access
contracts 48, 50
EC legislation 198
lessons, Swedish liberalization 312
non-discrimination and transparency 251
requirements, mail items 182, 185–6, 187
standards, postal counters 229–30
to post/mail boxes 24–8, 251, 334–6
see also downstream access; upstream access
Access Agency Agreement 351
access agreements
France 336–7
United Kingdom 349, 350–51
access pricing 32–64
approaches 33–4, 35–40
customer heterogeneity 41
demand stimulation 41
examples from practice 46–52
impact of bypass 44–5
implications of the theory of 52–8
Ramsey-optimal 41–44
regulation 45
see also optimal access prices; price-cap regulation
accounting separation 8, 208–10, 250–51, 253–4
activity NAC model 114
address databases 202, 233, 251
address systems, developing countries 404
Adrexo 327–8, 332, 333, 336, 338
affordable prices 206
AGV New Delivery Services 290
AGV Postdienste 282, 291
Alternative Post 338
Althus 326, 327
Ambrosini, X. 361
American Postal Workers Union (APWU) 138
Amerlyneck, B. 218
Andersson, P. 4, 11
Anson, J.R. 358, 359, 400, 403
Anti-Monopoly Law (Japan, 2005) 383
antitrust authorities 16
antitrust policy, interactions, regulatory policy and 15–29
arbitration, labor costs and conditions, US 127, 130
ARCEP 316
access pricing 48
licensure 325, 326
position on multiple postmarks 334
role and responsibilities 317–18, 319
Armstrong, M. 42, 51
Articles of Confederation (US, 1778) 266
Asia 355–71
economic characteristics 356–8
mail volumes 402
postal markets, differences among 358–60
postal reform 361
 corporatization and privatization 362–7
liberalization 367–70
universal service obligations 360–61
see also individual countries
Assets Agreement (Israel) 438
AT&T 9, 16, 174
Australia 388–97
postal monopoly 381
postal operators 378
postal prices 393, 394, 395, 396
postal reform 390–96
postal regulation 382–3
Australia Post 378, 389–90
corporate structure 397
cost efficiencies 396–7
downstream competition 397
pre-sort barcoded prices 395
reserved versus non-reserved profits 391
revenue and profit 394–5
service performance 396
small letter volumes 392
universal (community) service obligation 380, 388, 393, 397
Australian Competition and Consumer Commission (ACCC) 382–3, 394, 395
Australian Telecommunications Commission 391
Austria
direct mail 199
national regulatory authority 212–13
privatization 4
see also Österreicherische Post AG
authorization, of postal operators 202–5
avoided cost pricing 33–4, 36–7, 38, 47, 49, 52–5, 258
Axel Springer 293
Azerbaijan 412–13
Azerpost 413
Azuz, A. 11
Banco Bradesaco 410
Banco Posta 238
Banco Postal 410
banking sector 88, 238
Basic 330, 331, 332
basic postal rate (BPR), Australia 393, 394, 395
basket for letters 45
Belgium
accounting separation 208
banking joint venture 238
cost allocation 210
mail volume 161
postal reservation 200
see also La Poste
Bell, S. 419
Bell System 16
Bergum, K. 9
Bhumi project 422
Billette de Villemeur, E. 41, 42, 44, 54, 59, 61, 67
Blair, M. 269
Blanke, T. 289
Bloch, F. 44
BMC network 157, 158
BNetzA 179
BOO (build-own-operate) PFI 362
BOT (build-operate-transfer) PFI 362
Bradley, M. 9
Brazil 406, 409–11
British Post Office 263, 264–5
Brodet Committee (1999) 429–30
Büdenbender, U. 292
bulk mail
competitors 232
EC legislation 257
France 49, 321, 323
impact of USO 230–31
Israel 433, 439
Sweden 299, 304, 305
Bundesnetzagentur 285
Burke, J. 165
Buser, M. 9, 230
Business Mail Secure (BMS) service 347
business-to-business (B2B) market 133, 247
business-to-consumer (B2C) market 133, 247, 251
bypass, impact on optimal access prices 44–5
Calzada, J. 44
Campbell, J. 4, 10, 11, 217
Campbell, R. 367
Canada 4
Canada Post Corporation 131
Capgemini 169
CEN see European Committee for Standardization
CEN/TR 15524 (2006) 183, 187, 190
Charles I (England) 263–4
Charles II (England) 264
China
postal reform 366, 370
universal service obligation 361
China Post 355, 366, 370
City Mail 5, 299, 300, 301, 302, 303, 304, 308, 312, 328, 338
Claeys, P. 11
Clayton Act 137
Cleanmail 344
coding technologies 164
Cohen, R.H. 46, 53, 81, 93, 126, 136, 230, 308, 309, 358
collective wage agreements 284, 289–90, 291
Colombia 404, 405
Colvin, J. 9
Combinmail 327
commercial method, USO cost calculation 115–16, 117
commercial papers 269–70
commercialization
as central object of international postal reform 8
developing countries 406–9
Japan, post office 377–80
New Zealand and Sweden 4–5, 123
United States Postal Service 129–34
common operational procedures code 343
communication methods, and postal demand 359–60
compensation fund 204–5, 250
competition 98
authorization and inhibition of 204
bulk mail, Israel 433
curtailment of reserved area, United States 132
deco-to-end (E2E) 33, 44–5, 49, 324–32
Latin America 402
letter-mail market 176
policy 313
see also antitrust policy
and postal reform 3
technological innovation 160, 167–71
and USO costs see universal service obligations
versus reserved areas 406–7
see also electronic competition; electronic substitution; pro-competition pricing; unfair competition
competition law, postal minimum wages, Germany 291–2
competition-related obligations, Royal Mail 345–6
competitive products
economic model, PAEA regulatory structure 68–78
separating market dominant products and competitors
EU postal sector 232–3
German mail market 282, 283, 285–7
USPS privatization 139
complaints 212–14
Comprehensive Statement of Postal Operations (USPS) 153
consumer preference databases 166–7
Coopers & Lybrand 113
