding how the RNM will coordinate with existing authorities will be essential to refining the most feasible structure options.
	2. How would the Network Management body evolve to tackle larger, more challenging initiatives?	Management	Late – Full/implementation phase Management Case tests whether there are sufficient processes for delivery, monitoring, implementation, business change, risks and if the structure is equipped to deliver anticipated outcomes over time.
	3. When and how would new funding be secured?	Financial	Mid/Late – Full/implementation phase Detailed affordability and funding dimensions are usually assessed when a preferred option has been selected.
<b>Option 3</b>	4. Are there likely to be efficiencies in standing up a new Network Manager entity in the Bay Area?	Financial	
	5. How and when would a more resolved structure with expanded capacities emerge?	Management	Mid/Late – Full/implementation phase Management case often details the pathway for transition including change management plans.
	6. How would a new entity interface with the Bay Area’s other transportation, planning, and policy authorities?	Commercial	Mid – Refined phase Commercial considerations are usually limited to procurement and contracting but may be appropriate to test working relationships and resource sharing.
<b>Option 4</b>	7. Will consolidating so many transport mandates within MTC pose challenges for maintaining clarity of mission and purpose?	Economic	Early – Initial/Refined phase Options appraisal should identify any fatal flaws based on agreed criteria.
	8. What would be the impacts to MTC?	Management	Mid/Late - Full/implementation phase Management case often details the pathway for transition including change management plans.

Table 4 Business case approach to answering key questions and unresolved issues

# 10. Recommendations for next steps

On the basis of our engagement since May 2021, this section summarizes considerations and recommendations of the consulting team for the Task Force as it contemplates next steps in the creation of a network management entity. These are summarized in the following areas:

1. Basis for Regionalizing Transit
2. Scope/Mandate for a Regional Entity
3. Form of Regional Entity
4. Process and Implementation
5. Business Case

## 10.1. Basis for Regionalizing Transit

The Task Force's problem statement sets out a rationale for regional transit in the Bay Area and defines a clear need for a new regional entity to address those problems.

### **Recommendation 1 – Start with “how” not “whether” to Regionalize Regional Transit Accountabilities.**

We agree with the Task Force's problem statement and assessment of transit needs in the Bay Area. Global practice shows the Bay Area to be on the far end of the scale in its level of fragmentation in transit planning and delivery, and without an entity clearly charged with regional transit coordination. We believe the problems outlined cannot be resolved through informal coordination alone and that there is a strong policy case for establishing a regional transit management entity and that the business case should determine its extent of authority and best form.

### **Recommendation 2 – Build New Regional Transit, While Protecting Local Interest.**

There has been much debate about tradeoffs between local and regional interests in creating a new regional transit entity. There is a concern that a loss of authority at the local level may result in 1) a loss of control in meeting local needs; 2) a loss of responsiveness to local needs; and 3) a loss of accountability for locally derived tax revenues. However, the consequence of business as usual is that the system delivers services that are highly responsive to local/operator jurisdictions, but are challenged at

effectively addressing regional interests that cut across boundaries. Our observation, based on global practice, is that well-designed regional transit governance can deliver good local and regional transit outcomes. Absent this, from the user perspective, there is no true regional network, but rather a collection of individual systems.

Any realignment of network management accountabilities must be conducted in concurrence with locally mandated finance, community policies, and labor agreements.

### **Recommendation 3 – Focus on Outcomes: Increased Ridership, Customer Experience, and Constituency Support.**

A key theme throughout this study process is that a focus on outcomes, especially those that are of greatest importance to the region's travelers, should be central to the design purpose of a future RNM, and also to the business case evaluation of the RNM alternatives. We agree that a Regional Transit Vision that brings these outcomes into focus should be an RNM's first job. The Vision should be capable of delivering a consistently high-quality user experience that supports transit ridership growth goals. It should also be broadly supported by regional constituents (users and taxpayers) who fund, depend on and benefit from the system.

