## Progress in the Competitive Agenda in the Postal and Delivery Sector

Edited by

Michael A. Crew

Rutgers, The State University of New Jersey, Newark, USA and

Paul R. Kleindorfer

University of Pennsylvania, USA and INSEAD, France

ADVANCES IN REGULATORY ECONOMICS

**Edward Elgar** 

Cheltenham, UK • Northampton, MA, USA

## Contents

|    | t of contributors   | vii     |
|----|---|---------|
|    | t of sponsors<br>face and acknowledgements  | x<br>xi |
| ,  |   |         |
| 1  | Service quality, price caps and the USO under entry  Michael A. Crew and Paul R. Kleindorfer  | 1       |
| 2  | Estimating the impact of price regulation on service quality in post<br>Gregory Swinand, Sean Lyons, Michael O'Grady and David Murphy   | 23      |
| 3  | Price and quality of service regulation in Portugal  João Castro and Agostinho Franco   | 34      |
| 4  | Competition through downstream access in the UK postal sector: the first four years  Paul Dudley, Stephen Agar, Leonardo Mautino and Felipe Flórez Duncan                     | 52      |
| 5  | A dynamic and endogenous approach to financing the USO in a liberalized environment  François Boldron, Claire Borsenberger, Denis Joram, Sébastien Lécou and                  | 67      |
|    | Bernard Roy   |         |
| 6  | Postal costing beyond ABC: estimating the economic cost of mails services<br>Richard Robinson and Jane McMurdie   | 83      |
| 7  | Costing elements of the universal service  Richard Bradley, Phil Burns and George Houpis  | 100     |
| 8  | Calculating the cost of the Universal Service Obligation: the need for a global approach  | 113     |
|    | Christian Jaag, Martin Koller and Urs Trinkner  | 113     |
| 9  | Cost analysis and pricing of innovative postal products  Louis F. O'Brien, Leon A. Pintsov and Andrei Obrea   | 128     |
| 10 | Some welfare and pricing implications of alternative regimes for value-added taxation of postal services  Philippe De Donder, Helmuth Cremer, Paul Dudley and Frank Rodriguez | 145     |
| 11 | Postal price elasticities and intermedia competition: a multisided market approach  | 163     |
|    | Vincenzo Visco Comandini, Michael Lintell, Stefano Gori,<br>Maria Rita Pierleoni and Bradley Tisdahl  |         |
| 12 | Network externalities and the USO: a two-sided market approach François Boldron, Helmuth Cremer, Philippe De Donder, Denis Joram and Bernard Roy                              | 184     |
| 13 | Mail order business demand: a conceptual approach  Xavier Ambrosini, Sebastien Breville, Joël Cornee and Olaf Klargaard   | 196     |

| 14    | Internet advertising and direct mail: trends and analysis for the UK             | 209 |
|-------|--|-----|
|       | Soterios Soteri, Frédérique Fève, Jean-Pierre Florens and Frank Rodriguez        |     |
| 15    | Using operating data to measure labor input variability and density              |     |
|       | economies in United States Postal Service mail processing operations             | 223 |
|       | A. Thomas Bozzo  |     |
| 16    | Do differences in facility-specific mail processing unit costs have implications |     |
|       | for the cost of the Universal Service Obligation?                                | 239 |
|       | Margaret Cigno, Diane Monaco and Matthew Robinson                                |     |
| 17    | The EU postal services and public procurement law: legal and regulatory          |     |
|       | issues for the postal sector   | 250 |
|       | Alessandra Fratini and Fabio Filpo   |     |
| 18    | How should regulation be adjusted when universal service substitution            |     |
|       | grows?   | 263 |
|       | Pekka Leskinen, Peter Karlsson, Heikki Nikali and Päivi Rokkanen                 |     |
| 19    | Market entry and competitive strategies in the German B2B parcel market          | 280 |
|       | Helmut M. Dietl, Markus Lang, Martin Lutzenberger and                            |     |
|       | Stephan M. Wagner  |     |
| 20    | Bank of America, mail, and the environment                                       | 298 |
|       | Lawrence G. Buc and Peter A. Soyka   |     |
| 21    | Innovation in postal products and pricing: opportunities and obstacles           | -   |
|       | in the reform era  | 309 |
|       | Robert A.F. Reisner, Maynard Benjamin and Derek Osborn                           |     |
| 22    | The IPO as a driving force in the change process                                 | 322 |
|       | Peter Koppe, Christian Bosch, Silke Hömstreit and Stefan Pohl                    |     |
| Index |  | 339 |