Copenhagen Economics 112, 117
Corbeau test 248
corporatization
Asia 366–7
Europe 15–16
overview 362–4
postal operators 15, 197–8, 377–8
Correo de Guatemala 409
Correspondence Delivery Law (Japan, 2003) 368, 374, 381–2
correspondence delivery license 374–5
correspondence item, Japan 368
correspondence mail 161
cost accounting requirements 172–3
cost allocation 209–10, 254
‘cost plus’ system 130
cost-based pricing 205
costing methodology, Israel 434
Coughlin, M. 146
couriers 275, 324, 417–18, 429
cream-skimming 52, 236, 259–60
Crémer, H. 81, 112, 117
Crew, M.A. 4, 9, 10, 11, 33, 34, 37, 39, 41, 42, 44, 45, 53, 59, 67, 81, 130, 133, 135, 136, 179, 185, 231, 368, 435
criminal codes, US postal monopoly 270–71
Cromwell, Oliver 264
cross-border mail 208, 229, 246–7
cross-border quality of service 171, 172
cross-price elasticity, FMO impact model 219, 220
cross-subsidization
Australia 393, 394
charges of, US 20
obligations against, EU 250, 253–6
customer heterogeneity, access pricing 41
customer-directed information 189–90
customization 163
customs laws 201
CVC Capital Partners 197
d’Alcantara, G. 11, 218
damaged mail
detection 186–7
redirection 184–5
data capture 170
data intelligence 170
data quality, costing systems 210
database marketing 162
de Bijl, P. 33, 46
de Donder, P. 42, 59, 61, 67, 72
de-averaged access contracts 50
de-averaged access prices 51, 351
default service obligation 135–6
Delegated Management Agreement 408
delivery frequency 198, 229, 233
delivery point density (DPD) 50
delivery receipt services 179
delivery zone cost heterogeneity 41
delivery zones (Royal Mail) 50
delivery-area access pricing (zonal pricing) 34, 37–9, 49, 53, 230, 302, 348–9
Denmark
administrative functions 196
lack of appellate body for complaints 212
mail volume 161
reduced quality of service targets 211
see also Post Danmark A/S
Deutsche Bundespost Postdienst 7
access agreements 50
access conditions 46
delivery of unaddressed mail 295
discrimination against commercial mail preparation firms 257
government as minority shareholder 197
purchase of DHL 378
restructuring 83–4
wages 282–285
working conditions 285
Deutsche Post World Net (DPWN) 7–8, 237
developing countries 400–14
Internet as supplemental communication 359–60
low productivity of USPs 400
postal reform 401–2
challenges 402–4
examples of successful 407–13
postal performance 400
strategies 405–7
quality of service investment 400
see also individual countries
DHL 378
Diakova, E. 161
Dieke, A.K. 11, 217, 284
Diffusion Plus 338
digital conversion 165
Direct Mail
France 323
reserved areas 199, 247
volume 161
discriminatory pricing, prohibition of 256
dispute resolution, worksharing, France 48–9
diversification 22, 237–9
doorstep service 84, 87
downstream access 32, 33, 35
antitrust and regulatory policy 18–20
competition with unbundled 106
EU legislation 256–7, 258
NRAs encouragement of 201–2
Royal Mail 349–52, 353
see also access pricing
dual price control regimes 207
Ducasse, J.P . 10
Dudley, P . 67
e-banking 88
E-choupal 421
e-government 422
e-mail traffic 88, 162
e-postal commerce 180–82, 320, 422
see also extensible postal product model and language
Eccles, R. 9, 11, 12, 217
economic growth, Asia 356, 357
ECORYS 216
efficient component pricing rule (ECPR) 17, 19, 20, 25, 26, 52
El-Sharif, Y. 288
electronic communications 88, 126, 179, 317, 359–60
electronic competition 3
electronic delivery 178–9
electronic information requirement 182
electronic proof of delivery 179
electronic substitution 88, 125–6, 144, 176, 389
Employee Assignment Law 289, 290
employment, Sweden 308
employment policy, EC legislation 282
Empresa Brasileira de Correios e Telégrafos (ECT – Correios) 409, 410, 411
end-to-end (E2E) competition 33, 44–5, 49, 324–32
English postal monopoly 263–5, 277
entrants, EU postal sector 232–3
entry pricing model 111–12
envelopes 265
‘essential requirements’, authorization procedures 203
European Commission (EC) 195, 201, 216, 229
European Committee for Standardization (CEN) 172, 212
European Court of First Instant (ECFI) 255, 257
European Treaty 247–8, 253, 257, 291, 292
European Union directives 195
implementation 245–6
postal reform 3–4, 15, 216, 217
conclusions on 239–43
efficiency and restructuring of USPs 234–9
FMO see full market opening liberalization 246–7
overview 196–8
postal sector
competition, curtailment of reserved area 132
competitors and entrants 232–3
cross-border quality of service 171, 172
debate on increased competition 217
impact of the USO 228–32
labor costs and productivity 224–8
population density and urbanization rate 223–4
postal scale factor 221–3
price cap regulation 130
regulatory policies 233
see also individual countries
Evans, H. 400
exclusive rights, EC law on grant of 247–8
EXFC (External First Class) Measure 155
Explanatory Memorandum (EC) 251, 260
explicit approval, proposed postage rates 206–7
express mail 268, 375
extensible postal product model and language (EPPML) 182–8
Federal Communications Commission (FCC) 16
Federal Express 11, 129, 133, 144–5, 375
Federal Trade Commission 137
Federation of European Direct and Interactive Marketing (FEDMA) 166
Index

financial services customization 163
diversification 237–9
India Post 420–21
Sweden 309–10
Switzerland 92–3
Finland
  liberalization 258
  reduced quality of service targets 211
  uniform tariff 206
  value-added tax 200
First Class mail
  decline in 125–6, 129, 303
  prices, Sweden 305
