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91 Express Lanes; Run Like a Business by The Public Sector



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Background

- Four privately owned toll roads were authorized by the California State Legislature in 1989
- The 91 Express Lanes is the only operating toll road under the legislation; the South Bay Expressway SR 125 toll road near San Diego is scheduled to open shortly
- The four lane, 10-mile 91 Express Lanes toll road cost approximately \$135 million to construct and opened in December 1995
- The 91 Express Lanes is located in the median of SR 91, the main freeway between Orange County and Riverside County

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91 Express Lanes Location

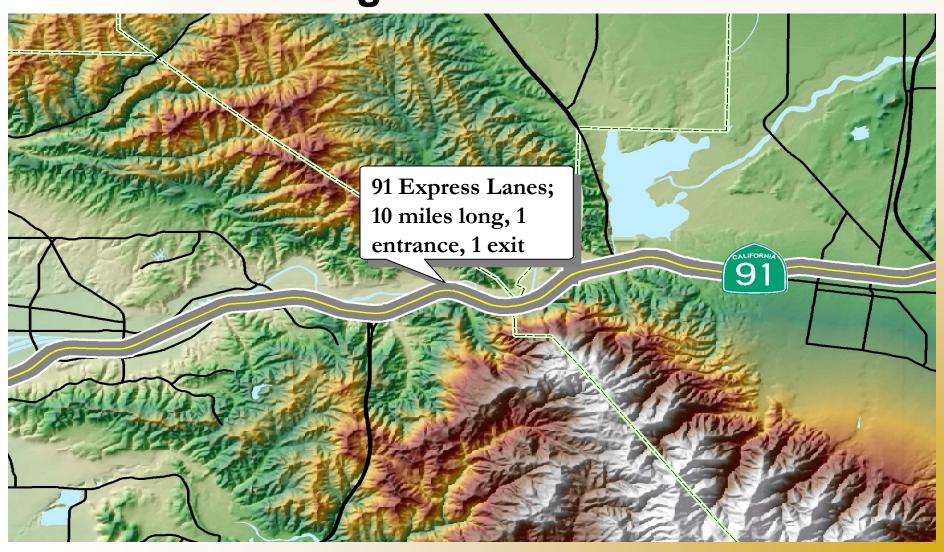


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"Land Bridge" Between Counties



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Why Did OCTA Get Involved?

- To eliminate the non-compete clause in the Franchise Agreement and improve traffic movement in the SR 91 Corridor
- To eliminate initial and ongoing political opposition in adjoining Riverside County including multiple legal challenges
- To manage the 91 Express Lanes by maximizing mobility through the SR 91 Corridor
- To enhance the economic vitality of the Orange County – Riverside County region

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OCTA's Initial Involvement

- OCTA initiated a public policy debate about the benefits of acquiring the privately owned 91 Express Lanes in order to eliminate the non-compete clause in September 2001
- OCTA had no toll road experience; the publicly owned TCAs operate two toll roads in Orange County, the San Joaquin and the Foothill/Eastern
- OCTA's bid to acquire and operate the 91 Express Lanes needed special State legislation

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OCTA's Purchase

- OCTA acquired the 91 Express Lanes on 1/3/03
 - \$207.5 million purchase price
 - Assumed \$135 million CPTC 7.63% taxable debt
 - Used \$72.5 million cash from internal borrowing
- Issued \$195.265 MM tax-exempt Toll Road Revenue Refunding Bonds November 2003
 - Financial firewall between OCTA and 91 Express Lanes
 - AAA Insured and initial A2/A-/A- underlying ratings
 - S&P and Fitch recently upgraded to A ratings
- Net toll revenue used to repay tax-exempt bonds and internal borrowing as well as to fund additional freeway improvements and services

OCTA Ownership

- OCTA required the elimination of the non-compete clause and litigation as a condition of the acquisition
- The SR 91 Advisory Committee comprised of Orange, Riverside and San Bernardino county representatives meets regularly on operating, financial and planning issues
- Local agencies and Caltrans planning complimentary and parallel improvements
- Cofiroute USA, LLC manages the 91 Express Lanes on day-to-day basis

