



April 16, 2026

To: Finance and Administration Committee

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned to the right of the "To:" field.

From: Darrell E. Johnson, Chief Executive Officer

Subject: 405 Express Lanes Update for the Period Ending -
December 31, 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 December 2025, transactions increased 11.5 percent while trips grew by 12.4 percent on the 405 Express Lanes. For the quarter ending December 2025, transactions totaled 18.5 million and trips were 4.7 million. This report focuses on the operational and financial activities for the period ending December 31, 2025.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority, 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 December 2025 totaled 6,153,353, which represents a daily average of 198,495 transactions. This is an 11.5 percent increase in transactions from the same period last year when transactions totaled 5,516,898. In looking at the 12-month period ending December 2025, transactions totaled 72.0 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 1,568,458 trips or 50,595 average daily trips. This is a 12.4 percent increase in trips from the same period last year. In looking at the 12-month period ending December 2025, trips totaled 18.1 million.

The carpool percentage (two person high-occupancy vehicles and three or more high-occupancy vehicles) for the period ending December 2025 was 26.0 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 December 2025, GPTR for the 405 EL was \$4,183,253, and for the 12-month period ending of December 2025, the amount totaled \$48,691,811.

Toll Adjustments

The Board of Directors (Board)-adopted Toll 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 November 1, 2025. There were 11 hours in total that reached the trigger point for a toll adjustment. Eight hours were in the northbound direction and three were in the southbound direction. Per the Toll Policy, toll rates were increased by either \$1.30 or \$1.70, depending on the average level of traffic. As

of the end of December 2025, toll rates for a full-length trip ranged from a minimum of \$2.65 to a maximum of \$25.95.

Number of Accounts and Transponders

The number of active accounts on the 405 EL totaled 26,530 and 57,768 transponders were assigned to those accounts as of December 31, 2025. The largest concentration of accounts continues to be in the City of Long Beach.

Outstanding Debt

As of December 31, 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 (CSC) 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 CSC 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 December 2025, some of the operational key performance indicators were not met. These include service level/speed of answer, abandon rate percentage, timeliness of case resolution, processing of transponder requests, and processing customer refunds. The performance measures were not met due to staffing shortages, higher-than-forecasted 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 accumulated non-compliance points reach a specified threshold, the invoice for the month will be adjusted by the corresponding penalty percentage.

Since go-live, staff, in conjunction with the project management consultant for the 405 EL, has worked with the WSP/ETC team to resolve system defects and software issues, while supporting system design, testing, and implementation of new software functionalities. In December, the check print functionality was

deployed into production. This functionality enables the BOS to interface with the banking system for the issuance of customer and violator refunds.

Summary

The operational report for the 405 Express Lanes for the period ending December 31, 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, December 2025

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