first-best pricing 33
first-mile services 168
fixed costs, USPS mail service 126, 127
FMO see full market opening
foot post 265, 267
Fortis 238
Fox Messenger 326, 327
France 316–39
  cost allocation 210
  couriers 324
  lack of user-protection procedures 212
  legislative framework 317–19
  letter mail market 320–4
  mail preparation 329–32
  mail volume 319–20, 321
  outgoing international mail 324, 328–9
  post office networks (2006) 85
  postal operators
    licensed 203, 324–6
    local and niche 326–7
    postal regulation 333–7
  reserved sector versus competitive sector 322
  revenues 320
  see also La Poste
France Telecom S.A., formerly Wanadoo
  Interactive S.A. v. Commission 255–6
frequency of service 196
FSS (flat sorting) machines 157
Fu, A. 161
full market opening (FMO)
  European Union 216
    impact of 218–20, 233–4, 239–43
  Postal Directive (1997) 4
    readiness of member states for 239, 240
    scrutiny from competition authorities 15
  Sweden 5
  Singapore 369
FuturePost 396
G3worldwide Mail NV 329
Gallet-Rybak, C. 11–12, 233
Garcia, G. 160
Gautier, A. 44
GB-Inno-BM 252
GDP per capita
  Asian postal markets 371
  major Asian countries 356, 357
  geocoding 163
  geographically de-averaged pricing 50, 51, 351
German Association of International Express Companies (BIEK) 291
German Postal Law 257, 259
Germany
  access conditions 46
  competition and wages 283–7
  cost allocation 210
  direct mail 199
  dismissal of NRA heads 214
  elimination of reserved area 200
  employees 285
  liberalization 258, 282
  licenses 203
  post office network (2006) 85
  postal minimum wages 290–94
  postal operators 282
  postal prices, changes in 124
  privatization 4, 6–8
  quality of service standards 211, 212
  uniform tariff 206
  user protection 212
  see also Deutsche Post
Gerstner, L. 146
Government Companies Authority (GCA, Israel) 441
government withdrawal, control of postal sector 197
government-owned post offices 2, 124
Great Britain see United Kingdom
Greece
  accounting separation 208
  delivery frequency 198
  liberalization 247
  user protection 212
  Grossmann, M. 88, 91
  Guatemala 405, 406, 408–9
  Guislain, P. 405
Haldi, J. 47, 53
health costs, USPS privatization 136–7
healthcare liabilities, USPS 127
Henderson, W. 146, 147
Herisson, P. 318
Hermes 93
Herzog Committee 428–9
Hill, Rowland 24–5, 435
Houpis, G. 405
HTML 180
Hungary 198
Ianni, J.B. 11
identifiers 178
imaging technologies 164
Implementation Plan (Japan) 376, 377, 379
IMX France 328–9, 338
inbound international mail, Japan 375
incentives employees 130–31
management 4
incremental cost analysis, universal service 99
India Post 416–24
cost and profitability of services 417
dilemmas 418–19
immediate strategies and new areas 419–22
mail volume 416
operating revenue and expenditure 418
restructuring 422–4
individual agreements, on prices 207, 209
individualized tariffs 207
Indonesia 370
Industrial Revolution 1, 267
industrialized countries 401–2
Industry Commission (Australia) 393
information technology (IT) 170, 359–60
informational attributes, mail items 182, 183–4
informational objects 180, 182–6
initial public offerings (IPOs) 4, 362
innovation, Sweden 307–8
integrators 238
intelligent mail 155, 178
Intelligent Mail Barcode 155–6, 157, 158
International Express Mail Service (EMS) 375
international mail
France 324, 328–9
Israel 434–5
Japan 375
International Postal Corporation 171
Internet
access, India 421
innovations 160
leveraging mail through 164
new forms of mail 162
postal demand 359–60
postal reform 3
users, amount of mail received 161
interoperability 172
intra-city mail 301
Ireland
appointment of NRA and USP heads 213
cost allocation 210
dual price control regime 207
postage rate approval 206–7
review of terminal dues practices 208
Israel, postal reform 426–42
background 427–33
continuing market developments 440–41
local distribution centers 431–3
access and pricing 438–40
opening of bulk mail to competition 433
tariffs as a key factor in 433–40
timeline 427–30
universal service obligation 430–31
Israeli Postal Authority (IPA) 426, 427, 430, 431
Israeli Postal Company (IPC) 426, 427, 430, 433, 434
access and pricing 438–40
branch network 427
changes in ownership structure 441–2
disadvantage of fixed tariff approach 436
personnel 427
revenues 427
viability 436–7
Italy
compensation fund 205
direct mail 199
dismissal of NRA heads 214
lack of appellate body for complaints 212
lack of user-protection procedures 212
national regulatory authority 213
post office network 81, 85
restructuring 236
see also Poste Italiane
ITPS 308
Ivatury, G. 410
Jaag, C. 9, 88
James, T. 270
Japan 373–84
commercialization of post office 377–80
independent regulation 383–4
liberalization 368–9
postal law and delivery services 374–5
privatization 364–5, 373, 375–7
repeal of the postal monopoly 381–2
universal service obligation 361, 364, 365, 380–1
Japan Post Bank 373, 375, 376, 379, 383
Japan Post Holdings 364, 365, 373, 375, 376, 377, 378, 379, 380, 381, 383, 384
Japan Post Insurance 373, 375, 376, 379, 383
Japan Post Law (2002) 374
Index

Japan Post Network 364, 365, 373, 376, 378, 379, 380, 383, 384
Japan Post Public Corporation (Japan Post) 4, 364, 373, 374, 375
Japan Post Service 355, 364, 365, 368, 373, 376, 378, 379, 380, 381, 383–4
Japanese Fair Trade Commission (JFTC) 383, 384
Jimenez, L. 10, 160, 161, 162
John, R. 277
Johnson, J.A. 152
'joint and common costs' 21