### **Recommendation 4 – Pursue RNM Benefits Beyond Regional/Multi Operator Journeys.**

RNM benefits to user experience for journeys across transit jurisdictions can be significant. This has been a central focus of discussion, and for good reason. RNM can also extend improvements to other areas including project selection and funding, project delivery, capital and procurement efficiencies, operating efficiency, network design, and common service standards and minimums.

## 10.2. Scope /Mandate of the RNM Entity

### **Recommendation 5 – Separate Long Term ‘Entity Design’ Roles and Responsibilities from Near Term Initiative Priorities**

In the Task Force’s work defining the list of Roles and Responsibilities, we observed two separate tasks that could be more clearly delineated:

- Identifying the long-term R+R’s that should be the purview of an RNM entity in an end-state design of that entity (this is the ‘long list’ of priorities);
- Identifying near-term transitional initiatives (“low-hanging fruit”) that represent opportunities for immediate action where there may be the need, will, and resources for Task Force participants to deliver projects (these were the ‘prioritized for action’ initiatives such as wayfinding, bus priority, etc.).

We observed a lack of consensus on whether the RNM entity’s design objective is to focus on the priority action areas, or all of the areas. We believe a sensible and pragmatic approach is two-pronged.

- One, that if the more ambitious and challenging list of longer-term roles (e.g., network-level planning, or bus, rail, and fares initiatives) for RNM are affirmed as critical to the long-term success of the system (that is, they have a strong RNM business case), that these be design drivers of a new RNM entity.
- Two, that agencies and stakeholders can concurrently make progress on the stated near-term priorities (bus transit priority, wayfinding, etc.) through existing forums and resources.

This approach recognizes the reality that creating a new RNM, in any form, will take a considerable amount of time to work through legislative, institutional, budgetary, and other processes; and, that current cooperative forums, can deliver transitional benefits.

### **Recommendation 6 – Affirm and prioritize the RNM Roles and Responsibilities**

Regional transit network management reform requires marshaling significant organizational, financial, and political resources to deliver. Its design, therefore,

should be driven by the longer-term roles that the region believes it should undertake.

The extent of authority and organizational design of an RNM should be driven by its scope, mandate, and priorities. We believe that the full list of R+Rs as presented, including the more challenging ones, are a reasonable set of roles for a RNM to undertake, and consistent with the state of practice for regional network management functions. The R+Rs listed are all currently implied to be RNM roles, however, we note that there does not appear to be consensus on this – particularly for matters such as rail initiatives, megaprojects, and project priority setting.

It will be important for RNM implementers to affirm the R+Rs as the starting point of the business case as these set design objectives for the entity, and therefore a basis for evaluation.

### **Recommendation 7 – Clearly Define Decision Accountabilities between Operators and the future Regional Network Management Structure**

Within the RNM R+Rs, we noted that many jurisdictions will continue to have decision roles for elements related to that RNM, but that the decision ownership (either local/operator or regional network) must be clarified and assigned. For example, within transit priority, there are several decision accountabilities from network planning, network guidelines, project priority-setting, funding, design, delivery, operations, and maintenance. Decision ownership for all of these cannot sit with 27 transit entities and result in an effectively integrated regional transit priority delivery. Diffuse decision ownership risks initiatives being uncoordinated, under-resourced, executed in part, or not done at all.

Defined and agreed-upon decision ownership with respect to all areas of functional accountability makes for more productive relationships between entities. These clearly defined roles are also important for establishing ‘boundary conditions’ and defining areas that will remain local/operator purview (see Recommendation 2) while enabling effective decision-making for regional matters.

## 10.3. Form of Regional Entity

### **Recommendation 8 – Priority RNM Roles Should Be the Primary Driver of Entity Design**

In our framework model, we presented two key choices:

1. The extent of network management responsibility for R+R's—from relatively easy to collaborate/coordinate within a collective group (Management), to relatively challenging to tackle requiring more centralized authority (Manager).
2. Where oversight is provided – within the MTC, or aside in through a separate oversight body.

Generally, we assert that more challenging roles such as broad-based bus or rail network management require higher levels of authority, central decision control, and resourcing. Other roles such as fare integration, wayfinding, or transit priority issues do not require the same degree of central authority and decision control. The extent of R+Rs desired to be part of the RNM mandate may determine the extent to which a 'light lift' management option may suffice versus more challenging to implement Manager structure options.

