

Sixth Conference on Postal and Delivery Economics:

EMERGING COMPETITION IN THE POSTAL AND DELIVERY SECTORS

June 17-20, 1998
Montreux, Switzerland

THE STATE UNIVERSITY OF NEW JERSEY
RUTGERS

Presented by
CENTER FOR RESEARCH IN REGULATED INDUSTRIES
at Rutgers University

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EMERGING COMPETITION IN THE POSTAL AND DELIVERY SECTORS

Wednesday, June 17, 1998

- 5:00 - 6:00 pm Registration
6:00 Reception
7:00 *Welcome and Introduction to Conference:*
Michael A. Crew and Paul R. Kleindorfer
Dinner & Speech: Jean-Noël Rey
Chief Executive Officer, Swiss Post
9:00 After Dinner Drinks

Thursday, June 18, 1998

- 7:30 a.m. Breakfast
9:00 - 10:40 **REGULATION I**
Chair: John Dolling
Discussants: Hugues Calvet, Kenneth Churchill, and Nancy Ody
Matthias Finger and Colette Friedli: The New Swiss Postal Law-Is It Worth the Monopoly Protection?
Robert G. Taub: Postal Reform in the U.S.: Major Changes Proposed
Eric Merkel-Sobotta: Modest Steps in the Right Direction: Comparisons and Complements to the EU Postal Directive and Notice
10:40 - 11:00 Coffee Break
11:00 - 12:40 **REGULATION II**
Chair: Nancy Sparks
Discussants: Andrew German, Roger Sherman, and Anton van der Lande
Michael A. Crew and Paul R. Kleindorfer: Governance Structures For Postal Service With Competitive Entry
Catherine Gallet: Authorization Procedures in the Postal Sector
Robert Mitchell: Worksharing Discounts in Postal Services
12:40 - 2:00 Lunch
2:00 - 3:15 **EMERGING REGULATORY CHALLENGES**
Chair: Oluf Raldorf
Discussants: Robert Cohen and Nancy Staisey
David A. Rawnsley and Alan Robinson: The Postal Industry-Economic Enabler or Economic Driver
Rene Van Diepen and David Armstrong: An Examination of the South Africa Post Office and its Progression to Commercialization
3:15 Break
6:00 Reception
7:00 Dinner
9:00 After Dinner Drinks

Friday, June 19, 1998

- 7:30 a.m. Breakfast
9:00 - 10:40 **Concurrent Sessions**
DEMAND ANALYSIS
Chair: Bill R. Price
Discussants: Catherine Cazals and Phillipa Marks
Derek W. Bunn and Adrian King: Forecasting the Swedish Postal Market by Disaggregation and Judgmental Decomposition
Heikki Nikali: The Future of Targeted Communication
Alberto Pimenta and Patricia Ferreira: Demand for Letters in Portugal
JOINT VENTURES
Chair: William T. Johnstone
Discussants: Stephen Agar and Lorraine M. Cote
William E. Kovacic: Joint Ventures and Strategic Alliances
Pekka Leskinen: Nordpack Joint Venture Between Nordic Posts and Competition Law
10:40 - 11:00 Coffee Break
11:00 - 12:40 **Concurrent Sessions**
COST I
Chair: Peter Johnson
Discussants: Jean-Pierre Florens, Donald O'Hara, and Börje Spong
Michael Bradley and Jeffrey Colvin: Technical Change and Efficiency in Mail Processing
Ikuo Izutsu, Jiro Nemoto, Chieko Tsunoda, and Tetsuo Wada: An Empirical Analysis of Scale Economies, Scope Economies & Cost Subadditivity in Japanese Postal Services
William M. Takis, Michael Bradley, Christopher Brehm, and Jeffrey Colvin: Empirical Estimation of Incremental Costs for the U.S. Markets
INTERNATIONAL
Chair: Mary S. Elcano
Discussants: Thomas Baldry and David Treworgy
James I. Campbell: International Postal Systems and the Evolution of International Trade Law
Ulrich Stumpf and Monika Plum: The Regulatory Framework for Cross-Border Mail: Needs of Change and a Vision for the UPU

12:40 - 2:00

Lunch

2:00 - 3:30

COST II

Chair: Kathleen Synnott
Discussants: John C. Panzar and Mary Kay Perkins

Marshall Kolin and Edward Smith: Postal Household Delivery Cost and Contribution on City Routes

Bernard Roy and Joëlle Toledano: Dedicated Delivery or Integrated Delivery in the Economics of Postal Sector

Lea Lyytikäinen: Finland Post's Study on Customer Profitability

3:30

Break

6:30

Reception

7:30

Dinner & Speech: William J. Dowling
Vice President—Engineering,
U.S. Postal Service

9:30

After Dinner Drinks

Saturday, June 20, 1998

7:30 a.m.

