

AUDIT OF AMEX TRAVEL SERVICES CONTRACT MANAGEMENT

Chief Review Services

June 2001

7053-36 (CRS)

Contact: Lyne Emond
992-8178

Contents

	PAGE
Executive Summary	2
1. Introduction	3
2. Results in Brief	7
3. Summary of Findings	10
Annexes:	
A Management Action Plan	15
B CRS Questionnaire Highlights	17
C Performance Standards Analysis	20
D AMEX Reporting Issues	21
E Best Practices and Comparative Data	24

Executive Summary

- CRS has completed an audit of the AMEX travel services contract managed by Director Logistics Business Management (DLBM).
- The objective of the audit was to provide an independent and objective assessment of service delivery, costs and the management of the contract.
- Overall, the audit results are positive — the contractor has achieved the majority of performance targets and users have expressed satisfaction with the contracted travel services.
- The following recommendations were provided:
 - DLBM should prepare a business case to demonstrate that the higher AMEX fees are offset by much better negotiated airline rates and therefore, provide greater overall savings.
 - With the assistance of ADM(IM) representatives, DLBM should pursue desktop travel bookings using the Internet since additional savings would be achieved.
 - Improvements could be made in the following areas: fax and voice mail analysis; complaint resolution process; AMEX reporting; invoice and payment process; and, group bookings.
- DLBM has fully implemented the management action plan concurrent with the audit. In light of the results, ADM(Mat) will recommend that the second option renewal period be exercised.

1. Introduction

Objective

- Director Logistics Business Management (DLBM) requested an independent assessment to identify possible improvements and to support the reporting requirements to Treasury Board (TB).
- The review focused on contractor performance, value for money and contract management practices.

Background

- Currently, Amex Canada Inc. (AMEX) acts as the travel agent for the Department of National Defence and the Canadian Forces (DND/CF) booking all commercial and service air travel.
- TB authorised DND to contract its own travel services, which represents approximately 40 per cent of all government travel, because Government Travel Service (GTS) did not meet all of DND/CF's needs. However, DND must provide progress reports on this activity for comparison purposes and as input for the potential renewal option decision.
- A previous contractor provided travel services as part of the GTS contract, which began in September 1995.
- Prior to 1995, personnel within DND/CF made the travel arrangements.

1. Introduction

Background

- The AMEX contract is for a three-year period, which started on 1 July 1998, with renewal options for up to four years.
- AMEX provides a ticketing service, automated billing, management information and systems interface.
- Discount rates on airfares are negotiated by DND with the commercial airlines, which is separate from the AMEX contract. AMEX is aware of the discount rates granted by each airline and books at the lower fare where possible.
- DND spends approximately \$40 to \$50 million annually on commercial air and rail travel with a number of preferred airlines providing negotiated discounts up to 30%.
- Scheduled air service covers high-density DND traffic patterns with bulk seat purchases, which are considerably less expensive than the discounted DND commercial fares, at an annual cost of approximately \$30 million. [Note: This service has been discontinued since the audit.]
- The AMEX contract that is based on a fee per transaction represents approximately \$15 million for the first 3 years.

1. Introduction

Factors for Consideration

- The months of July, August and September 1998 were a transition period when AMEX took over from the previous contract. Because the transfer had not been formally planned in the previous contract, AMEX ended up taking over approximately 11,000 transactions instead of the estimated 3,000.
- There were also airline strikes during this same period.

Scope and Methodology

- CRS reviewed the first year of operations — July 1998 to June 1999.
- Part of the methodology was to validate key service levels, the contractor's actual performance, and DLBM's management of the AMEX contract.
- To obtain independent feedback, CRS distributed a questionnaire to a sample of travel co-ordinators and travellers to determine their perception of the existing system and services provided by AMEX.
- As DLBM was interested in obtaining industry standards with the corporate world, we incorporated a benchmarking research component to compare the travel services provided, including costs.
- The other main components of the audit included the review of relevant documentation, electronic database analyses and interviews with staff from both DND and AMEX.

1. Introduction

Lines of Inquiry

- How well has the contractor performed?
 - Client service
 - Fares
 - Performance standards
- Has DND obtained value for money with the AMEX travel services contract?
 - Needs are met
 - Comparable to others
 - Costs reasonable for services provided
- How well has DND managed the AMEX travel services contract?
 - Quality assurance
 - Data reliable and accurate
 - Communication strategy

Reporting Results

- CRS presented a mid-point briefing to DLBM in December 1999 so that results were available in a timely manner for TB reporting purposes. Areas for improvement have been identified and provided, on an informal basis, over the course of this project to expedite any corrective action required.