joint ventures, financial 238, 239
junction reports 271
KBSLAB 420
Kenny, C. 403
Khazanah Nasional Berhad 367
Kiwibank 82
Kleindorfer, P.R. 4, 9, 10, 11, 33, 34, 37, 39, 41, 42, 44, 45, 53, 59, 67, 81, 130, 133, 135, 136, 179, 185, 231, 368, 435
Koch, C. 420
Kogut, B. 187
Koizumi, J. 373, 376, 377, 384
Koons, J. 274
Korea Post 367, 370
KPN 6
Kridel, D.J. 135
Kurth, M. 295
Kuypers, B. 11
La Poste (Belgium) 4, 238, 329
La Poste (France) 252–3
complaint about multiple postmarks 333–4
diversification 237
liberalization 33
mail box access 335
mail preparation 329–30, 332
outgoing international mail 328, 329
Postal Law (2005) 317, 319
restructuring 83
share of letter mail market 338
worksharing discounts 32
worksharing and upstream access 47–9
labor
agreements 291–2
regulations 173
see also organized
labor costs
arbitration, US 127, 130
EU postal sector 224–8
and minimum wages 292–3
Sweden Post 308
labor productivity
Australia 396
EU postal sector 224–8
Laffont, J.J. 42, 135
Lamar, W.H. 273–4
last mile personnel 170–71
Latin America
competition, postal markets 402
letter mail and parcels per capita 402
see also individual countries
Latvia
corporatization of postal operators 197
direct mail 199
quality of service targets 211
value-added tax 200
LET services 327
letter(s), US terms/definitions 265, 267, 270, 272, 273, 274–5
letter mail
competition 176
decreasing demand 3
delivery frequency 198
monopoly, USPS 145
per capita use 375
letter mail volumes
Australia 392
Brazil 410–11
developing countries 402
European Union
by level of reservation (2006) 200
by type of authorization (2004) 203
France 319–20
Japan 375
letters and packets 267, 269, 271, 274, 276, 277
liberalization
Asia 367–8
China 370
Japan 368–9
Singapore 369–70
Brazil 409–11
EC legislation 250–52, 258
Germany 258, 282
interactions between regulatory and antitrust policy 15–29
Israel 430
Sweden see Sweden
United Kingdom 258, 341
Libert, B. 176
licensed postal operators 203
Colombia 404
France 324–6, 337
Japan 374–5
Singapore 369
Sweden 302
United Kingdom 341, 343, 351
life event services 167
‘lights out’ solutions 167
Lintell, M. 162, 163
Lithuania 197
Littlechild, S.C. 45, 130
local distribution centres, Israel 431–8
access and pricing 438–40
local postal operators 301–2, 303, 326–7
Local and Social Contribution Fund 365
loyalty parameter, FMO impact model 219, 220
Luxembourg
accounting separation 208
liberalization 247
postage rate approval 206–7
MacVeagh, W. 270
Mahajan, V. 420
mail
damaged 184–5, 186–7
European Union, scale 220–23
item attributes 182–6
misaddressed/misdelivered 202
service costs, USPS 126–7
technological innovation
distribution 169–70
leverage, through the Internet 164
preparation 168
redirection 165–6
sortation 169
unaddressed 319
see also bulk mail; first class mail; intelligent mail; international mail; letter mail; overnight mail; single-piece mail; third class mail; direct mail; express mail
mail box access, France 334–6
mail box monopoly, United States 20, 132
mail integrity code 343
‘mail moment’ 147, 161
mail volumes 1
developed countries
Internet penetration 360
per capita and GDP per capita 358, 359
per worker and per capita 358, 359
developing countries 403
Latin America 358
France 321
India 416
Sweden 303, 304, 305
Swiss Post 88–92
technological trends 161–2
United Kingdom 50–51, 342
United States Postal Service 125
see also letter mail volumes; parcel volumes
‘mailable matter’ 268
mailer-driven innovations 162–4
Mailfast 328
mailing submission, statement of 182
Mailsort 3 344
Mailsort 1400 344
mailstreams 168, 185
‘make-up’ rules 182
Malaysia 366–7, 370
Malta 4
management buy-out (MBO) 362
management incentives 4
managerial reform 362
Manley, John 264
Månsson, B.A. 301
market-dominant products
economic model, PAEA regulatory structure 68–78
separating competitive products and 8
Mecanic Routage 338
Megginson, W. L. 134
messenger services, France 326–7
Minah, E. 165
Ministry of Communication (MOC, Israel) 427, 429, 433, 441
Ministry of Internal Affairs and Communication (MIC, Japan) 364, 368, 369, 374, 376, 378, 379, 381, 382, 383, 384
misaddressed/misdelivered mail 202
Morelli, M. 10, 160
Moreno, C. 12
multi-channel marketing 161, 164–5
multiple postmarks 333–4
Nadal, D. 12
Nader, F. 162
Nambisan, S. 176, 180
nano-technology 157
National Association of Letter Carriers 138
National Competition Authority (NCA) 196
National Competition Council (Australia) 393–4
National Condition 9 Access Agreement 349, 350, 351
National Condition 10(2) Access Agreement 351
National Economic Research Associates (NERA) 111
National Performance Assessment (NPA) 155
National Postal Forum (Washington) 147
National Postal Mail Handlers Union 138
national regulatory authorities (NRAs) 16
administration of postal policy 196
as appellate body for user complaints 212
customs laws 201
Index

designation of 212–14
EC legislation 252–3
couragement of downstream access 201–2
interpretation of direct mail, Spain and Italy 199
need for competence, integrity and power 312
quality of service standards 196
regulation
  postage rates 205, 207–8, 436
  USP accounts 208, 209, 210
see also individual authorities
National Rural Letter Carriers Association 138
Neale Post Office 263, 264
negotiated access pricing 34, 39–40, 45, 46
net avoided cost (NAC) model 111
  Norway Post 113–15
Netherlands
  access conditions 46
  administrative functions 196
  changes in postal prices 124
  direct mail 199
  dismissal of NRA heads 214