The determination of the appropriate oversight model flows from the RN entity's scope, mandate, and authority.

### **Recommendation 9 – Oversight for New RNM Functions Should Reflect Good Governance Principles**

The report acknowledges that the current transit governance framework does embody principles of good governance. That is, policy matters related to strategy, investment, fees, spending are decided by bodies accountable to local constituents, with delivery overseen by professional management bodies. As new accountability for regional network management is created, some key governance directions should be considered:

- A singular regional policy body should hold accountability for RNM (regional scale) decisions. This is because two dozen transit bodies with policy and fiduciary accountability to their jurisdiction first cannot also credibly hold the same for regional policy matters and purse. As mentioned elsewhere in our reporting, with a new NM entity the establishment of understood boundaries that protect respective mandates is needed.
- Entity design should assure NM policy decisions rest with a regional policy body with direct linkages to the electorate (via elected official or their designate), with a managerial body (staff) implementing policy direction as defined by the NM Policy body.
- The RNM policy body should be constituted to ensure balanced representation and voice are reflected. This can be achieved through legislative and non-legislative means in Management and Manager models.

## 10.4. Process and Implementation

### **Recommendation 10 – Commit to Identifying and Pursuing New Funding Essential to Success of RNM**

On the presumption that the RNM has the long-term charge to deliver the full suite of NM responsibilities, significant new regional funding—with accountability to the RNM—is an essential element for regional transit success. There has been significant concern about local or operator funds being reallocated to regional network priorities. Again, with our working assumption that the RNM entity is a long-term project with broad accountabilities, reallocations cannot sufficiently fund its mandate.

The Task Force members should identify potential sources of new funding that can be designated for the RNM, and agree to jointly pursue that funding. In the long term, our view is that RNM succeeds as a 'rising tide that lifts all boats' – that is, local services can be protected and enhanced while regional services and initiatives are also properly resourced. Our experience from observing global transit success is choosing local and regional service is a false choice. Successfully designed regional network managers can do both.

### **Recommendation 11 – Funding for Interim NM Priorities from Existing Sources Should Be Explored**

Pending significant new RNM funding, opportunities to advance near-term RNM priorities within the existing (albeit constrained) pool of resources available should be explored. Setting aside areas of primary budget concern such as funding allocations to ensure basic service, address equity issues, etc., there may be possibilities to achieve operating efficiencies through scheduling, or by pooling resources already being spent at the operator level on NM related interests (marketing, wayfinding, etc.) and directing them to a common purpose.

### **Recommendation 12 – Foster Trust, Make Progress, Build Capacity**

The Task Force work has built an incredible amount of goodwill and momentum with participants and stakeholders and built a new spirit of inter-agency collaboration to advance further initiatives. Major regional governance reform will take time. In the meantime, this work can be capitalized on by:

- Setting timelines and goals for specific tangible RNM project outcomes, including the development of a broadly supported Regional Transit Vision with funding plan;
- Building technical capacity for regional transit planning and delivery;
- Finding creative ways to resource (people, funds) meaningful NM projects through existing shared resources;
- Building regional decision processes and structures that emulate the desired representation and voice of a future state RNM; and
- Being pragmatic. Legislative change may be required under Management or Manager structures to realize the full potential of RNM. However, much can be done within existing authorities with goodwill and shared intention, to make meaningful progress.

### **Recommendation 13 – Secure Commitments to Implement the Task Force Recommendations**

Although prompted by the urgency of responding to the unprecedented challenges presented by COVID 19, the ongoing work of the Task Force has been a model of regional coordination, collaboration, and focus on outcomes beyond the immediate. Importantly, the Task Force had the active participation of a broad, representative range of local agencies and transit providers.

Ultimately, the ability to fully implement the Task Force's work will depend on the buy-in of the governing bodies of the region's agencies. To build on the momentum and goodwill generated through the Task Force, those governing bodies should formally embrace the findings and commit to working to achieve the outcomes, including supporting new funding for the RNM.