2. Results in Brief

Overall

The following is a summary of the more pertinent findings. It is important to note that DLBM and AMEX have already initiated changes that address the review's observations.

- AMEX has achieved the majority of its performance targets and users are very satisfied with AMEX travel services.
- DLBM and AMEX have developed a solid business alliance with a focus on continuous improvement.
- The review identified the following areas that can benefit from improvement:
 - Fax and voice mail analysis
 - Complaint resolution process
 - AMEX reporting, including supporting information
 - Invoice and payment process
 - Group bookings - potential savings
- Currently, benchmarking data is not readily available for this business area. However from the limited comparative data obtained, it is evident that DND is paying more for the improved services. The reasonableness of these fees can only be determined over time.
- Unlike the rest of the federal government with a GTS on-line site, DND has not yet processed electronic bookings due to this Department's current security restrictions with regard to Internet accessibility. This translates into an opportunity cost.

2. Results in Brief

Recommendations

- A business case should be prepared by DLBM to demonstrate that the higher AMEX fees are offset by much better negotiated airline rates and therefore, provide greater overall savings. The investigation should compare transaction fees and airline fares for DND's high travel patterns to what would be available through the GTS contract.
- With the assistance of ADM (IM) representatives, DLBM should resolve the current security restrictions with regard to the Internet. Allowing desktop travel bookings in the near future should translate into additional savings and improved service. This will permit DND to move up to the current service standards offered by other governments and industry.
- AMEX should calculate monthly averages for fax and voice-mail response time using the entire database rather than a non-random sampling method, which can distort results for reporting purposes.
- A more comprehensive complaint resolution evaluation tool should be implemented for better monitoring and improved turnaround of complaint resolutions.
- Where practical, AMEX should automate the billing process to reduce the manual intervention currently occurring (25% to 30%). Best practices have indicated that applying technology to manual processes — especially high transaction volumes — helps minimize errors, improve timeliness and achieve savings.

2. Results in Brief

Recommendations

- There should be a mechanism in place to allow DLBM to properly certify under section 34 of the Financial Administration Act (FAA). AMEX must provide DND with sufficient support documentation to verify invoices prior to payments.
- Edit checks should be incorporated into TripPower to prevent, or at least minimize, manual input errors for the low fare field. As well, AMEX should update the TripPower database after all manual corrections in their database regardless of the transfer cut-off dates. DLBM uses the low fare field for reporting purposes and therefore, results are distorted with incorrect data.
- DLBM and AMEX should ensure that all travel co-ordinators and travellers are aware of savings related to group bookings. Passengers (maximum of 10) from a same unit/organization travelling together with identical itineraries should book using one travel authorization number (TAN) as it is considered one transaction. DND could have saved approximately \$780K in the first year had members used group bookings instead of one TAN per traveller.

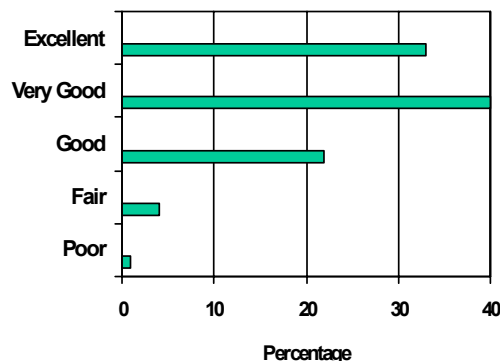
Management Action Plan

- This review is a good news story for DND AMEX Travel Service, endorsing customer satisfaction. Notwithstanding recent challenges, AMEX continues to meet and often exceed performance targets and, provide outstanding service. At the time this audit commenced, an action plan was put in place to address any CRS observations that might arise. This has resulted in continued service enhancement. Details of the management action plan are found at Annex A.

3. Summary of Findings

Contractor Performance - Client Service

- Overall, there was a high level of satisfaction from questionnaire respondents. 73% rated the overall service as either very good or excellent. If you include the rating of good, then 95% were satisfied.