  elimination of reserved area 200
  lack of appellate body for complaints 212
  lack of user-protection procedures 212
  postal operators 198, 334
  privatization 4, 6
  uniform tariff 205
  universal service 198
Netter, J.M. 134
Network Integration and Alignment (NIA) strategies 152
network-centric innovation 180
New Union 290
New Zealand
  changes in postal prices 124
  management incentives for reform 4
  post office network (2006) 86
  postal monopoly, repeal of 381
  postal operators 378
  universal service obligations (USO) 380
New Zealand Post
  commercialization 4–5
  restructuring 82
Niederprüm, A. 11, 217
Nippon Express 375
Nisan, U. 11
Nishimizu, M 416
non-correspondence, Japan 368
non-discrimination
  access to services 251
  authorization procedures 204
  compensation funds 250
  postage rates 206
  Royal Mail license 347
  special tariffs 257
  non-reserved services 247
  non-uniform (zonal) pricing 50
  Norway Post
    City Mail ownership 5, 301
    universal service obligation 113–117
    notification services 166
  Obria, A. 10, 162, 182
  Office France Marketing (OFM) 330
  Officer of Inspector General (OIG) 129
  Olson, W.J. 47, 53
  open source innovation 180, 181
  opt-in/opt-out lists 166–7
  Optical Character Readers 396
  ‘orchestra model’ product innovation 180, 181
  organized labor, USPS privatization 138–9
  Österreichische Post AG 4, 197
  outbound international mail
    EC legislation 199, 246–7
    France 324, 328–9
    Israel 434–5
    Japan 375
  outsourcing 157–8, 236–7, 284, 285, 327
  overnight mail 303
  ownership, managerial reform 362
  Oxera Consulting Ltd 111–12, 368
  packets 265, 267, 274
  Panzar, J. 9, 36, 37, 44, 47, 53, 112, 117
  parcel services
    delivery frequency 198
    quality of service standards 211
    upward weight limit, EU 229
  parcel volumes
    developing countries 402
    France 319
    Japan 375
    Swiss post 92–3
    United States Postal Service 133
  Parker, D. 134, 135
  Paterson, C. 10
  Pearsall, E.S. 41, 46
  pension costs, USPS privatization 136–7
  performance
    management incentives 4
    and postal reform 303–11, 396, 400
    performance measurement 154–5
  Perkins, M.K. 9
  Perloff, M. 11, 127
  Persian postal service 1
  Peru 403–4
  Philio Allied 367
  physical attributes, mail items 182, 183

Michael A. Crew, Paul R. Kleindofer and James I. Campbell Jr - 9781847209573
Downloaded from Elgar Online at 12/04/2018 01:47:01AM
via free access
PIN Group 283, 289, 290, 293–4, 294
Pintsov, L.A. 10, 162, 182, 185
Pitney Bowes 162
population density, EU postal market 223–4
PORGES, A. 4, 10
Portugal
accounting separation 208
cost allocation 210
dual price control regime 207
postage rate regulation 205, 206–7
postal reservation 200
review of terminal dues practices 208
Pos Malaysia 366–7
post box access 24–8, 251
see also mail box access; mail box monopoly
Post Danmark A/S 4
post houses 265
Post Office Act (1969) 2
Post Office Department (US) 263
Post Office Ltd 84
post office networks 80–96
access to 198, 201–2, 312, 349–52
commercialization, Japan 377–80
models 94, 95
rationalization 237
restructuring 81–94
in selected countries (2006) 85–6
shared 239
USO costs in a stylized 100–107
post offices
distribution of financial services 238–9
government-owned 2, 124
integrators 238
national 2
post road 265
postage rates see postal prices/pricing
Postal Accountability and Enhancement Act of 2006 (PAEA) 67–78
antitrust implications 15, 18–19
economic model, regulatory structure 68–72
calibrating and solving numerically 72–4
governance and commercialization of USPS 8, 67, 123, 128, 129, 130–32
postal monopoly 276–7, 277–8
privatization of USPS 137, 138
recognition of healthcare responsibility 136–7
weaknesses 138, 140
Postal Act (Germany, 1998) 288
Postal Bank (Israel) 441–2
‘postal bank network’ model 94, 95
Postal Corporation Act (Australia, 1989) 391–3
Postal Corporation Amendment Act (Australia, 1994) 393
Postal Directive (European Union, 1997) 195, 245
access to public postal network resources 201–2
authorization of postal operators 202–5
cross-border quality of service 171
customs laws 201
designation of national regulatory authorities 212–14, 252–3
full market opening 4
interoperability 172
obligations
against cross-subsidization 253
imposed on member states 196–7
postage rate regulation 205–8
reserved areas 199–200
standards for regulating USP accounts 208–11, 254
terminal dues 208
universal service obligation 198, 211–12, 229
user complaints and redress procedures 212
value-added tax 200–201
Postal Directive (European Union, 2002) 229
downstream access 257, 258
liberalization 246–7
reserved areas 245, 247
Postal Directive (European Union, 2008) 216
calculation of USO cost 117–18
cross-subsidization prohibition 253
downstream access 258
employment policy 282
increased licensing activity 326
liberalization 245, 250–2, 258, 339
reserved areas 247, 259
technological innovation 173
universal service obligation 229, 249
Postal Law (Japan, 1947) 374
postal markets
developing countries 403–408
Europe
FMO impacts 218–20, 233–4
see also individual countries
problems, USPS 125–8
USO costs in unsubsidized 101–3
postal monopoly
Australia 381
English 263–5, 277
Europe 381
Index

Japan 374, 381–2
New Zealand 381
Sweden 300
United States see United States
USO costs for 101–105
see also mail box monopoly; reserved area
'postal network' model 94, 95
postal operators 32
