

Fourth Bi-Annual Conference on Postal and Delivery Economics:

**MANAGING CHANGE  
IN THE POSTAL AND  
DELIVERY INDUSTRIES**

May 22-25, 1996  
Monterey, California, USA

Presented by  
**CENTER FOR RESEARCH IN REGULATED INDUSTRIES**  
at Rutgers University

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# MANAGING CHANGE IN THE POSTAL AND DELIVERY INDUSTRIES

## Wednesday, May 22, 1996

- 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: Edward J. Gleiman,*  
Chairman, U.S. Postal Rate Commission  
9:00 After Dinner Drinks

## Thursday, May 23, 1996

- 7:30 a.m. Breakfast  
9:00 - 10:30 **REGULATORY: THE PRESSURE FOR CHANGE**  
Chair: Michael A. Crew  
Discussants: Virpi Palo & Nancy Sparks  
**John Allen:** The Challenge of Success  
**Bengt Palmgren and Pekka Leskinen:**  
Liberalized Postal Markets, Universal Service  
and Competition  
**James I. Campbell, Jr.:** Postal Reform:  
Lessons from Airline and Telecommunications  
Deregulation  
10:30 - 10:50 Coffee Break  
10:50 - 12:20 **COMPETITION: PRESENT STATE**  
Chair: Kurt Pfothner  
Discussants: Per Forrberg, Mailan Moench  
& David Treworgy  
**Paul Overdyk:** Competition in the Netherlands  
**Susanne Meier and Thomas Baldry:**  
Competition in Postal Markets  
**Catherine Churchard:** UK Post Office  
Competition Law Compliance Programme  
12:20 - 1:45 Lunch  
1:45 - 3:15 **COMPETITION: FUTURE DIRECTIONS**  
Chair: Heinz Hofmann  
Discussants: Malcolm Harris, William Kovacic  
& Eric Merkel-Sobotta  
**Christian Courtois:** Monopolies and  
European Competition Law  
**Ian Reay:** The Structure of Postal Markets  
**Lorraine Cote and Cathy M. Rogerson:** The  
Future of the US Postal Service: A Ten Year  
Assessment  
3:15 Break  
6:00 Reception  
7:00 Dinner  
9:00 After Dinner Drinks

## Friday, May 24, 1996

- 7:30 a.m. Breakfast  
9:00 - 10:30 **Concurrent Sessions**  
**ECONOMETRIC DEMAND ANALYSIS**  
Chair: Michael A. Crew  
Discussants: Marshall Kolin and Donald  
O'Hara  
**Heikki Nikali:** Factors that Affect the  
Choosing of the Form of Communication  
**Frank A. Wolak:** A Household-Level Analy-  
sis of the Demand for Postal Delivery Services  
**COSTS AND SCALE**  
Chair: John Reynolds  
Discussants: Jeffrey Colvin and Jos Geera  
**Robert H. Cohen and Edward H. Chu:** A  
Measure of Scale Economies for Postal  
Systems  
**John Haldi and Leonard Merewitz:** Cost and  
Returns from Delivery to Sparsely Settled  
Rural Areas  
10:30 - 10:50 Coffee Break  
10:50 - 12:20 **Concurrent Sessions**  
**ANALYTICS I**  
Chair: Joseph Alexandrovich  
Discussants: Paul R. Kleindorfer and John  
Panzar  
**Helmuth Cremer, Marc DeRycke and**  
**André Grimaud:** Costs and Benefits of  
Universal Service Obligations in the Postal  
Sector  
**Michael A. Crew, Paul R. Kleindorfer, and**  
**Marc A. Smith:** Peak Load Pricing in Postal  
Services: The Implications of Multi-Stage  
Production  
**DEMAND AND NEW SERVICES**  
Chair: William M. Takis  
Discussants: David Rawnsley and Edward  
Smith  
**Mary E. Bundy and James McAleenan:**  
Competitive Assessment of Postal  
Administrations New Services  
**Monika Plum:** The Challenge of Electronic  
Competition-Empirical Analysis of  
Substitution Effects on the Demand for L  
Services in Germany  
**Alan Robinson:** Forecasting the Impact of  
Banking on Postal Volume, Revenue, and  
Profit'  
12:20 - 1:45 Lunch