- There is an open and collaborative relationship between DND and AMEX. AMEX has shown a genuine willingness to work out any issues that have arisen over the course of the contract.
- The types of service offered have improved with the AMEX contract. Examples include: excellent telephone service; rapid response to reservation requests; electronic-ticket and courier ticket delivery; centralized call centre that was designed and managed specific to DND needs; specialty desks to speed service; car and hotel reservations without transportation.
- The level of service should continue to improve with Internet as desktop travel bookings are predicted to become a more popular method for travellers who want quick and easy access to travel services.

3. Summary of Findings

Contractor Performance - Fares

In accordance with contract paragraph 2.1.14

Book the most practical and economical routings, consistent with the traveller's requirements, only after attempts have been made to use the scheduled charter flight. Canadian carriers shall be used whenever possible and economical. The Contractor shall direct business in accordance with DND negotiated rates or as directed by DND.

- Overall, there was a high level of satisfaction from questionnaire respondents. 89% found that AMEX often or always offered the DND scheduled charter service, where available. 83% believe that they are often or always getting the best fares possible. 88% believe that they are often or always getting the best routing possible. Annex B provides key questionnaire results.
- Scheduled service air flights was utilized at least 65% of the time for four main charter routes reviewed (i.e., Ottawa-Toronto, Ottawa-Halifax, Winnipeg-Edmonton, Toronto-Winnipeg).
- AMEX is promoting lowest logical fare for commercial flights based on database analysis performed. The «gross fare» and «low fare» fields were compared to determine how often lowest fare possible was obtained. 92% of the commercial flights had the gross fare equal to the low fare.
- There was an increase in electronic-ticket usage, which resulted in lower transaction fees. Database analysis indicated that electronic tickets represented 42% of tickets in the first quarter. However, electronic tickets jumped to 61%, 64% and 66% of tickets in the second, third and fourth quarter, respectively.
- There was also a reduction in prepaid-ticket usage, which resulted in lowering costs. Database analysis showed that 13% of tickets were prepaid in the first quarter. The percentage for the second, third and fourth quarters decreased to 8%, 6% and 6%, respectively.

3. Summary of Findings

Contractor Performance - Performance Standards

- Key targets — except for two — were met or exceeded by AMEX. The following key standards were identified:
 - Telephone service factor - 80% of all calls answered within 20 seconds
 - Average speed of answer within 20 seconds
 - Abandon call rate within 5%
 - Firm fare quote within 4 hours
 - Fax/e-mail response within 30 minutes
 - Call backs/voice mail response made within 15 minutes
 - Complaint resolution - 10 days for agent-related and 14 days for others
- Actual average voice-mail response time was almost twice as long as the criterion — annual average of 25 minutes instead of 15. AMEX reported performance results that were below the target because their calculations were based on a 5% non-random sample.
- 50% of fifty-four issues reviewed took longer to resolve than the benchmarks. The analysis may be skewed as complaints resolved by telephone were not included and complete information was limited. A total of 324 issues or complaints had been tracked in a report but only 17% or 54 issues had complete information for analysis purposes (type of issue, date of initial complaint and date of final resolution).
- Annex C provides a summary of actual performance verified to key targets identified.

3. Summary of Findings

Value for Money

- 95% of questionnaire respondents felt that AMEX met their needs. According to opinions, AMEX offers a comprehensive line of services.
- Benchmarking information is not readily available for this particular service area - there is limited comparable data. Annex E provides supplementary information obtained from the research.
- Contract comparison analysis showed notable improvements to service but at significantly higher fees. Details of the comparative data are found at Annex E.
- From interviews, the following main points were provided:

Prior to AMEX, most of the data was either not available or not easily accessible. The current database is used extensively by DLBM. It has helped to negotiate better airline discounts and has allowed business dealings to shift directly with airlines.

Improved quality of service may explain why complaints have decreased to almost nil.

Instead of having regional sites, a centralized call centre is used.

- DND has paid an estimated \$374K in extra transaction fees over two years because electronic bookings are not available (based on DLBM business case of 43,700 electronic bookings from July 1998 to June 2000).

3. Summary of Findings

Contract Management

- AMEX reviews approximately 25% to 30% of transactions manually when preparing invoices for DND. With high transaction volumes, this can be time consuming, prone to errors and costly.
- AMEX has not provided DND with sufficient support documentation for invoice verification prior to payment.
- Certain adjustments were necessary to make the billing process more effective and in line with the contract.
- Annex D provides an overview of the reporting issues.

Group Bookings

In accordance with contract (Annex C - Basis of Payment A.1.8)

Group [passenger name records] PNR's up to and including 10 passengers where all itineraries are identical, shall be considered as one transaction.