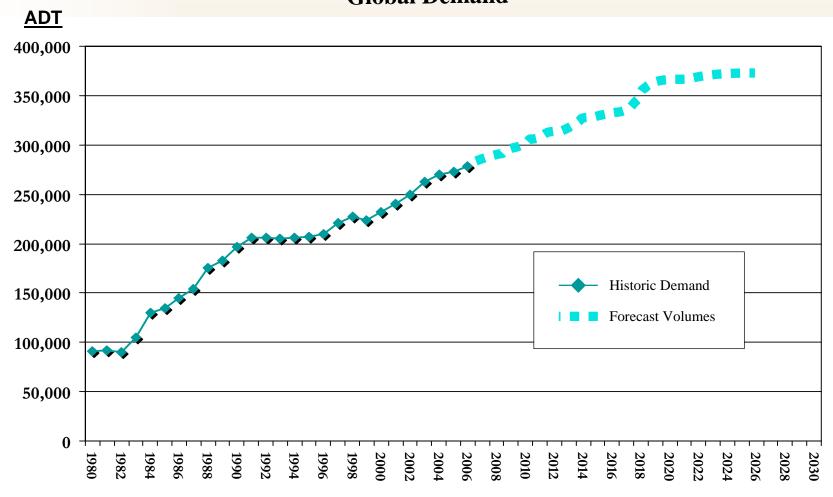
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SR 91 Corridor Traffic Trends

Global Demand



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OCTA's Published Toll Policy

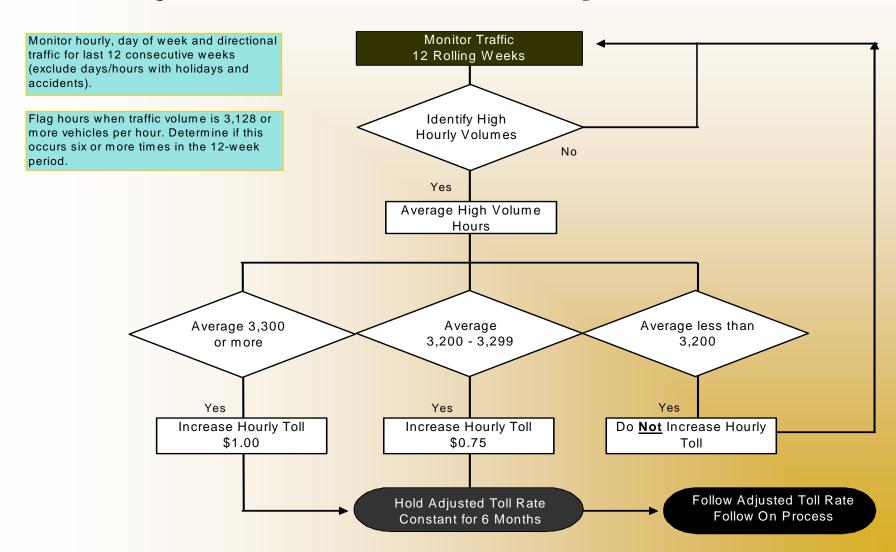
- Adopted by Board of Directors on July 14, 2003
- Traffic volumes are monitored on an hourly basis
- Policy establishes trigger points to adjust tolls up or down, depending on traffic volumes and compliance with bond covenants
- Policy states, "OCTA shall charge and collect tolls that generate enough revenue to maintain the Debt Service Coverage Ratio to be at least 1.30 to 1.00"
- Policy includes COLA annual adjustments
- Board of Directors and customers are notified at least ten days prior to a toll adjustment

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Toll Adjustments do not Require Board Vote



75th Annual Meeting & Exhibition Join IBTTA to Celebrate 75 Years of Drving Change

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Toll Schedule Effective July 1, 2007

	pres nes	Toll Schedule				Westbound		
	Sun	M	Tu	W	Th	F	Sat	
Midnight	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
1:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
2:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
3:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
4:00 AM	\$1.20	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$1.20	
5:00 AM	\$1.20	\$3.70	\$3.70	\$3.70	\$3.70	\$3.55	\$1.20	
6:00 AM	\$1.20	\$3.80	\$3.80	\$3.80	\$3.80	\$3.70	\$1.20	
7:00 AM	\$1.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.10	\$1.65	
8:00 AM	\$1.65	\$3.80	\$3.80	\$3.80	\$3.80	\$3.70	\$1.90	
9:00 AM	\$1.65	\$3.05	\$3.05	\$3.05	\$3.05	\$3.05	\$2.35	
10:00 AM	\$2.35	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.35	
11:00 AM	\$2.35	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.70	
Noon	\$2.35	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.70	
1:00 PM	\$2.70	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.70	
2:00 PM	\$2.70	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.70	
3:00 PM	\$2.70	\$1.90	\$1.90	\$1.90	\$1.90	\$2.35	\$2.70	
4:00 PM	\$2.85	\$1.90	\$1.90	\$1.90	\$1.90	\$2.35	\$2.85	
5:00 PM	\$2.85	\$1.90	\$1.90	\$1.90	\$1.90	\$2.35	\$2.85	
6:00 PM	\$2.85	\$1.90	\$1.90	\$1.90	\$1.90	\$2.80	\$2.35	
7:00 PM	\$2.35	\$1.20	\$1.20	\$1.20	\$1.20	\$1.90	\$1.90	
8:00 PM	\$2.35	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
9:00 PM	\$2.35	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
10:00 PM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
11:00 PM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	