1:45 - 3:15

### Concurrent Sessions

#### ANALYTICS II

Chair: John Pickett

Discussants: Maurice Levy & Mary Perkins

**Jeffrey Colvin, Michael Bradley, and John C. Panzar:** A Structural Approach to Incremental Cost Calculation for Multi-Function Enterprises

**Jean-Pierre Florens and Cathy Cazala:** Scale Economics and Natural Monopoly in the Postal Delivery

#### PRICING POLICY

Chair: Börje Spong

Discussants: Robert Mitchell & Linda Shepherd

**Donald J. O'Hara:** Efficient Component Pricing: An Attempt to Move the Theory a Step or Two Closer to Postal Reality

**Harold Ware:** Competition and Rate Restructuring for Postal Services

Break

Reception

Dinner & Speech: **Michael Riley,** Senior Vice President & CFO, U.S. Postal Service

After Dinner Drinks

### Saturday, May 25, 1996

8:30 a.m.

Breakfast

9:00 - 10:10

#### UNIVERSAL SERVICE I

Chair: Tim Walsh

Discussants: Rand Costich & Maurice Levy

**Klaus Müller:** The Universal Service Obligation and the Reserved Area in Germany-How to Assess their Relationship?

**Rodney Maddock and Maurice C. Castro:** Evaluating the Universal Service Obligation

10:10 - 10:30

Coffee Break

10:30 - 11:40

#### UNIVERSAL SERVICE II

Chair: Bill R. Price

Discussants: Philip Hatfield & Virginia Mayes

**Joëlle Toledano and Catherine Gallet:** Costs of Universal Service Obligations in the Postal Sector in a Competitive Environment

**Ulrich Stumpf:** Providing Universal Service in Competitive Postal Markets

11:00 - 12:20

#### CONCLUDING PANEL DISCUSSION ON UNIVERSAL SERVICE

Chair: Michael A. Crew

Panelists: Maurice Castro, Helmuth Cremer, Paul R. Kleindorfer, Rodney Maddock, Klaus Müller, Ulrich Stumpf & Joëlle Toledano

12:25 - 12:55

Concluding Remarks —Michael A. Crew

1:00 - 2:00

Lunch (Conference Ends)

### Organizing Committee

James Campbell (IECC)

Robert Cohen (U.S. Postal Rate Comm.)

Wynne Jones (Coopers-Lybrand)

Susanne Meier (Deutsche Post AG)

Virpi Palo (Finland Post)

Ian Reay (British Post Office)

James Rogers (United Parcel Service)

Cathy Rogerson (U.S. Postal Service)

Hitoshi Sakurai (IPTP)

Marc Smith (U.S. Postal Service)

Walpurga Speckbacher (European Commission)

Börje Spong (Sweden Post)

William M. Takis (Price Waterhouse)

Elmar Toime (New Zealand Post)

Joëlle Toledano (La Poste)

Sture Wallander (Sweden Post)

Anton van der Lande (EEO)

### Fees and Expenses

- A registration fee of **\$780** is payable to the Center for Research in Regulated Industries.
- The charge for food and lodging for the duration of the Conference is approximately **\$550 U.S. dollars.**
- The conference fee is waived for a limited number of employees of sponsoring organizations.

### Conference Staff

Professor Michael A. Crew, *Conference Director*

Ms. Linda S. Brennan, *Conference Administrator*

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The Wharton School, University of Pennsylvania

Philadelphia, PA 19104, U.S.A.

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### Center for Research in

### Regulated Industries

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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:  
MANAGING CHANGE IN THE  
POSTAL & DELIVERY INDUSTRIES  
Monterey, California  
May 22-25, 1996**

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 COMPANY \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 \_\_\_\_\_  
 TELEPHONE NUMBER \_\_\_\_\_  
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**Billing Information:**

- Employee of sponsoring organization\*—fee waived.  
 Payment of \$780 enclosed—check payable to Rutgers University.\*\*  
 Send invoice to participant at above address.  
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**CANCELLATION POLICY:**

Until April 1, 1996 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, 1996\*\*\*** 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:  
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\* Sponsorship must be paid for 1996.

