



**December 3, 2025**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** 405 Express Lanes Update for the Period Ending -  
September 30, 2025

### **Overview**

The Orange County Transportation Authority oversees the operations of the 405 Express Lanes, which commenced on December 1, 2023. During the month of September 2025, transactions increased 12.9 percent while trips grew by six percent on the 405 Express Lanes. This report focuses on the operational and financial activities for the period ending September 30, 2025.

### **Recommendation**

Receive and file as an information item.

### **Background**

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation and the cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, implemented the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project added one general purpose lane in each direction from Euclid Street to I-605, consistent with Measure M2 Project K, and added an additional lane in each direction that combines with the existing high-occupancy vehicle lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes (405 EL). The 405 EL commenced operations on December 1, 2023.

Motorists using the 405 EL pay tolls using a transponder that automatically deducts the toll amount from a prepaid account. The transponder can be used on any California tolled facility through existing interoperability agreements.

### ***Discussion***

The sections below discuss various operational data and information for the 405 EL in greater detail.

#### **Transactions and Trips**

The total number of 405 EL transactions for the month of September 2025 was 6,190,755, which represents a daily average of 206,359 transactions. This is a 12.9 percent increase in transactions from the same period last year when transactions totaled 5,483,352. In looking at the 12-month period ending September 2025, transactions totaled 70.6 million. Traffic in the northbound direction accounted for 53.6 percent of the transactions and the southbound direction accounted for 46.4 percent.

The transactions corresponded to 1,539,039 trips or 51,301 average daily trips. This is a six percent increase in trips from the same period last year. In looking at the 12-month period ending September 2025, trips totaled 17.8 million.

The carpool percentage (two person high-occupancy vehicles and three or more high-occupancy vehicles) for the period ending September 2025 was 22.4 percent.

#### **Gross Potential Toll Revenues (GPTR)**

GPTR is defined as the number of trips multiplied by the posted toll for that trip. GPTR will always exceed actual revenues (shown in the monthly report under the Financial Highlights section) because of violations, discounts, or unrecognizable license plates. GPTR results are utilized for the purpose of comparisons to the forecasted amounts for the 405 EL. For the month of September 2025, GPTR for the 405 EL was \$4,354,446, and for the 12-month period ending of September 2025, the amount totaled \$46,436,821.

#### **Toll Adjustments**

The Board of Directors (Board)-adopted Toll Policy (Policy) requires staff to review traffic volumes on the 405 EL for potential toll adjustments. Based on the traffic volumes and speeds in the 405 EL, toll adjustments were applied to several hours effective July 1, 2025. There were ten hours in total that reached the trigger point for a toll adjustment. Eight hours were in the northbound direction and two were in the southbound direction. Per the Policy, toll rates in the segments identified below will be increased by either \$1.30 or \$1.70, depending on the average level of traffic. In addition to these congestion-based

adjustments, the Policy also requires an annual toll adjustment for inflation every July 1 for all hours that were not adjusted in the prior fiscal year. Those hours were adjusted by an inflation factor of 3.99 percent, rounded up or down to the nearest five-cent increment, effective July 1, 2024. As of the end of September 2025, toll rates for a full-length trip ranged from a minimum of \$2.65 to a maximum of \$22.95. After the September 2025 quarter end, toll adjustments also occurred on November 1, 2025, and will be reported in the next report to the Board.

#### Number of Accounts and Transponders

The number of active accounts on the 405 EL totaled 24,492 and 52,197 transponders were assigned to those accounts as of September 30, 2025. The largest concentration of accounts continues to be in the City of Long Beach.

#### Outstanding Debt

As of September 30, 2025, the outstanding amount for the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan totaled \$643.7 million. Debt service payments are not due on the TIFIA loan until December 2028 (five years after the substantial completion date of December 1, 2023). The TIFIA loan is rated “Baa2” by Moody’s.

#### Operational Update

WSP USA Services Inc. (WSP) is the back-office system (BOS) and customer service center operations provider for the 405 EL. Electronic Transaction Consultants, LLC (ETC), as a subcontractor to WSP, is responsible for the design, development, implementation, and maintenance of the 405 EL BOS. In November 2023, the BOS and customer service center operations began preparations and officially went live in December 2023. Although go-live was achieved in December 2023, WSP/ETC has yet to deliver a BOS with full system functionalities. The delay in implementing some of the functionalities has resulted in WSP/ETC being unable to meet some of the key performance indicators.

During the month of September 2025, some of the operational key performance indicators were not met. These include service level/speed of answer, processing of transponder requests, and processing customer refunds. The performance measures were not met due to an unexpected number of customer representative absences, system issues, and delays in implementing new software functionality. Failure to meet performance measures results in associated non-compliance points being applied to the monthly performance

scorecard. If the accumulated non-compliance points reach a specified threshold, the invoice for the month will be adjusted by the corresponding penalty percentage.

Since the go-live date, staff, in conjunction with the project management consultant for the 405 EL, has worked with the WSP/ETC team to resolve system defects/software fixes, while supporting system design, testing, and implementation of new software functionalities. In an effort for WSP to meet key performance indicators and advancing additional system functionalities, WSP has retained an additional project manager for the 405 Express Lanes. Previously, there was one project manager dedicated to the entire project, who oversaw the day-to-day operations and the advancement of new system functionalities. WSP has now dedicated two project managers to the 405 Express Lanes, one who oversees the daily operations and the other, who focuses on delivering and overseeing implementation of new system functionalities.

### ***Summary***

The operational report for the 405 Express Lanes for the period ending September 30, 2025, is provided for Board of Directors' review. The report provides a summary of key operational and financial activities.

### ***Attachment***

- A. 405 Express Lanes Status Report, September 2025

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