Breakfast

9:00 - 10:40

TRANSACTIONS COST

Chair: Herbert Gilbert
Discussants: Matti Linnoskivi and
Sture Wallander

Leon A. Pintsov: Economics of Postage
Payment and Mailer-post Interface

Tetsuo Wada and Jackson Nickerson:
Proprietary Digital Networks and the
Scope of the Firm: The Case of
International Courier Services

John Haldi: Transactions Costs of
Alternative Postage Evidencing Systems

10:40 - 11:00

Coffee Break

11:00 - 12:40

UNIVERSAL SERVICE

Chair: Séverin Cabannes
Discussants: Cameron Kashani, Ian Reay,
and Vincenzo Visco Comandini

Virpi Palo: Postal Services & Other
Services of General Interest and Their
Network

**Frank Rodriguez, David Storer, and
Stephen Smith:** Estimating the Costs of
the USO in Posts

Mary Bundy and Nomi Lazar: Uniform
Price Versus Affordable Price—What Does
the Universal Service Obligation Demand?

12:40 - 12:45

Concluding Remarks —Michael A. Crew

12:45 - 2:00

Lunch (Conference Ends)

ORGANIZING COMMITTEE

- John Allen (New Zealand Post)
- Thomas Baldry (Deutsche Post-AG)
- Mary Bundy (LINX)
- James Campbell (IECC)
- Kenneth Churchill (United Parcel Service)
- Robert Cohen (U.S. Postal Rate Comm.)
- Colette Freidli (PTT Post)
- Matti Linnoskivi (Finland Ministry)
- Virpi Palo (Finland Post)
- Alberto Pimenta (Portuguese Post)
- Leon Pintsov (Pitney Bowes)
- Bill Price (Canada Post)
- Oluf Raldorf (Post Danmark)
- David Rawnsley (Postal Services International)
- Ian Reay (British Post Office)
- John Reynolds (U.S. Postal Service)
- Nancy Sparks (Federal Express)
- Börje Spong (Sweden Post)
- David Storer (Coopers & Lybrand)
- Joëlle Toledano (La Poste)
- David Treworgy (Price Waterhouse)
- Anton van der Lande (UPS)
- Sture Wallander (Sweden Post)

FEES AND EXPENSES

- A registration fee of \$850 is payable to the Center for Research in Regulated Industries.
- The charge for food and lodging at the Conference hotel is approximately 315 Sfr. per person, per day.
- The conference fee is waived for a limited number of employees of sponsoring organizations.

CONFERENCE STAFF

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Ms. Linda S. Brennan, *Conference Administrator*
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C.R.R.I.

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The Center for Research in Regulated Industries is pleased to be the recipient of *The Hermes Award, 1992*, awarded by the European Express Organization.

**Application Form for:
EMERGING COMPETITION IN THE
POSTAL AND DELIVERY SECTORS
Montreux, Switzerland
June 17-20, 1998**

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Billing Information:

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 Payment of \$850 enclosed—check in U.S. dollars payable to Rutgers University.
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 Send invoice to participant at above address.
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CANCELLATION POLICY:

Until April 15, 1998 refunds will be allowed in full. After this date the conference fee is due in full whether or not the participant actually attends the conference. Substitutions may be made at any time.

Signature of Participant: _____

Please return completed application form by April 15, 1998** to:

Linda S. Brennan
 Rutgers University
 Center for Research in Regulated
 Industries
 180 University Avenue
 Newark, NJ 07102, U.S.A.

or FAX your application to:
 (973)353-1348.

* Sponsorship must be paid for 1998.