- DND could have saved approximately \$780K from July 1998 to June 1999 had members used group bookings instead of one travel authorization number (TAN) per traveller. CRS observed 19,255 instances where 2 individuals had the same air itinerary, booking date, cost centre, and gross fare but a different TAN.

Annex A - Management Action Plan

At the time this audit commenced, an action plan was put in place to address any CRS observations that might arise. This has resulted in continued service enhancement. Issues identified by CRS are minor in nature and have been addressed as follows:

- Telephone, fax and voice mails services have been re-configured in line with our demographics: language, domestic, international and transborder groups. AMEX has introduced a state of the art monitoring and routing system. This provides dynamic call management adjustment immediately to any unusual factor such as an airline strike, inclement weather, etc.
- Accelerated complaint resolution turnaround has been accomplished by realigning AMEX resources and leveraging the use of our intranet websites.
- Audit and accounting of AMEX fees has been improved and supporting data is now provided in an automated format.
- A combination of personal intervention by ADM(Mat) and the Level 1 and Base Commander levels, DND/AMEX Cross Canada Roadshows, ADM(Fin CS) presentations at the Comptrollers Workshop, aggressive advertising on the Defence Information Network (DIN) and daily contact between travellers and the AMEX counsellors has resulted in a more travel-wise client base. This means personnel are more aware of and how to take advantage of the best fare deals. Roadshows will continue on an annual basis and DIN updates are made regularly.

Management Action Plan

Annex A

- Group discount possibilities were briefed during the Fall 2000 Roadshow and additional information and guidance will be posted on the DIN in the very near future. It must be noted that although some airlines may offer group discounts between 5% and 35%, often it is more practical and economical to purchase individual tickets at the DND negotiated rate. Regardless, AMEX will always research availability and offer the lowest logical airfare.
- There are opportunity costs due to the delay in implementation of online electronic booking tools. Desktop travel bookings can only go forward when the Department is satisfied with its security arrangement vis a vis the Internet. We are informed this cannot happen until the Government Online Initiative takes effect in 2004.
- CRS suggested a business case be prepared to demonstrate how the AMEX fees for services are offset by much better negotiated rates to those available through the GTS contract. A case in point:
 - The average DND ticket is \$749 while GTS reports the 1999 average ticket prices at \$971, or 30% more than DND. Had DND been part of GTS, using their discounts and systems, on ticket costs alone, DND would have paid an additional \$17M in air transportation costs for 1999. With the AMEX contract running at approximately \$4.5M annually, it is evident that AMEX's aggressive application of lowest logical airfares combined with DND's negotiated corporate discounts more than offset the cost of the travel services contract.
 - DND with the assistance of AMEX, continues to pursue the most economical travel packages available to support the DND and CF role. Our volumes, reputation and ability to work in a partnership environment between the client (DND), the travel service supplier (AMEX) and the carrier continues to ensure the most economical and practical overall service is available to meet our unique needs.

Annex B - CRS Questionnaire Highlights

Introduction

- The questionnaire results provide an insight into the perceptions and beliefs of DND members using the AMEX service. The methodology used does not permit the use of results to make scientifically valid extrapolations for the entire DND/CF population.
- At least 100 responses were required from both travel co-ordinators and travellers. Names of the travel co-ordinators were provided by AMEX. Ten of the top 50 travellers were chosen along with a random selection of 10 other travellers. 109 responses were obtained of which 89 were from travel co-ordinators and 20 from travellers.
- The questionnaire consisted of 55 questions divided into the following 7 sections:
 - 1- General information
 - 2- Client service
 - 3- Fare issues
 - 4- AMEX 24 hour emergency service
 - 5- Training
 - 6- Travel service requirements
 - 7- Overall assessment

CRS Questionnaire Highlights

Annex B

Overall Assessment

- Overall, respondents were satisfied to very satisfied with AMEX travel services.

Client Service

- | | |
|--|---------------------------|
| • Ability to get through in under 20 seconds | 70% often or always |
| • Call backs/voice-mail within 15 minutes | 31% occasionally or worse |
| • Response to fax within 30 minutes | 34% occasionally or worse |

Fare Issues

- | | |
|--------------------------------------|---------------------|
| • Offering DND scheduled service air | 89% often or always |
| • Getting best fares possible | 83% often or always |
| • Getting best routing possible | 88% often or always |

CRS Questionnaire Highlights

Annex B

24-Hour Emergency Service

- Of the 50 respondents that could provide feedback based on usage, 76% found the quality of the 24-hour emergency service either very good or excellent. If you include a rating of good, then 90% were satisfied.