## **10.5. Developing the business case**

### **Recommendation 14 – Distinguish business decisions from public policy decisions**

Large-scale transit governance reforms are rarely driven by a multi-dimensional business case process. Both the problems and benefits of reforming at such a large scale often fall outside of the traditional monetizable and non-monetizable accounts of assessment that can be easily compared across alternatives. There may well be a compelling business rationale for moving towards RNM in the Bay Area, but it will be difficult to definitively model, quantify and measure all of the benefits. Therefore, it will require a balanced approach to assessment and require:

- Focus on those areas of assessment that are most important to stakeholders and to balance qualitative and quantitative metrics.
- Recognize that the business case analysis is just one input for decision making, and should be considered alongside public and stakeholder input, regional policies, and other factors.

**Recommendation 15 – Scope effort relative to the decision being made at each stage of the business case.**

Given that there are several phases of a business case, it is important to focus first on those factors most relevant to each phase of inquiry. As discussed in Recommendation 8, the RNM extent is key to the initial stage in order to confirm the form and the functions of the RNM. We suggest

- Analyzing the long-term roles and responsibilities that will have the greatest influence on the option to take forward.
- Agreeing the finer details, permutations, and option refinements can be assessed through later stages (management case, commercial case, etc.).

# Appendix 1 – Outstanding questions

## **Option 1/2**

### **How would disagreement on decisions between the RNM and individual transit boards be resolved?**

Under a Network Management Structure, transit operators remain accountable to both their local boards as well as the MTC on regional initiatives. There would likely be an overlap or lack of full definition in some areas of decision accountability between these boards. It is not clear at this stage if adequate decision accountability delineation could be agreed upon between all 27 agencies. If disagreements did arise, processes would be needed to identify which decision authorities take precedent if MTC-adopted decisions are not binding on operators.

**When and how would new funding be secured?** This option also relies on extensive dialogue, collaboration, and a shared commitment to identify and pursue new funding. The Board/Council structure could be positioned and empowered to pursue new regional funding sources. Securing new, dedicated regional funding through a ballot measure, is unlikely to be obtained before 2024, and may require MTC sponsorship. Additionally, if the Council primarily or solely consists of operators, they may be constrained or restricted from direct lobbying and using government funds to solicit support for new funding sources.

### **How would the Network Management body evolve to tackle larger, more challenging initiatives?**

Currently, the sphere of influence for Network Management is likely to involve RNM objectives as defined in the Transformation Action Plan as near-term priority actions. It is unclear how this structure would effectively pivot to new mandates over time.

## **Option 3**

### **Are there likely to be efficiencies in standing up a new Network Manager entity in the Bay Area?**

The cost and resources involved in setting up a new independent entity are substantial but not unprecedented in both pure network manager and network manager-operator forms (Montreal, Seattle, TransLink, LA Metro). There is an assumption that consolidation of capital planning and program delivery, sequencing, regional business casing, and funding would provide efficiencies, however, this assumption would need further assessment examining costs and marginal benefits. An ongoing challenge with this structure option will be to ensure a new entity is lean enough to capture efficiencies while managing the total costs of operating the new regional entity.

### **How would a new entity interface with the Bay Area's other transportation, planning, and policy authorities?**

As a purpose-built entity -the design of the governance structure may lend itself to developing or maintaining strong policy linkages. The Sound Transit Board (made up of Agency board representatives) is an example of a structure that is effective in achieving these linkages through program and policy governance coordination. As MTC would remain the MPO and designated recipient of FTA funding, it is unclear how a new entity might compete and/or collaborate with existing agencies for funding.

### **How and when would a more resolved structure with expanded capacities emerge?**

There are several pathways for a transition that would dictate how a new entity might adapt to an expanding mandate. It is difficult to anticipate under what conditions moving to Option 3 would be advantageous in the short term, but there may be benefits as priorities shift beyond the short-term actions identified in the Transformative Action Plan and the BRTRTF.

## ***Option 4***

### **Will consolidating so many transport mandates within MTC pose challenges for maintaining clarity of mission and purpose?**

Both Network Manager Options (3 and 4) present distinct approaches to challenges articulated during the course of this assessment. At this time, the full set of advantages or disadvantages in housing regional network manager functions in a large multidisciplinary transport organization are not apparent and will require a more detailed assessment.

