

Rail Payments Market Sounding

Information Document & Response template

Issued by

CalSTA, on behalf of the California Rail Payments Alliance (CRPA)

Authors

California Rail Payments Alliance (CRPA)

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1. Introduction

California's Public Transportation Landscape

California is one of the world's leading economies and home to more than 40 million people. It spans some of the most productive agricultural regions, largest cities, and fastest-growing innovation hubs in the United States. It is also home to one of the most complex and decentralized rail and public transportation networks in the country. From rural bus routes to intercity rail lines and new mobility services, the transportation system is as diverse as the people who rely on it.

Despite this rich ecosystem, the fragmented and disconnected nature of transportation services across California leads to high operating costs, limits the ability to deliver seamless rider experiences, and undermines the equity and climate benefits that transit and shared mobility services can offer. As transportation providers across the state confront changing travel patterns, ongoing fiscal constraints, and California's ambitious climate targets, there is a growing urgency to adopt solutions that are interoperable, cost-effective, and scalable.

In the past five years, the California State Transportation Agency (CalSTA) and the California Department of Transportation (Caltrans) have spearheaded a paradigm shift in the transit payments landscape through the California Integrated Travel Project (Cal-ITP). The initiative focuses on implementing global standards for fare collection, trip planning, and eligibility verification—so that every rider can plan, pay for, and board public transportation easily, regardless of the agency or mode they use.

Much has been achieved in California over the last few years to improve the rider's payment experience through the introduction of bench contracts for open-loop payment technology. However, some customer use cases still represent an area of opportunity for improvement. In this upcoming phase of work, the focus will be on bridging some of these gaps and achieving a more interoperable and seamless experience on intercity and commuter rail.

By 2034, California plans to invest over \$65 billion in intercity and commuter rail projects including electrification, major corridor and station upgrades, the completion and operation of segments of high-speed rail, and other initiatives aimed at increasing ridership and reducing vehicle miles traveled (VMT).

This multi-year pipeline, along with other complementary initiatives such as increasing transit-oriented development (TOD) and integrating local transit services, highlights the growing opportunity associated with California rail operations. As a result of these plans, California expects a significant increase in rail ridership by shifting nearly 200 million passenger miles per day from highways to statewide rail and transit networks by 2050.

Rail Alliance

To realize these ambitious goals, a group of rail operators and CalSTA agreed to coordinate their modernization efforts and collaborate on an operational framework.

In April 2025, six rail operators and CalSTA formed the California Rail Payments Alliance (CRPA) with the aim of improving the ease with which passengers can plan, pay for and access rail services by identifying priority areas, adopting solutions that are based on open standards, and where appropriate, jointly planning and implementing projects. The Alliance is particularly interested in solutions that create a seamless customer experience, meet interoperability principles, and achieve cost savings.

The founding members of the Alliance are:

- California State Transportation Agency (CalSTA)
- Altamont Corridor Express (ACE)
- Capitol Corridor Joint Powers Authority (CCJPA)
- Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN - operating the Pacific Surfliner service)
- Southern California Regional Rail Authority (SCRRA – operating as Metrolink)
- North County Transit (NCTD) - San Diego Railroad (operating the Coaster and Sprinter services),
- San Joaquin Joint Powers Authority (SJPPA - operating the Gold Runner Service),

This Alliance was created with the intention of identifying technology solutions that are useful for all rail operators and may grow to include additional ones. Ultimately, the alliance aims to foster more collaboration across rail operators to meet California's transit goals and their individual goals of increasing ridership and improving the user experience.

2. Market Sounding

Purpose

CRPA wishes to investigate how we can improve the rider experience, with the ultimate goal of increasing ridership and cost efficiency. We are carrying out this Market Sounding Exercise with the following aims:

- To better understand the different technology options that meet the booking and retail needs of rail operators and enable an interoperable rail ecosystem.
- To help develop our understanding of the ecosystem and governance / roles required to achieve interoperability.
- To better understand the market capabilities / structure, allowing us to design procurements with the best chance of success.
- To identify potential partners for likely demonstration phases.

Ideally, the outcomes of this market sounding will lead to the identification of cost-effective solutions that can be implemented either individually, or jointly as a group of two or more operators. Additionally, the Alliance acknowledges that to activate certain functionalities, a central entity or role may be needed to facilitate data sharing and act as a middle-layer for the scenarios that require it.

To activate this central role, CRPA is looking to establish an entity that oversees the development of the ecosystem by:

- Setting standards and playing a role in areas such as settlement allocation, ticket data aggregation, and facilitating agreement on common products and standards that support interoperability
- Creating and maintaining any “bench” contracts that could help multiple operators implement payment improvements.
- Providing technical implementation and monitoring support.

Expectation

We believe that the organizational, process and technological ecosystem necessary to achieve the stated goals should be:

- based on open standards.
- implemented in a staged manner, with more complex aspects deferred.
- designed to allow operators to maintain their primary relationship with passengers.
- designed to result in a manageable workload and technology impact on operators.
- be cost-effective for everyone involved.

We are not seeking solutions limited to closed loop, open-loop, or agency-specific mobile apps. Instead, we are trying to foster an environment that enables improvement and bridges the gap between rail operators and the wider transit ecosystem.