** Space is highly limited. Early application is advised.

SPEAKERS AND DISCUSSANTS

- DAVID ARMSTRONG, General Manager Post Offices, South African Post Office Ltd.
 STEPHEN AGAR, Asst. Director—Postal Services and Reg., U.K. Post Office Legal Services
 THOMAS BALDRY, Manager—Strategic Marketing Letter Post, Deutsche Post-AG
 MICHAEL BRADLEY, Professor of Economics, George Washington University
 MARY BUNDY, Director, LINX
 DEREK W. BUNN, Professor of Decision Sciences, London Business School
 SÉVERIN CABANNES, Director—Strategy, Planning and International Development, La Poste
 HUGUES CALVET, Partner, Stibbe Simont Monahan Dubot & Giroux
 JAMES I. CAMPBELL, Attorney
 CATHERINE CAZALS, Researcher, IDEI
 KENNETH CHURCHILL, Vice President—Public Affairs, UPS
 ROBERT COHEN, Director—Technical Analysis & Planning, U.S. Postal Rate Commission
 JEFFREY COLVIN, Manager—Cost Attribution, U.S. Postal Service
 LORRAINE M. COTE, Principal Consultant, Price Waterhouse
 MICHAEL A. CREW, Professor of Economics, Rutgers University
 JOHN DOLLING, Head of Commercial Policy, Royal Mail
 MARY S. ELCANO, Senior Vice President & General Counsel, U.S. Postal Service
 PATRICIA FERREIRA, Economist, Portuguese Post
 MATTHIAS FINGER, Professor of Management of Public Enterprises, IDHEAP
 JEAN-PIERRE FLORENS, Professor, IDEI
 COLETTE FRIEDLI, Attorney-at-Law, Swiss Post
 CATHERINE GALLET, Economist, La Poste
 ANDREW GERMAN, Managing Counsel—Legal Policies, U.S. Postal Service
 HERBERT GILBERT, Economist, U.S. Postal Service
 JOHN HALDI, President, Haldi Associates, Inc.
 IKUO IZUTSU, Director, Institute for Posts and Telecommunications Policy, MPT
 WILLIAM T. JOHNSTONE, Chief Counsel—International Law, U.S. Postal Service
 CAMERON KASHANI, Economist, U.S. Postal Service
 ADRIAN KING, Omega Partners
 PAUL R. KLEINDORFER, Universal Furniture Professor, University of Pennsylvania
 MARSHALL KOLIN, Economist, U.S. Postal Service
 WILLIAM E. KOVACIC, Professor of Law, George Mason University
 PEKKA LESKINEN, General Counsel, PT Finland Ltd.
 MATTI LINNOSKIVI, Lawyer—Postal Administration, Finland Ministry
 LEA LYYTIKÄINEN, Finland Post
 PHILLIPA MARKS, Director, NERA, U.K.
 ERIC MERKEL-SOBOTTA, Director—European Affairs, United Parcel Service
 ROBERT MITCHELL, Special Assistant to the Commission, U.S. Postal Rate Commission
 HEIKKI NIKALI, Researcher, Finland Post
 NANCY ODY, Economist, U.S. Postal Service
 DONALD O'HARA, Manager—Classification and Product Development, U.S. Postal Service
 VIRPI PALO, Project Manager—Quality and Business Development, Finland Post Ltd.
 JOHN C. PANZAR, Louis W. Menk Professor of Economics, Northwestern University
 MARY KAY PERKINS, Associate Professor of Economics, Howard University
 ALBERTO PIMENTA, Director—Strategic Development, Portuguese Post
 LEON A. PINTSOV, Fellow—Operations and Technology, Pitney Bowes, Inc.
 MONIKA PLUM, Senior Economist, WIK
 BILL R. PRICE, Director—Economic Strategy and Regulatory Affairs, Canada Post
 OLUF RALDORF, Deputy Director, Post Denmark
 DAVID A. RAWNSLEY, President, Postal Services International
 IAN REAY, Head of Regulatory and Competition Policy, Royal Mail
 ALAN ROBINSON, Principal, Direct Communications Group
 FRANK RODRIGUEZ, Head of Economics Group, U.K. Post Office
 BERNARD ROY, Economist, La Poste
 ROGER SHERMAN, Brown-Forman Professor of Economics, University of Virginia
 EDWARD J. SMITH, Economist, U.S. Postal Service
 STEPHEN SMITH, Economist, Coopers & Lybrand
 NANCY SPARKS, Managing Attorney—Regulatory Affairs, Federal Express
 BÖRJE SPONG, Group Controller, Sweden Post
 NANCY STASEY, Partner, Price Waterhouse
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 KATHLEEN SYNNOTT, Vice President—Worldwide Postal Marketing & Dev., Pitney-Bowes
 WILLIAM M. TAKIS, Economic Consultant, Price Waterhouse
 ROBERT G. TAUB, Staff Director, House Subcommittee on the Postal Service
 JOËLLE TOLEDANO, Head of Economics and Mailing Prospectives Department, La Poste
 DAVID TREWORY, Principal Consultant, Price Waterhouse
 ANTON VAN DER LANDE, Vice President—Public Affairs, UPS and Secretary General, EEO
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