



**September 10, 2025**

**To:** Finance and Administration Committee

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

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

### **Overview**

The Orange County Transportation Authority oversees the operations of the 405 Express Lanes, which commenced operations on December 1, 2023. During the month of June 2025, transactions increased 12.4 percent while trips grew by 8.1 percent on the 405 Express Lanes. This report focuses on the operational and financial activities for the period ending June 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 June 2025 totaled 5,889,249, which represents a daily average of 196,308 transactions. This is a 12.4 percent increase in transactions from the same period last year when transactions totaled 5,241,966. In looking at fiscal year (FY) 2024-25, transactions totaled 68.4 million. Traffic in the northbound direction accounted for 54.1 percent of the transactions and the southbound direction accounted for 45.9 percent.

The transactions corresponded to 1,452,857 trips or 48,429 average daily trips. This is an 8.1 percent increase in trips from the same period last year. In looking at FY 2025, trips totaled 17.4 million.

The carpool percentage (two person high-occupancy vehicles and three or more high-occupancy vehicles) for the period ending June 2025 was 23.6 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 June 2025, GPTR for the 405 EL was \$3,783,624, and for FY 2025, the amount totaled \$43,270,419.

#### **Toll Adjustments**

The Board of Directors-adopted Toll Policy requires staff to review traffic volumes on the 405 EL for potential toll adjustments. Based on the traffic volumes and speeds on the 405 EL, no hours in the northbound or southbound directions had a toll adjustment. As of the end of June 2025, toll rates for a full-length trip ranged from a minimum of \$2.55 to a maximum of \$19.90. After the June 2025 quarter, toll adjustments were made on July 1, 2025, and will be reported in the next Board report.

#### Number of Accounts and Transponders

The number of active accounts on the 405 EL totaled 22,143 and 45,712 transponders were assigned to those accounts as of June 30, 2025. The largest concentration of accounts continues to be in the City of Long Beach.

#### Outstanding Debt

As of June 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. Since go-live, staff, in conjunction with the project management consultant for the 405 EL, have worked with the WSP/ETC team to resolve system defects/software fixes, while concurrently supporting system design, testing, and implementation of new software functionality. The delay in implementing some of the functionalities has resulted in WSP/ETC being unable to meet some of the key performance indicators. The team will continuously work with the WSP/ETC team to resolve issues as they arise and to implement new BOS and operations functionalities to be deployed.

During the month of June 2025, some of the operational key performance indicators were not met. These include service level/speed of answer, abandon rate, processing of transponder requests, and processing customer refunds. The performance measures were not met due to an unexpected number of customer representative absences, increased call volumes, and other system issues. 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.

***Summary***

The operational report for the 405 Express Lanes for the period ending June 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, June 2025

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