Process Overview

We wish to collect written information and will request in-depth interviews with select parties who respond to the questions in Appendix A. Interviews will be requested with respondents who showcase solutions that are suitable for the problems we are trying to tackle, and if respondents indicate whether they are open to a follow-on interview.

This Market Sounding will conclude with a market response summary written using feedback from the participating parties. The target release date of the summary will be in August 2025. The outcomes of the Market Sounding will shape the direction and potential next steps undertaken by CRPA.

The following sections outline the process for this Market Sounding, including timelines, the submission of answers, and the overall follow-up process. Terms and conditions of participation may be found in Appendix B.

a. Procedure and timing

Unless otherwise agreed, all information in the final report will be anonymized. We will ensure that no information can be traced back to individual companies and will employ Chatham House Rules for all of our interviews and responses. For any questions on this process, you can reach out to us by emailing Ali.Attari@rebelgroup.com

b. Steps taken after the Market Sounding

This Market Sounding is a critical step in this process to define what CRPA can do to create a better marketplace / ecosystem. Following the market sounding process, we will produce a market sounding report that analyzes the outcomes for the purpose of building a business case and defining a demonstration project.

c. Submission of response

We ask interested parties to submit their answers in a predetermined response format (Appendix 1) before 0:00 PDT (midnight) on Friday, July 4th, 2025. You can submit your response by emailing it to Ali.Attari@rebelgroup.com

d. Important Dates

Activity	Date
Market Sounding publication	June 9 th , 2025
Closing of Market Sounding survey	June 30 th , 2025
Last interviews held	July 18 th , 2025
Release Market Sounding report	August 2025

Appendix A: Response Template – Market Sounding Questions

General

Question 1:

What products / services do you offer that you think could play a role in improving the experience and cost efficiency of paying for rail journeys in California? In what way would they help?

Answer:

Question 2:

What challenges have you faced during rollout and/or operation of your product(s) that hampered success (e.g., regarding operational, organizational, technological challenges, etc.)? How were you able to mitigate these difficulties?

Answer:

Question 3:

What standards do you use and why?

Answer:

Question 4:

In your opinion, what is critical to creating successful arrangements for rail payments on both the private and public side of mobility service providers? Could you share one or two examples of cities where you have achieved a significant level of success in your operations?

Answer:

Question 5:

How would you ensure your proposal(s) promote positive outcomes regarding equity and the access to / affordability of rail?

Answer:

Interoperability

Question 5:

What roles and services do you think will be important for the alliance members to reach their goals, and who needs to perform them? What are the key success factors for the collaboration necessary to achieve interoperability?

Answer:

Question 6:

How can changes be made most efficiently with respect to operators' existing processes / systems / suppliers? What sort of ongoing commitment do operators need to make in order to keep the system performing as intended?

Answer:

Question 7:

How should we think about sequencing? Which aspects should we start with, and which are best left until later? Which functions add the most complexity? (e.g. variable fares, seat reservations). What do you think could form a Minimum Viable Product that can be used to demonstrate this technology?

Answer:

Question 8:

What are the options for ticket fulfillment? Do you view it as important that this is unified / standardized across the state?

Answer:

Question 9:

What timescales have you seen for implementation of interoperable solutions, and what should we assume in California? What do you think could be achieved in time for the Olympic and Paralympic Games in Summer 2028?

Answer:

We want to thank you for your contribution to this Market Sounding. Would you be interested in having a follow-up in-depth interview (conducted remotely) to discuss these questions further?

YES or **NO**

Appendix B: Market Sounding Terms and Conditions

Voluntary Participation

Participation in this Market Sounding (or Consultation) process is strictly voluntary. It is neither a prerequisite nor a pre-qualification requirement for participation in any future procurements or opportunities related to fare payment, inspection, trip planning, or other related services. Information submitted through this process will not be construed as part of any competitive solicitation, and CalSTA does not guarantee that all interested parties will be interviewed.

No Obligation or Contractual Commitment

This process does not constitute an agreement to solicit or purchase goods or services. CalSTA and the operators that are part of the California Rail Payments Alliance (CRPA) are not bound to enter into any contract with any respondent to this Market Sounding. CalSTA is under no obligation to request or consider further information from any participant, nor are they required to provide feedback following submission.

Procurement Decisions

CalSTA reserves the right, at its sole discretion, to determine whether a procurement is warranted. Should a decision be made to proceed, any subsequent procurement will be conducted via an open and competitive public process, in accordance with the State of California's procurement policies and procedures.

Ownership of Submissions

All materials submitted, including supporting documentation, will become the property of CalSTA and will not be returned. Submissions will be used solely for internal and consultative purposes.

Costs and Liability

Participants are solely responsible for all costs incurred in connection with this Market Sounding process. Neither CalSTA nor CRPA will be liable for any expenses related to:

- Preparing and issuing submissions.
- Participating in interviews or follow-ups.
- Any other activities associated with this process.

Disclosure and Public Records

Participants acknowledge that information provided in their submission may be disclosed where required by law, court order, or tribunal. Additionally, CalSTA may be obligated to release all or parts of submissions under the California Public Records Act.

Confidentiality and Use of Results

CalSTA may publish a summarized version of the Market Sounding results under Chatham House Rule — meaning that insights may be shared publicly without attribution to specific respondents. CalSTA may also share summaries with state, joint powers, and federal funding partners, and reserves the right to use the results to inform future Market Soundings or Requests for Proposals (RFPs) for relevant goods and services.