**What would be the impacts to MTC?** Option 3 might be pursued if MTC is seen as insufficiently equipped in future capacity, governance, or representation to oversee the regional interest. While the current makeup of the MTC Commission's members is outside the scope of this analysis, there may be an opportunity to revisit representation as a design refinement to Option 4. Notwithstanding specific changes to political representation, Option 4 would still require a significant transformation of a mature organizational culture to incorporate a new functional need. This new combined entity would need to fairly navigate multiple missions as both MPO and RNM. While it is rare for an MPO to also operate as a transit network manager or operator, it is not unprecedented. Some MPOs (such as RTC in southern Nevada) function as dual entities.

# Appendix 2 - Detailed Assessment Tables

Criteria	Assessment – Option 1/2 Network Management	Finding
System outcomes	With appropriate mandate and authorities, the body can advance many of the RNM transportation initiatives aimed at increasing ridership and improving customer experience. System outcomes focused on equity may be more limited by the accountability structures of the potential council members. Public interest in funding measures for new NM may be possible but may be more challenging to propose and succeed on.	●
Institutional Authority	This structure would allow the management option to progress independently and progressively on several key RNM workstreams. Lack of identified regional funding and fuller authorities/organization for more challenging matters may limit Management’s scope and pace of action. Representation of operators in either Council brings ready-made operation and delivery expertise into NM, and builds organizational policy linkages. Having decision-making (or recommending) body composed of individuals who serve multiple governing interests to whom they hold primary accountability can blur accountability lines, or potentially dilute regional interest decisions.	●
Financial (cost effective)	Leveraging and formalizing the collaboration in the Bay Area on a defined list of activities should allow a right sizing of effort, (i.e. scaling up or down shared resources as needed) resulting in a more cost-effective delivery of outcomes and organizational administration. There will likely continue to be some duplication and redundancies of networks and systems, as well as organizations. Many participants in complex project decision-making (e.g. rail) may increase project complexity, time, cost.	●
Politically Supportable	While there is broad public support for many of the BTRTF initiatives in the Bay Area, there isn’t a clear preference for an ultimate end-state structure. The benefit to this proposal is it is pragmatic and workable (at least in the short-medium term) solution that could deliver actions to desired by the public and stakeholders. There may be very different levels of support of Operator or Broad Stakeholder-based models amongst those groups.	●
Governance	This option’s ability to embody sound governance principles requires careful consideration. With MTC acting as the policy body, this should appropriately align oversight on regional policy matters to a regional policy body. Other oversight options may be feasible. Ensuring appropriate representation/voice in decision-making particularly with more challenging NM roles requires consideration. Requires agreement among many parties to establish boundary conditions for operator/local vs regional decisions. Requires broad support, achieved consistently across many Council participants with primary accountability to their agency/interest. May result in suboptimal regional decision or no decision. Decision process and ultimate accountability may not be transparent to public/constituents.	●
Nimbleness	By virtue of structuring a mandate around a fixed set of initiatives, the decision-making ability of this group will be confined to areas resolved by the MTC as the boundaries of RNM activities. This will hinder the ability to adapt to emerging directives, without new broadly supported agreement. At the same time, there remains opportunity for separate collaboration on certain types of initiatives that may change over time.	●
Durability	This structure should be able to sustain a consistent, singular vision and purpose short to medium term. Challenges may arise as more difficult NM roles are tackled. There may be challenges related to forging consensus between agencies of diverse sometimes divergent interests and vision.	●
Readiness	A Network Management structure can be deliverable in the near term, able to implement priority actions and build on already established momentum. It is able to do so leveraging existing organizational resources, supporting quick and cost effective implementation	●
Capability	Properly resourced, this structure would possess some of the requisite technical and organizational capacity to address the roles and responsibilities. Some operation and technical competencies can be shared between agencies and built within the Council and more broadly MTC over time. New capabilities to address regional planning and implementation will need to be built over time.	●
Adaptability	A Network Management structure is well positioned to act as a testbed for amassing more authority, responsibility, and mandates in the future to be able to transition into a Network Manager. This structure is forward compatible with the range of transit focused responsibilities but may struggle long-term to take on new transportation system roles and responsibilities (e.g. other modes).	●