9 Ex	pres nes	S	Toll Schedule			Eastbound		
	Sun	М	Tu	W	Th	F	Sat	
Midnight	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
1:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
2:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
3:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
4:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
5:00 AM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	
6:00 AM	\$1.20	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.20	
7:00 AM	\$1.20	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.20	
8:00 AM	\$1.55	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	
9:00 AM	\$1.55	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	
10:00 AM	\$2.35	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.35	
11:00 AM	\$2.35	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.35	
Noon	\$2.80	\$1.90	\$1.90	\$1.90	\$1.90	\$2.90	\$2.80	
1:00 PM	\$2.80	\$2.65	\$2.65	\$2.65	\$2.90	\$4.50	\$2.80	
2:00 PM	\$2.80	\$3.80	\$3.80	\$3.80	\$3.90	\$5.10	\$2.80	
3:00 PM	\$2.35	\$4.10	\$4.70	\$4.95	\$4.95	\$9.25	\$2.80	
4:00 PM	\$2.35	\$6.85	\$8.00	\$8.50	\$9.25	\$9.50	\$2.80	
5:00 PM	\$2.35	\$6.65	\$8.50	\$8.50	\$9.25	\$8.00	\$2.80	
6:00 PM	\$2.35	\$4.10	\$5.45	\$4.95	\$5.75	\$4.90	\$2.35	
7:00 PM	\$2.35	\$2.90	\$2.90	\$2.90	\$4.15	\$4.55	\$1.90	
8:00 PM	\$2.35	\$1.90	\$1.90	\$1.90	\$2.65	\$4.15	\$1.90	
9:00 PM	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$2.65	\$1.90	
10:00 PM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.90	\$1.20	
11:00 PM	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	

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Only 18 Hours Adjusted Since 2003

Total number of toll adjustments per hour highlighted

Eastbound

	Mon	Tue	Wed	Thur	Fri	Sat	Sun
MIDNIGHT							
1:00 AM							
2:00 AM							
3:00 AM							
4:00 AM							
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM 11:00 AM							
NOON							
1:00 PM							
2:00 PM					1		
3:00 PM		1	1	1	6		
	•						
4:00 PM	3	5	5	6	6		
5:00 PM	2	5	5	6	4		
6:00 PM		2	1	2			
7:00 PM							
8:00 PM							
9:00 PM							
10:00 PM							
11:00 PM							

2007 Calendar Year Toll Adjustments					
Mon, 1/1/07 Tue, 1/1/07 Wed, 1/1/07 Wed, 1/1/07 Thu, 1/1/07	5-6 PM 4-5 PM 3-4 PM 4-5 PM 4-6 PM 6-7 PM	\$0.75 increase to \$6.65 \$0.75 increase to \$8.00 \$0.75 increase to \$4.95 \$0.75 increase to \$8.50 \$0.75 increase to \$9.25 \$0.75 increase to \$5.75			
Fri, 1/1/07 Tue, 4/1/07 Tue, 4/1/07 Wed, 4/1/07 Thu, 4/1/07 Fri, 4/1/07	3-4 PM 5-6 PM 6-7 PM 6-7 PM 3-4 PM 4-5 PM 5-6 PM	\$0.75 increase to \$9.25 \$0.75 increase to \$8.50 \$0.75 increase to \$5.45 \$0.75 increase to \$4.95 \$0.75 increase to \$4.95 \$0.75 increase to \$9.50 \$0.75 increase to \$8.00			
Tue, 7/1/07 Fri, 7/1/07	3-4 PM 2-3 PM	\$0.75 increase to \$4.70 \$0.75 increase to \$5.10			

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Press Coverage of Toll Adjustments

Friday, June 29, 2007

91 Express Lane tolls to rise starting Sunday THE ORANGE COUNTY REGISTER

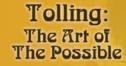
Commuters on the 91 Express Lanes – already one of the country's most expensive toll ways – will see a toll increase starting Sunday.

The eastbound toll from 3 to 4 p.m. Tuesdays will increase 75 cents, to \$4.70, and the toll from 2 to 3 p.m. Fridays will increase 75 cents, to \$5.10. The Orange County Transportation Authority, which owns the toll ways, raises prices when it tracks 3,200 or more cars in one direction during the same hour in any six of 12 consecutive weeks. The prices apply to peak times and are based on the number of cars that use the toll lanes.

In addition, other tolls that were not raised within 12 months will increase by 3.18 percent for a cost-of-living adjustment, bringing up the lowest tolls to \$1.20. Joel Zlotnik, OCTA's spokesman, said the increase is an annual one that occurs in July.

The lanes' increasing popularity on a freeway that carries 320,000 vehicles a day will likely keep the price increases coming.

