



June 18, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: 405 Express Lanes Update for the Period Ending -
March 31, 2026

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is placed over the "From:" line of the memo.

Overview

The Orange County Transportation Authority oversees the operations of the 405 Express Lanes, which commenced on December 1, 2023. During the month of March 2026, transactions increased 14.3 percent while trips grew by 8.4 percent on the 405 Express Lanes. For the quarter-ending March, transactions totaled 18.0 million and trips were 4.5 million. This report focuses on the operational and financial activities for the period ending March 31, 2026.

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 March 2026 totaled 6,690,386, which represents a daily average of 215,819 transactions. This is a 14.3 percent increase in transactions from the same period last year when transactions totaled 5,854,589. In looking at the 12-month period ending March 2026, transactions totaled 73.9 million. Traffic in the northbound direction accounted for 53.5 percent of the transactions and the southbound direction accounted for 46.5 percent.

The transactions corresponded to 1,657,233 trips or 53,459 average daily trips. This is an 8.4 percent increase in trips from the same period last year. In looking at the 12-month period ending March 2026, trips totaled 18.5 million.

The carpool percentage (two person high-occupancy vehicles and three or more high-occupancy vehicles) for the period ending March 2026 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 March 2026, GPTR for the 405 EL was \$4,805,416, and for the 12-month period ending of March 2026, the amount totaled \$51,197,532.

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, there were no toll adjustments during the quarter-end period of March 2026. As of the end of March 2026, 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 28,431 and 63,270 transponders were assigned to those accounts as of March 31, 2025. The largest concentration of accounts continues to be in the City of Long Beach.

Outstanding Debt

As of March 31, 2026, the outstanding amount for the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan totaled \$650 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. Quarterhill (QH), as a subcontractor to WSP, is responsible for the design, development, implementation, and maintenance of the 405 EL BOS. Although go-live was achieved in December 2023, WSP/QH has yet to deliver a BOS with full system functionalities. The delay in implementing some of the functionalities has resulted in WSP/QH being unable to meet some key performance indicators.

During the month of March 2026, some of the operational key performance indicators were not met. These include timeliness of case resolution, payment processing, and processing customer refunds. The performance indicators were not met due to higher-than-forecasted cases, process workflow adjustments, 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, have worked with the WSP/QH team to resolve system defects and software issues, while supporting system design, testing, and implementation of new software functionalities.

Summary

The operational report for the 405 Express Lanes for the period ending March 31, 2026, 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, March 2026

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