Table 5 Assessment - Option 1/2, Network Management

Criteria	Assessment – Option 3 Independent Network Manager	Finding
System outcomes	As a built-for-purpose entity, with clear policy direction to deliver desired RNM Transportation outcomes this option should be able to perform effectively to deliver the full suite of RNM roles and responsibilities. Similarly, with clear regional equity objectives defined, and funded sufficiently, this structure should allow for the advancement of regionally equitable planning, policies, decision-making, and implementation. Funding is materially important to achieving system outcomes; a new agency could provide a transformative vision to catalyze support for funding the vision.	●
Institutional Authority	The design of this option allows for the ability to independently deliver on its assigned RNM mandate and duties. However, the nature of a new entity means more energy will be required to maintain relationships with other linked policy entities across the Bay Area. These may take time to develop and could also be embedded as a design refinement to ensure clear and productive policy linkages.	●
Financial (cost effective)	While this structure would likely be able to deliver more cost-effective RNM outcomes over time, there are uncertainties regarding where resources would be transferred, consolidated, or streamlined between MTC and operating agencies upon the creation of a new, separate authority. It is likely that administrative and service delivery could theoretically be achieved. A thorough assessment would be needed to determine whether savings would be plausibly realigned to the Manager or absorbed as savings within agencies, or some combination; also if, how, and when the system benefits might exceed the costs.	◐
Politically Supportable	The political supportability of a new operating entity may depend on the benefits attributed and the degree to which the public can be confident network integration can be achieved with aligned fares, routes, schedules, and passenger information. The challenge will be the requirement to navigate new legislation, and the ability to efficiently set a new structure with public support. There will be constituents both highly supportive and opposed, to a new entity.	◐
Governance	There are no major constraints that structurally limit this Option’s ability to embody sound governance principles. The structure allows for either a consolidated public policy body and implementation/operational governance system or the ability to support a political Council with a management board that would appropriately align oversight for different levels of regional accountability. In many ways, it provides the highest and clearest levels of accountability. Requires careful consideration to define respective mandates relative to the MTC and to support productive long-term regional collaboration.	●
Nimbleness	The ability for the new structure to pivot and adapt to changing circumstances will be determined in part by social license conferred by stakeholders and the public throughout the region. It will take time to ramp up, establish relationships, collaborate and coordinate with other agencies, and engender trust in the Region. While a new entity has the benefit of being able to acquire the talent and expertise to suit the task at hand, this will take time. Nevertheless, this structure may be able to pivot towards new responsibilities such as capital delivery, new or consolidated operations, or multi-modal mandate.	◐
Durability	New Network Manger entities that have been developed in recent years have been able to endure various challenges, shocks, and stressors to sustain a vision and iteratively build resources over time. (E.g., Sound Transit, Metrolinx)	●
Readiness	Creating a new, separate entity to undertake RNM activities with new legislated authorities would take a considerable amount of time to implement. While some initiatives could be advanced in the near term, there are risks that organizational energy may be directed toward setup rather than implementation. Additionally, many RNM initiatives would require collaboration and linkages with other Bay Area institutions. These relationships will require time and focus to build and maintain	○
Capability	Provided with sufficient funding and a clear mandate, a new entity can acquire technical and organizational capacity, although this may require drawing from existing regional capacity in the interim.	◐
Adaptability	During the establishment of a new entity, processes and accountability structures can be designed to transition into desired end-state capability. There will be tradeoffs inherent with designing a new authority to fulfill an anticipated future mandate as not all future directives and opportunities (such as a multimodal mandate beyond transit) will be apparent at the outset.	◐