Training

- Questions in this section refer to the awareness and usefulness of AMEX briefing sessions, the travel reservation handbook and DND's Intranet site.
- The results, which were consistent among all three, indicate a low awareness but consider it to be highly useful.
- Awareness of the Intranet site may be improving as DLBM observed a high number of hits during the mid-point briefing timeframe, which suggests that it may become a popular site.

Travel Service Requirements

- 95% of respondents felt that AMEX often or always met their needs. According to opinions, AMEX offers a comprehensive line of services.

Annex C - Performance Standards Analysis

Performance Standard	Target	CRS Actual	Met
Telephone service factor	80%	88%	✓
Average speed of answer	20 seconds	12 seconds	✓
Abandoned call ratio	5%	3-4%	✓
Firm fare quote	4 hours	80% responded often/always	✓
Average fax response time	30 minutes	12 minutes	✓
Average voice-mail response time	15 minutes	25 minutes	X
Complaint resolution analysis (agent related - average monthly complaints) For period from October 1998 to June 1999		2.63 per 1000 transactions	
Time to final complaint resolution agent related others	10 days 14 days	27 of 54 more than 10/14 days	X

Monthly average varied significantly but trend improved through time

Isolated to specific months
(Oct & Nov 98; May & Jun 99)

Analysis may be skewed as complaints resolved by telephone are not included and complete information available for analysis is limited (i.e., only letters)

Only 1 category of 9 types of issues showed a worsening trend through year: "client not advised of key information"

Note:
Non-random samples used by AMEX

Annex D - AMEX Reporting Issues

Objective

- To verify the accuracy and completeness of the management information system known as TripPower, which AMEX provides to DND for reporting purposes.

Methodology

- A download of the TripPower database was obtained for the period under review to perform reasonableness tests such as:
 - compare data to other sources such as the Milton database — an electronic commerce transaction payment and settlement system
 - recreate June 1999 reports based on information extracted from the database
 - analyze specific data in fields
- Reviewed invoice processing based on travel authorization numbers (TAN) and electronic billing reconciliation.
- Validated logic used for data extraction and synthesis with both DLBM and AMEX.

AMEX Reporting Issues

Annex D

Overall Results

- Data in TripPower appears reasonable. Practical constraints such as time and resource availability limited the scope of the examination. However, nothing significant was uncovered from the analysis performed.

Database

- The majority of differences noted between TripPower and Milton are due to timing differences. Invoices are recorded in TripPower prior to billing DND.
- Billing differences were noted for some cases but the dollar discrepancy was not significant as it represented less than 2% of the amounts in question.
- Graphs were successfully recreated for air transaction breakdown, prepaid tickets, and market mix based on data extracted from TripPower and compared to other sources from AMEX.
- Input errors in the low fare field were found in the TripPower database for 290 transactions. Although AMEX had identified and manually corrected these for billing purposes, the errors remained in TripPower due to transfer cut-off dates. DLBM uses the low fare field for reporting purposes and therefore, results are distorted with incorrect data. Edit checks should be incorporated to prevent, or at least minimize, manual input errors. As well, AMEX should update the TripPower database after all manual corrections.

AMEX Reporting Issues

Annex D

Invoice Processing and Reconciliation

- Surprisingly, AMEX reviews approximately 25% to 30% of transactions manually when preparing invoices for DND. Best practices have indicated that applying technology to manual processes — especially high transaction volumes — helps minimize errors, improve timeliness and achieve savings. Where practical, AMEX should automate the billing process to reduce manual intervention as much as possible.
- AMEX has not provided DND with sufficient support documentation to allow DND personnel to verify invoices prior to payments. Under section 34 of the Financial Administration Act (FAA), the Department must certify that the related services have been provided, the price charged agrees to the contract and the payee is entitled to the payment. Based on our review of the support documentation provided by AMEX, it was impossible to verify an invoice for payment in accordance with section 34 of the FAA. There should be a mechanism in place for DLBM to allow for proper certification.
- Certain adjustments must be processed manually because of peculiarities with the AMEX billing system — a credit cannot be offset to an outstanding balance or input errors cannot be corrected in the same cycle. At first, DND required approximately two weeks to properly reconcile records to AMEX charges. With the implementation of a short-term solution, it now takes DND about one day for reconciliation purposes. The permanent system changes required are most likely insignificant to AMEX's global operations and therefore, a long-term fix is unlikely or at least, a low priority.