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Effective Violations Compliance Policy

- Violations rate is about 2.5% or 30,000 violators per month.
- Violation Ordinance assesses penalties authorized by California Vehicle Code which allows \$100 for 1st violation within one year, \$250 for 2nd violation within one year and \$500 for each additional violation within one year allowed by California statutes.
- Most individuals that receive violation notices respond to the notices provided by OCTA and either resolve the infraction or pay a lower amount than the maximum allowed under California statutes.
- OCTA receives approximately \$3.5 million per year in violation collections revenue.



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Unique Transponder Account Policy

Approximately 35% of OCTA's Standard Plan members do not use their transponder each month.

Four Transponder Account Options

91 EXPRESS CLUB Pay a \$20 monthly membership fee per-

transponder and receive a \$1 per-trip discount for

all tolled trips.

STANDARD PLAN Pay a minimum of \$7 in fees or tolls each month

for each transponder. The \$7 minimum applies

only to tolls on the 91 Express Lanes.

CONVENIENCE PLAN No monthly toll requirements, but requires a one-

time non-réfundable \$75 per transponder enrollment

fee.

SPECIAL ACCESS No monthly fees. Available to HOV3+, motorcycles,

zero emission vehicles, or disabled veteran/person

license plate issued by the DMV.

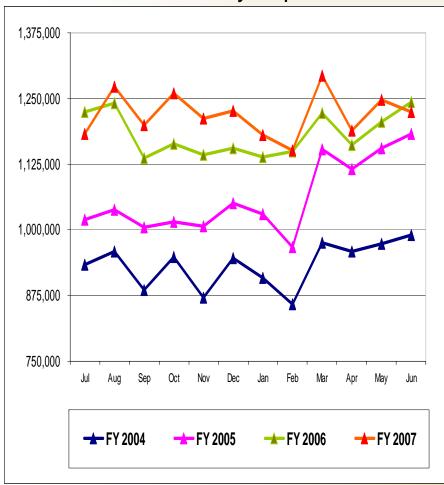
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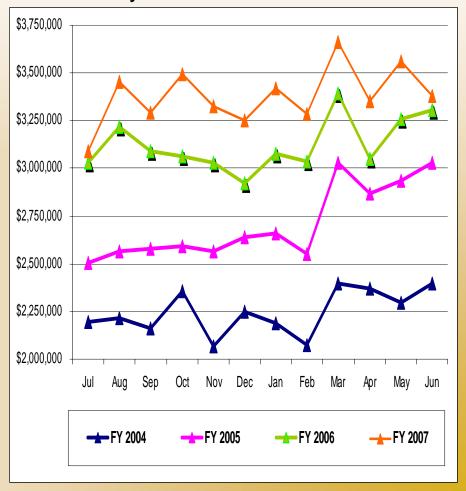
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Annual Trips, Revenues Continue To Increase

Monthly Trips

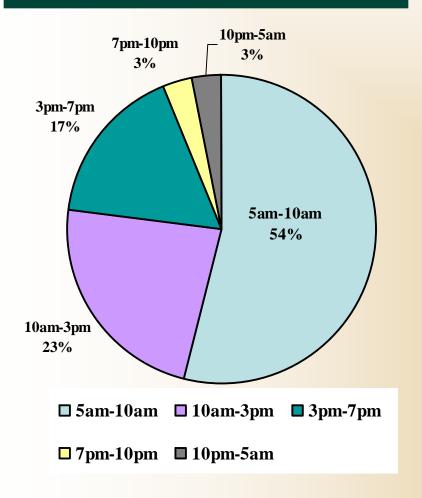


Monthly Gross Potential Revenues

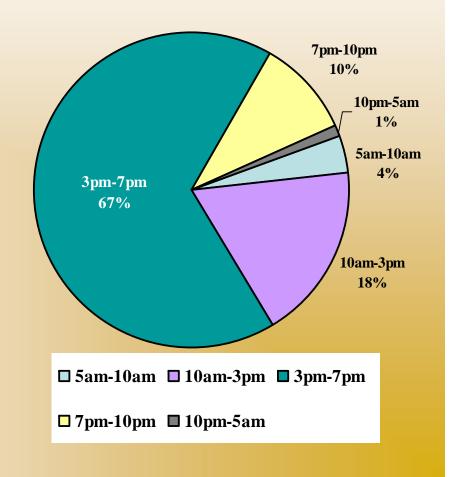


Weekly Revenue Distribution

Westbound Lanes



Eastbound Lanes



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Conclusions

- Congestion management pricing is helpful in achieving public sector goals
- Congestion management pricing philosophy has increased mobility in the SR 91 Corridor
- The precise formulas in OCTA's toll policy helps public acceptance
- Successful public private partnership based on operating contract with Cofiroute USA, LLC
- OCTA's experience proves that the public sector can run a toll road like a business...and succeed