Table 6 Assessment – Option 3, Independent Network Manager

Criteria	Assessment – Option 4 MTC as Network Manager	Finding
System outcomes	As a new built-for-purpose unit within MTC, this structure should be able to perform effectively against RNM Transport outcomes provided capacity and expertise are successfully acquired. Similarly, with clear regional equity objectives defined, and funded sufficiently, this structure should allow for the advancement of regionally equitable planning, policies, decision-making, and implementation. Funding is materially important to achieving system outcomes. The MTC with a dual function as the MPO should be able to integrate decisions on funding and prioritization and generate support for new funding. With the MTC's many other accountabilities, its ability to sustain the Manager's clarity of purpose needs to be weighed against the benefits of regional transport policy integration.	●
Institutional Authority	Designating a new Network Manager within the MTC means that the structure will benefit from policy linkages to planning, funding, and investment decisions at the regional level. This should allow for quick decision-making to progress RNM activities. While the structure is not entirely Independent of MTC, it does allow for a clear body with financial, policy, administrative, and technical capacity for RNM activities.	●
Financial (cost effective)	There may be several advantages of scale to housing the RNM structures within an existing entity. Some decision authority would be delegated from MTC but there would still likely need resources to set up and administer. It is expected to be able to cost-effectively deliver RNM outcomes over time.	●
Politically Supportable	The political supportability of a new regional manager within MTC will rely on the belief from the public and stakeholders that the entity is capable of gaining and administering tools, authorities, and resources to successfully deliver RNM activities. To a large degree, the organizational track record of the recent past and its ability to manage will determine the support for Network Management in the future.	◐
Governance	There are no constraints that structurally limit this Option's ability to embody sound governance principles. The structure allows for clear public policy oversight through the MTC and can be set up to draw from Bay Area operator expertise on the board/council to ensure responsiveness and productive relationships are maintained.	●
Nimbleness	As needs and circumstances change, this structure may be able to pivot and adapt to emerging directives or new mandates. The degree to which the entity will be able to pivot will depend on the willingness of MTC to fulfill the needs and gaps as RNM work progresses. There will be a balance to maintain in ensuring that focus is maintained while right-sizing a new organization to fulfill the RNM mandate.	◐
Durability	While few longstanding examples of newly embedded RNM entities exist, there is nothing to suggest housing the RNM within MTC will limit their ability to sustain a mission and vision over time. Having operating responsibility for tolls, Clipper, and freeway operations may be an indicator of durability.	●
Readiness	With several mandates and authorities to coordinate transportation in the Bay Area, the MTC is well-positioned to advance RNM activities in the near term, provided they have broad support from operators and stakeholders. More legislative authority may be required over time to advance a full suite of activities, but this needn't halt progress on achievable, short-term actions.	◐
Capability	While not currently structured or resourced to deliver a full suite of RNM activities, technical and organizational capacity could be acquired locally or recruited more broadly in the short term.	◐
Adaptability	As a large regional organization, the MTC should have the ability to prepare for and effect change in the Bay Area's transportation through a transition phase. Processes and accountability structures have been changed in the past to adapt to new mandates; Sets the stage for an option to build trust and centralize leadership to be forward-compatible with a future Network Manager.	●

Table 7 Assessment – Option 4, MTC as Network Manager

# Appendix 3 - Case Studies



Sound Transit in the greater Seattle region, a regional authority created by ballot initiative in 1996 after several years of consideration. The successful ballot initiative equipped the new entity with a clear mandate and funding sources by voters to enact and implement a regional vision, overlaid on the existing transit networks across Pierce, King, and Snohomish Counties.

The scope of responsibilities concerned overseeing the planning and development of high-capacity transit such as LRT, express bus, and commuter rail, as well as a mandate to support regional fare integration. All of this required a high degree of active, and on-going collaboration with the local transit agencies as there was nothing expressly within the Sound Transit's directives that required local agencies to make major changes. This collaboration was aided by the design of the board structure that included elected officials from all the local transit agencies.

All regional services operate under a unified brand with Sound Transit funding and policy authority while most services are operated via interlocal agreements by local agencies. Over time, the accountable regional entity through formalized collaboration with local jurisdictions and operators meant positive outcomes were able to be achieved.



Unlike Sound Transit, ARTM in the greater Montreal area does not operate any service directly and achieves regional integration through policy, service, and infrastructure coordination. The primary way this is achieved is through controlling and channeling funding.