Annex E - Best Practices and Comparative Data

Best Practice Research

- Part of CRS' audit methodology for this project was to gather information to compare the travel services provided by a contracted agency, including the cost for these services. Also, CRS was interested in obtaining contract management practices within these parameters.
- The initial feedback obtained was that the information requested was not readily available. It was decided to adjust our approach to a limited research. This overview would identify:

possible third-party organizations that may have the information requested

articles and publications relevant to the subject matter

any best practices or industry standards that have been published

- KPMG performed the best practice research and provided a binder with copies of articles and publications for DLBM.
- Of the information provided, one publication stands out from the rest because it has information that may be more appropriate to DLBM and its contracted-out travel services. It is a benchmarking study and best-practice report produced in 1998 by the American Productivity & Quality Center (APQC) - International Benchmarking Clearinghouse (IBC). The purpose of the study was to identify and share best practices in managing the travel and entertainment function of an organization. The information was collected from five best-practice partner organizations along with four sponsor organizations.

Best Practices and Comparative Data

Annex E

Observation

- The majority of data collected focuses on the end-to-end process of travel and entertainment (T&E), of which travel expense report processing seems to be one important part. Economies of scale do factor into the T&E process and therefore, globalization and central/shared services appear to be favored.
- Significant savings can be achieved by automating the expense report process. As an example, savings ranging from \$200K to \$1.5M can be achieved for a large international organization when moving from a mainly manual-type expense report process to an automated service. Savings are based on processing 100,000 expense reports per year with a conservative estimate of \$10-\$20 for a paper-based expense report and \$5-\$8 for an automated one.

Examples of best practices applicable to DLBM

- Of the best practices listed, one of the key methods to reduce administration costs and increase the return on investment is to outsource non-critical functions.
- Most effective travel management techniques rely on vendor negotiations, policy enforcement, and education.
- Outsourcing — whether travel arrangements, meeting planning, or auditing of reservations or hotel programs — allow the skeletal travel management staff to focus on developing and implementing new strategies.

Best Practices and Comparative Data

Annex E

Examples of best practices applicable to DLBM

- Cost savings and customer satisfaction are most commonly used to measure the return on investment.
- Best-practice partners report that surveys of travellers and travel arrangers are the most effective means of enhancing travel programs. A majority of study participants survey travellers once per month.
- Automation is fast becoming a strategic priority for travel departments. Increasing automation lowers error rates, improves efficiency, and links global travel management systems. Currently, data management systems used are made available by travel agencies or corporate card providers.
- Travel databases allow organizations to track past financial performance, assess traveller activities and trends, and compare performance within and outside of the organization. The more information a travel function has about its travellers, the better it can negotiate.
- The role of travel functions is constantly changing.
- To prepare for future changes, best practice partners will continue to benchmark, automate travel management systems, and strategize to maximize travel spending.

Best Practices and Comparative Data

Annex E

Other Comparative Data

- Due to the limited benchmarking data, CRS reviewed the information obtained from the last contract tendering process and the current contract for other government departments (i.e., GTS contract). Also, other organizations' travel service contracts that were available on the Internet were compared — Victorian government (Australia), province of British Columbia, state of Texas, state of Oregon, and the university of Virginia.
- When comparing contract elements to determine level of service, AMEX travel services are more favorable to DND. The following are examples of contract elements that were rated stronger for AMEX: contractor structure, equipment and facilities, implementation, training, European service, quality assurance, management information systems, reporting, program enhancements.
- Not taking into consideration the differences in service levels noted above, AMEX fees are significantly higher across all types of transactions. Based on fees applicable in March 2000, AMEX's domestic air transaction fees are at least 19% higher for full service bookings when compared to the GTS contract. Also, the discount given for choosing electronic tickets is only 1.2% from AMEX compared to 17% provided by the GTS contract.
- AMEX's discount for electronic bookings will be proportionately smaller than those being charged to the rest of the federal government when compared to traditional bookings. AMEX electronic bookings — where the user initiates through the Internet — are only 22% less expensive than traditional booking fees for domestic reservations. The GTS contract provides for a discount of at least 45%.