## Contents

**List of sponsors**  vii  
**Preface and acknowledgements**  viii  

1. Non-linear pricing, volume discounts and the USO under entry  
   *Michael A. Crew and Paul R. Kleindorfer*  
   1  

2. Price differentiation: what is acceptable for a universal service provider?  
   *Richard Eccles*  
   18  

3. Postal price regulation in a competitive environment  
   *Ralf Wojtek and Martin Zauner*  
   32  

4. Failure to implement the Postal Directive in the EU and EEA: public and private enforcement of state liability  
   *Alessandra Fratini and Mariacristina Bottino*  
   46  

5. Forecasting letter volumes: augmenting econometric baseline projections  
   *Vance L. Martin, Chris Paterson and Jessie Xiaokang Wang*  
   60  

6. Uncertainty and projections of the demand for mail  
   *Frédérique Fève, Jean-Pierre Florens, Leticia Veruete-McKay, Soterios Soteri and Frank Rodriguez*  
   77  

7. Do volume increases and decreases have the same effect on labor hours?  
   *Michael D. Bradley, Jeff Colvin and Mary K. Perkins*  
   94  

8. A panel data analysis of inefficiency and heterogeneity in the postal sector  
   *Catherine Cazals, Paul Dudley, Jean-Pierre Florens and Michael Jones*  
   109  

9. Affordability of postal services addressed to households  
   *Claire Borsenberger, Denis Joram and Lise Martin*  
   124  

10. Towards a 21st century postal service  
    *John C. Panzar*  
    139  

11. Privatization: could the benefits seen in other network industries be realized in postal industries?  
    *Stuart Holder and Helen Smith*  
    150  

12. The confluence of the postal sector with the Internet economy and regulation  
    *John Hearn*  
    165
Multi-modal competition and the future of mail

13 Allocating costs between universal services and services outside the scope of universal service
Heikki Nikali, Kari Elkelä, Pekka Leskinen, Päivi Rokkanen and Peter Karlsson

14 Price-cap regulation in the postal sector: single versus multiple baskets
Claire Borsenberger, Sébastien Bréville, Helmuth Cremer, Philippe De Donder and Denis Joram

15 Optimal pricing of mail in the transactional market and welfare for the wider communications market
Philippe De Donder, Helmuth Cremer, Paul Dudley and Frank Rodriguez

16 A market study of packets and parcels services
Stephen Gibson and Nancy Race

17 Defending mail markets against new entrants: an application of the defender model
Christian Jaag, Helmut Dietl, Urs Trinkner and Oliver Fürst

18 Liberalization and postal workers
Henrik B. Okholm and Anna Möller

19 Government use of the postal system: an ignored USO component
Michael J. Ravnitzky and J.P. Klingenberg

20 UPU terminal dues: winners and losers
James I. Campbell Jr, Alex Kalevi Dieke and Martin Zauner

21 On the use of reverse auctions to designate universal postal service providers
Carlos Costa

22 Priority and Non-Priority services: returning to the origins?
Filipa Silva

23 Understanding consumer preferences for paper and digital marketing channels
Kari Elkelä

24 Accounting for behavioral biases for non-biased demand estimations
Meloria Meschi and Carla Pace