As a relatively new entity, the design of the board structure consists of elected officials from the regional planning council plus appointed subject matter experts appointed by the State transportation authority. This structure ensures strong policy linkages to provincial and regional growth directives.

To ensure the entity is appropriately resourced with capacity and expertise, human resources were lifted from predecessor agencies with prior operational

experience. Clear delineation of responsibilities was achieved by restructuring personnel creating little ambiguity in planning and operating roles.



With the creation of the Greater London Authority in 2000, regional planning, development, transportation, policing and, fire services were unified under a new authority with clear executive authority conferred to the directly appointed regional Mayor of London. Transport for London (TfL) is the functional body responsible for multiple modes including transit. Its Board is appointed and chaired by the Mayor of London.

The bus network has for decades relied on separate planning and operations functions through tendering and contracting for routes with route planning, policies, standards, and guidelines are set by TfL. Nineteen bus operators provide vehicles, conduct labor negotiations for the network of 9,000 buses across more than 700 routes.

Despite the highly integrated nature of Greater London's regional governance, there are still dozens of local municipal boroughs with control over the majority of city streets. However, leadership by TfL across modes is enabled by the strong executive authority and mandate bestowed by the Mayor enabling it to act as a singular Network Manager for transport matters in the region. This also ensures there are strong policy linkages to growth management and planning across municipalities, matching its mandate to articulating a clear vision with an authority to acting as a multi-model management overlay with funding, policy, and operational control.

# Endnotes

- 1 Transformation Action Plan Goals & Objectives (Adopted November 16, 2020) [https://mtc.ca.gov/sites/default/files/Final\\_Goals\\_and\\_Objectives\\_Adopted\\_11-16-2020.pdf](https://mtc.ca.gov/sites/default/files/Final_Goals_and_Objectives_Adopted_11-16-2020.pdf)
- 2 Transit Network Management Problem Statement (Adopted March 22, 2021) [https://mtc.ca.gov/sites/default/files/BRTF\\_Problem\\_Statement\\_Adopted\\_3-22-2021.pdf](https://mtc.ca.gov/sites/default/files/BRTF_Problem_Statement_Adopted_3-22-2021.pdf)
- 3 Near-term Priority Roles and Responsibilities for NM Evaluation (Adopted May 24th, 2021) <http://mtc.legistar.com/gateway.aspx?M=F&ID=4a5292f5-e6d8-43cb-a132-e4d798842911.pdf>
- 4 The Consultant Team is a partnership of VIA Architecture, Access Planning, InfraStrategies, and KevinDesmond Consulting.
- 5 Regional Network Manager Evaluation Methods memo (Presented May 24th, 2021) <http://mtc.legistar.com/gateway.aspx?M=F&ID=85bdec8c-9262-4613-8b0a-a94533ae2cb0.pdf>
- 6 Consultant Team Comments on Roles and Responsibilities (Presented May 24th, 2021) <http://mtc.legistar.com/gateway.aspx?M=F&ID=b3a6509a-83d7-4772-9434-3e421f07487c.pdf>
- 7 Refined Outcomes, Roles, and Responsibilities to guide Transformation Action Plan (Presented June 28th, 2021) <http://mtc.legistar.com/gateway.aspx?M=F&ID=510a67ab-20fa-454d-83ec-ea61b4071e8b.pdf>
- 8 June Network Management Evaluation Consultant Team Presentation (Presented June 28th, 2021) <http://mtc.legistar.com/gateway.aspx?M=F&ID=4828337d-381d-4c13-8adb-45173adb7f6f.pdf>
- 9 Network Management Evaluation Information Cover Memo (presented July 26th, 2021) <http://mtc.legistar.com/gateway.aspx?M=F&ID=b981f98c-5ddf-4d62-8547-40f445bc9d67.pdf>
- 10 Appendix A – Preliminary Option Evaluation (presented July 26th, 2021) <http://mtc.legistar.com/gateway.aspx?M=F&ID=70fb5291-796b-4cf0-a2ca-67f742f20253.pdf>