



TRANSPORTATION CORRIDOR AGENCIES

March 2007

Dear patrons, partners and friends:

The 2006 fiscal year was a productive time at the agencies. Both transactions and toll revenue increased over last year. The San Joaquin Hills and Foothill/Eastern Agencies continue to focus on providing a free-flowing alternative to Orange County's crowded freeways.

In November 2005, the boards of both agencies approved a financial agreement that helped the San Joaquin Hills Agency avoid defaulting on its debt and cleared the way for the Foothill/Eastern Agency to move ahead with plans to complete the 241 Toll Road. A joint ad hoc committee of both boards was formed to identify and review future financial alternatives available to the San Joaquin Hills Agency, and continues to work on long-term financial solutions.

In February 2006, the Foothill/Eastern Board approved a recommended 16-mile alignment for the completion of the Foothill (241) Toll Road and certified the project's final Environmental Impact Report. Then in March, the Foothill/Eastern Board authorized funding for preliminary design engineering for the Foothill-South project, which will connect the Foothill (241) Toll Road to the I-5 Freeway. Preliminary design, which includes geotechnical surveys, roadway and bridge designs, drainage plans, and interchange and toll plaza configuration, will be complete in October 2007.

The traffic relief the Toll Roads offer was illustrated in February 2006 during the Sierra Fire, when firefighters used the 241 for emergency vehicle access. About 85,000 trips normally taken on the Toll Road were forced to use other freeways and arterials, causing significant traffic delays throughout Orange County.

Marian Bergeson, a former California state legislator and Orange County supervisor, was named the Transportation Corridor Agencies' 2006 Visionary Award winner at a luncheon in June that marked the 20th anniversary of the formation of Orange County's toll road agencies.


Since the fiscal year ended, the pace has not slowed. Preliminary design and the permitting process for Foothill-South have moved ahead. The San Joaquin Hills Board approved funding for widening nearly four and one half miles of the northbound 73 Toll Road.

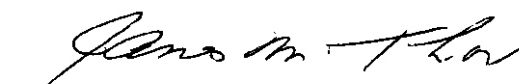
The boards welcomed several new members in early 2007: Pat Bates (County of Orange, 5th District), Lisa Bartlett (Dana Point), Carlos Bustamante (Santa Ana), Jan Horton (Yorba Linda), Sukhee Kang (Irvine), Lucille Kring (Anaheim), Eric Bever (Costa Mesa), Paul Glaab (Laguna Niguel), Sam Allevato (San Juan Capistrano) and John Paul Ledesma (Mission Viejo).

The TCA's ninth annual Spring Tours series, which gives the public an up-close look at the more than 2,000 acres of habitat TCA has restored, is set to begin in April.

Enclosed you will find a CD-ROM containing the Transportation Corridor Agencies' 2006 Annual Report. The report highlights innovations the TCA has pioneered in areas from finance to habitat restoration since the agencies were created in 1986. Its retrospective theme reflects the 20th anniversary of the agencies. We look forward to continuing to provide traffic relief and exceptional service in 2007 and beyond.

Sincerely,


Carmen Cave, Chairwoman
San Joaquin Hills TCA


Jim Thor, Chairman
Foothill/Eastern TCA

William Woollett, Jr., Chief Executive Officer

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