authorization 202–5
China 361
corporatization 15, 197–8, 366, 377–8
designation of 196–7
France 324–8, 336–7
Germany 282, 283
Netherlands 198, 334
Sweden 301–2
United Kingdom 341, 343
see also licensed postal operators; local
postal operators; private postal
operators; universal service providers
postal practices survey (EC) 195
postal prices/pricing
Australia 393, 394, 395, 396
changes, internationally 124
competitor concerns 233
flexibility, product innovation 179
international comparisons (2006) 428
Israel 433–6
non-uniform 50
predatory 20–21, 255–6, 346
regulation
economic model of PAEA 67–78
European Union 205–8, 230–31
Japan 365
Sweden 302, 304–6, 309, 312–13
uniform 33, 99, 103–4, 205–6, 231, 259
US legislation (1799) 267, 268
value-based 173
see also access pricing; price-cap regulation;
retail price control
Postal Privatization Committee (Japan) 376,
377, 379, 381, 383, 384
Postal Privatization Law (Japan) 365, 375–7,
378, 379, 383
postal product attributes 182–6
postal product consumption 177–8, 181,
189–90
Postal Rate Commission (PRC) 15, 53, 128,
147, 213
postal reform
Asia 355–71
Australia 388–97
developing countries 400–14
division of assets 378–9
European Union see European Union
Israel 426–42
operational structure 363
origins of 1–3
public support 140
United States see United States Postal
Service
worldwide 3–8
see also corporatization; innovation;
liberalization; privatization;
restructuring
Postal Regulatory Commission (PRC) 18, 66,
110, 128, 137–8
Postal Reorganization Act 1970 (PRA) 2, 8,
15, 128
postal service(s)
concept of a public 1
EC legislation 245–60
eighteenth century 265
IPOs 362
offences, United Kingdom 342–3
performance see performance
prohibition of private correspondence to
Scotland 263–4
quality see quality of service
two-sided market issues 24–8
value-added 178
Postal Service Agency (PSA) 364
Postal Services Act (Australia, 1975) 391
Postal Services Act (UK, 2000) 264, 341, 342,
345, 347, 349
Postal Services Legislation Amendment Act
(Australia, 2004) 394
Postal Services Notice 248, 254, 256
Postal Statistics (UPU, 2006) 402–3
Postbank 83–4
postbank NAC model 114
Postcomm 12
access conditions 46, 50
access pricing 51, 349–52
granting of licenses 341
investigatory powers 342
operational procedures code 212
postal services reviews 352, 353
pricing flexibility, new products 179
reduction of transit time targets 211
regulation 343, 344–5, 346, 347
retail price control 348–9
universal service obligation 198
Poste Italiane 4, 83, 236, 238, 248
Posten AB see Sweden Post
PostFinance 84–7, 88
Postmaster General (US) 15
Postreform I (1989) 2, 6–7
Postwatch 346
Potter, J.E. 129, 145, 147, 148, 153, 156–7, 158

Michael A. Crew, Paul R. Kleindofer and James I. Campbell Jr - 9781847209573
Downloaded from Elgar Online at 12/04/2018 01:47:01AM
via free access
predatory pricing 20–21, 255–6, 346
premium forwarding services (PFS) 179
prepaying postage 1, 216
PreSort Barcoded mail, Australia 390, 392, 395
Press’tissimo 329
Presstream 344
price-cap regulation 18–20, 45, 69, 130, 135, 207
PricewaterhouseCoopers (PwC) 46, 216, 218, 233, 239, 436
pricing see postal prices/pricing
pricing-in-proportion (PIP) 435
private firms, efficiency 133–4
private postal operators
France 336–7
Peru 403–4
suppression, United States 267–8
private sector participation, developing countries 405–6, 408
privatization
Asia 366–7
Japan 364–5, 373, 375–7
commercialization through 408–9
Europe
Austria 4
Denmark 4
Germany 4, 6–8
Netherlands 4, 6
United States see United States Postal Service
pro-competition pricing 434–5
product description 185–6
product innovation 176–92, 251
current 177–9
e-postal commerce 180–82
see also extensible postal product model and language
as information gathering and processing activity 180
product-specific fixed costs 21
productivity
developing countries 400
Sweden 308–9
United States Postal Service 153, 154
see also labor productivity
profit-maximizing firms 20
profitability cost (PC) model 112, 117, 118
proportionality
compensation funds 250
reserved areas 199
PTT key 335
PTT (Switzerland) 84
public finance initiatives (PFIs) 362
public utilities, corporatization and privatization in 363
public–private partnerships 129, 422, 423
quality of service
developing countries 405
Israel 431
monitoring 211–12
pace of innovation 171, 172
Royal Mail 346
standards 196, 211–12
Sweden 306–7
Trinidad and Tobago 407–8
Quality of Service Fund (UPU) 400
radio frequency identification (RFID) 157, 171, 186
Raiffeisen Group 93
railroads, versus US Post Office (1890s) 271–3
Ramsey pricing 41–2, 53
Ranganathan, V. 11, 418
real identifiers 178
recipient control, over mail pieces 165–7
recipient subscription services 166
redress procedures 212–14
regional NAC model 114
regulation
Australia 382–3
economic model of PAEA 67–78
France 317, 333–7
impacts on technological innovation 171–3
independent 382
Japan 383–4
postal prices see postal prices/pricing
product innovation 178
reform, Tanzania 411–12
United Kingdom see United Kingdom
see also price-cap regulation
regulatory authorities see national regulatory authorities
regulatory policy
competitor concerns 233
European Union FMO impacts 218, 219
interactions, antitrust policy and 15–29
Renaissance 1
reserved areas
competition and curtailment, US 132
EC legislation 199–200, 247, 259
MIC study group 382
universal service obligation 217
versus competition 406–7
see also postal monopoly
'rest mail' issue 169
restructuring
India Post 422–4
Index

key strategic issues 93–4
literature review 81–2
in partly liberalized markets 82–4
Switzerland see Swiss Post
universal service providers 234–9
retail market
for post-boxed addressed mail 26
for street-addressed mail 26
retail minus pricing (ACP approach) 33–4, 36–7, 38, 47, 49, 52–4, 258
Retail Post 417
retail price control, Royal Mail 347–9, 353
revenue growth, USPS 153, 154
revenue-maximizing SOEs 21
Robinson, A. 91
Rodriguez, F. 111
routing time 211, 212
Roy, B. 400
Royal Mail
access to 46, 349–52
electronic communications 179
liberalization 33
mail volume 342
over-regulation 352–3
price-cap regulation 130, 207
regulatory obligations 343–7
restructuring 84
retail price controls 347–9, 353
worksharing and access 50–52
Royal Mail Catalogue 346
Royal Mail Wholesale 50, 351
royal post (English) 263–4
Runyon, Marvin 145–6
Saal, D.S. 134, 135
Säcker, F.J. 288
Sagawa Express 375
Sagi Committee 426, 433, 434, 436, 438–40
Sagi, E. 11
Sahwney, M. 176, 180
Sandd 334, 338
Sappington, D. 20, 21, 22
Sarbanes–Oxley Act (2002) 137
Sarma, E.A.S. 419
Scandic 328
Scandinavia
parcel delivery 198
see also Denmark; Norway Post; Sweden
Scotland
British Post Office’s operations to 264–5
prohibition of mail to 263–4
Second Class mail 305
Selekt Mail 334, 338
’send post’ 265
’sender-pays-all’ model 165
separation of accounts 8, 208–10, 250–51, 253–4
service points, Sweden 306–7
shared networks 239
Sharkey, T.M. 129
Siciliano, P. 410
Sidak, J. 20, 21, 22
Singapore 366, 369, 370
Singapore Post (SingPost) 366, 369
Singapore Telecom 366, 369
single-piece mail
France 321–2, 323
Israel 434, 439
Netherlands 198
parcels basket 45
quality of service standards 211
Sweden 303, 304, 313
uniform pricing 33, 231, 259
Slovakia
accounting separation 208
corporatization of postal operators 197
Slovenia
administrative functions 196
direct mail 199
elimination of reserved area 200
value-added tax 200
slow erosion/low growth (SELG) scenario 161
Sovereign Wealth Fund (SWF) 367
Spain
accounting separation 208
delivery frequency 198
direct mail 199
lack of user-protection procedures 212
national regulatory authority 213, 214
postal reservation 200
quality of service targets 211
value-added tax 200
special rights, EC law on grant of 247–8
Spector, J. 176
Speed Post 417, 423
Spring 328
Stabilization Plan (Israel) 426
standard contracts, French worksharing 48
standards
postal counter access 229–30
quality of service 196, 211–12
regulation of 172
USP accounts 208, 254
state-owned enterprises (SOEs)
preventing unfair competition by 20–23
transforming government institutions into 362
statement of mailing submission 182
Swedish National Post and Telecom Agency (PTS) 299, 306, 312
Swedish Quality Index 310
Swiss Post, restructuring
access points for retail customers 87
impact on
customer satisfaction and channel costs 87–8
overall mail volumes 88–92
parcel volumes and financial services 92–3
infrastructure obligation 87
main developments and policy responses 84–7

Storer, D. 111
Strasser, R. 152
street-addressed mail, retail market for 26
structural separation, unfair competition 21
Study Group on Re-examining the Postal and Correspondence Delivery System 382
Study Group on the Reserved Area and Competition Policies in Postal Services 382
subscription services 166
subsidization 98, 99, 100
see also cross-subsidization
suspensions, US postal monopoly 275
Svensk Kassaservice 82, 83, 302, 309
Sweden
access conditions 46
cost allocation 210
liberalization
(1993–94) 299–300
background to 298–9
lessons from 311–13
market performance 303–11
market response to 301–3
preconditions 300
management incentives for performance 4
postal prices, changes in 124
price-cap regulation 207
reserved area 199
uniform tariff 205
value-added tax 200
Switzerland, post office network 86
Swiss Post
commercialization 5
contracts for selling stamps 307
financial services 309–10
labor costs 308
mail volume 303
postal prices/pricing 302, 304–6, 309, 312–13
provision of universal services 299
quality of service 306, 307
restructuring 82–3
universal service obligation 388
Swiss Post Deutschland 283, 289, 294
Swisscom 84
Switzerland, post office network 86
Takanaka, H. 376, 377
Tanaka, N. 376–7
Tanzania 406, 411–12
Tanzania Posts Corporation 412
tariffs see postal prices/pricing
technical contracts, French worksharing 48
technical infrastructure, access to, France 336–7
technological innovation 2, 160–74, 251–2
Australia 396
barcodes 157
competitive postal environments 167–71
customization 163
database marketing 162
FSS machines 157
geocoding 163
impacts of sector regulation on 171–3
leveraging mail through the Internet 164
mail demand 161–2
multi-channel marketing 164–5
variable printing 163–4
see also electronic substitution
technologies, worksharing 32–3
Telecommunications Act (UK, 1981) 2
Telecommunications Act (US, 1996) 16
telecommunications sector, United States 16
Telstra 391
terminal dues 208
Thailand 367, 370
third class mail 274, 305
Thomas, J.L. 271–2, 273
Thomas, S. 420
Thompson, F. 147–8
Thüsing, G. 289
Tirole, J. 42, 135
TNT 6, 50, 179, 197, 237, 248, 290, 328
TNT Post Deutschland 283, 289, 294
Toledano, J. 12, 338
total factor productivity (TFP) 153
tracking 144–5, 169–70, 178
transaction mail 161
Transend Worldwide Limited 408
Transformation Plan (USPS, 2002) 129, 147–53
transparency
access to services 251
authorization procedures 204
compensation funds 250
of postal prices 206, 349
transpromotional documents 163
Trinidad and Tobago 405, 406, 407–8
Trinidad and Tobago Post (TT Post) 408
Trinkner, U. 9, 91
two-sided market issues 24–8
ubiquity, universal service obligation 136, 216
UK Mail 50, 350
unaddressed mail, France 319
unfair competition, by SOEs, preventing 20–23
uniform access prices 52
uniform pricing 33, 99, 103–4, 205–6, 231, 259
uniformity, universal service obligation 136, 216
United Kingdom
accounting separation 208
appointment of NRA and USP heads 213
competition regulation 351–2
diversification 239
lack of user-protection procedures 212
liberalization 258, 341
licenses, letter-post services 203
post office network (2006) 85
postage rate regulation 131, 205–6
postal operators 341, 343, 351
postal services, offences 342–3
quality of service standards 211
regulatory obligations 343–7
reserved area 199
see also British Post Office; English postal monopoly; Royal Mail; UK Mail
United Parcel Service (UPS) 133, 144–5, 157, 169–70, 170–71, 375
United States
antitrust case 16
post office networks 81
postal monopoly 262–78
administrative interpretation
options of post office solicitor 273–4
post office v. the railroads 271–3
regulations 274–6
cheap postage and suppression of private expresses 267–8
English precedents 263–5
extension to local services 268–9
legislation 262
(1745–1845) 266–7
PAEA (2006) 276–7
Postal Code (1872) 269–70
pre-industrial 270–71
postal reform, and division of assets 379
Postmaster General 15
United States Postal Service, Incorporated (USPSI) 134, 136
United States Postal Service (USPS) 2, 123–41
antitrust scrutiny 15
bureaucratic culture 134
changes in postal prices 124
commercialization
additional steps towards 131–2
legislative background 129–31
versus privatization 132–4
electronic communications 179
mail box monopoly 20
mail service costs 126–7
mail volume (2002–17)
gradual displacement 125
projected 125
Office of Inspector General 129
predecessor 263
privatization 132–137
separation of market dominant and competitive products 8
structure and governance 128–9
transformation 143–58
universal service obligation 8
upstream access 33
wage premium 284
worksharing and access 46–7
worksharing discounts 32
‘universal network’ model 94, 95
Universal Postal Convention (1999) 360
Universal Postal Convention (2004) 201
Universal Postal Union (UPU) 172, 358, 400, 402, 409, 410
universal service fund 204–5, 250
universal service obligations (USOs) 98–108
access pricing 34
Asia 360–61, 368
China 366
Japan 361, 364, 365, 380–81
Malaysia 367
Singapore 366, 370
Australia 380, 388, 393, 397
calculating the net cost of theoretical approaches 110–12
Norwegian experience 113–16
concluding observations 117–18
continuation after liberalization 312
debate about extent of 81
defining the costs of 98–9
accounting for foregone revenues 100
incremental analysis 99–100
with reference to a set of services and rates 100
developing countries 405
European Union
FMO impacts 218, 219
impact of 228–32

Index

Michael A. Crew, Paul R. Kleindofer and James I. Campbell Jr - 9781847209573
Downloaded from Elgar Online at 12/04/2018 01:47:01AM
via free access
legislation 198, 249, 250
monitoring quality of 211–12
origins 216
reserved areas 217
Israel 430–31
New Zealand 380
standards of products and services 363
theory related to
auctioning off the USOs 106–7
competition with a reserved service 105–6
competition without an unbundled downstream access 106
postal services, costs and 101
regulated monopoly 101–3
uniform pricing 103–4
unregulated monopoly 104–5
ubiquity and uniformity 136, 216
United States Postal Service 8, 135–6
universal service providers (USPs)
developing countries 400–406
European Union
address databases 202
efficiency and restructuring 234–9
FMO impacts 218, 219
misaddressed and misdelivered mail 202
postal operators designated as 196
regulating accounts of 208–11
see also postal operators
unregulated monopoly, USO costs 104–5
UPUS Europe v Commission 254, 256
upstream access 32, 33, 35
see also access pricing
urbanization rate, EU postal market 223–4
urgent letters 275
USOs see universal service obligations
USPs see universal service providers
value-added services 178
value-added tax (VAT) 200–201, 311–12, 351
value-based pricing 173
variable costs, USPS mail service 126, 127
variable printing on demand (VPOD) 163–4
Vereinte Dienstleistungsgewerkschaft (ver.di) 282, 288, 291
Vickers, J. 133–4
VIGIK access control system 335, 336
Wachter, M.L. 11, 127, 284
Wada, T. 364
wage premium 284
wages, Germany see Germany
Walker, D. 147
Walsh, T. 400, 405
Wanadoo 255–6
Welch, J. 146
wholesale market, for post-boxed addressed mail 26
Wickliffe, C.A. 268
WIK 130, 216, 285, 306, 380
Williams, D.C. 129
Witherings, T. 263
Wojtek, R. 11
working conditions
German mail market 284, 285, 289
political concerns, EU 282
worksharing discounts 32–64
approaches to setting 33–4, 35–40
customer heterogeneity 41
demand stimulation and funding the USO 41
examples from practice 46–52
for postal services 59–62
Ramsey-optimal 41–4
worksharing providers (WSPs) 34, 35, 41, 45, 53, 54
worksharing technologies 32–3
World Bank 405, 408, 409, 411, 413
World Resources Institute 410
X factor, adjustment of price index 207
XML schema 186
Yamashige, S. 362
Yamato Transport 375
Yarrow, G. 133–4
Ymago 87, 88
Zander, U. 187
Zauner, M. 284
Zonal Access Agreements 351
zonal pricing 34, 37–9, 49, 53, 230, 302, 348–9
Zumwinkel, K. 11