\*\* Make check in U.S. funds payable to "Rutgers University." Credit cards are not acceptable for payment of conference fees.

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

**Speakers and Discussants**

- JOSEPH ALEXANDROVICH, Economist, U.S. Postal Service  
 JOHN ALLEN, General Manager—Planning and Communications, New Zealand Post  
 THOMAS BALDRY, Manager—Marketing Services Infopost, Deutsche Post-AG  
 MICHAEL BRADLEY, Professor, George Washington University  
 MARY E. BUNDY, Foster Associates  
 JAMES I. CAMPBELL, Jr., Attorney  
 MAURICE C. CASTRO, Group Manager—Strategic Planning, Australia Post  
 EDWARD H. CHU, U.S. Environmental Protection Agency  
 CATHERINE CHURCHARD, Legal Services Director, U.K. Post Office  
 ROBERT H. COHEN, Director, Technical Analysis & Planning, U.S. Postal Rate Commission  
 JEFFREY COLVIN, Principal Economist, U.S. Postal Service  
 RAND COSTICH, Asst. Director—Office of Consumer Advocate, U.S. Postal Rate Commission  
 LORRAINE COTE, Price Waterhouse LLP  
 CHRISTIAN COURTOIS, Head of Legal Department, La Poste  
 HELMUTH CREMER, Professor of Economics, IDEI  
 MICHAEL A. CREW, Professor, Rutgers University  
 MARC DE RYCKE, La Poste  
 JEAN-PIERRE FLORENS, Professor, IDEI  
 PER FORSBERG, Sweden Post  
 CATHERINE GALLET, La Poste  
 JOS GEERAERTS, Management Consultant, PTT Post BV  
 ANDRÉ GRIMAUD, Institut D'Economie Industrielle  
 JOHN HALDI, President, Haldi Associates, Inc.  
 MALCOLM HARRIS, Manager—Product Finance, U.S. Postal Service  
 PHILIP HATFIELD, Consultant  
 HEINZ HOFMANN, Head of Division, Federal Office for Posts & Telecommunication, Germany  
 PAUL R. KLEINDORFER, Professor, University of Pennsylvania  
 MARSHALL KOLIN, Principal Economist, U.S. Postal Service  
 WILLIAM E. KOVACIC, Professor, George Mason University Law School  
 PEKKA LESKINEN, General Counsel, Finland Post  
 MAURICE LEVY, Scientific Board Chairman, IREPP  
 RODNEY MADDOCK, Professor, La Trobe University  
 VIRGINIA MAYES, Economist, U.S. Postal Service  
 JAMES MCALEENAN, Foster Associates  
 SUSANNE MEIER, Head of Marketing Services Infopost, Deutsche Post-AG  
 LEONARD MEREWITZ, Consultant, Whitfield Russel Associates  
 ERIC MERKEL-SOBOTTA, Dir.—Euro. Parliamentary Affairs, European Express Organization  
 ROBERT MITCHELL, Special Assistant to the Comm., U.S. Postal Rate Commission  
 MAILAN MOENCH, Attorney Advisor, U.S. Postal Rate Commission  
 KLAUS MÜLLER, Deputy-Director Strategic Planning, Deutsche Post AG  
 HEIKKI NIKALI, Researcher, Finland Post  
 DONALD J. O'HARA, Principal Economist, U.S. Postal Service  
 PAUL OVERDYK, Manager-Strategy & Business Development, PTT Post BV  
 BENGT PALMGREN, Chief Legal Counsel of International Division, Sweden Post  
 VIRPI PALO, Project Manager—Quality and Business Development, Finland Post  
 JOHN C. PANZAR, Louis W. Menk Professor of Economics, Northwestern University  
 MARY PERKINS, Associate Professor, Howard University  
 KURT PFOTENHAUER, United Parcel Service  
 JOHN PICKETT, Economist, U.S. Postal Service  
 MONIKA PLUM, Researcher, WIK  
 BILL R. PRICE, Director of Rate Economics, Canada Post  
 DAVID RAWNSLEY, Vice President, LINX, Division of A.T. Kearney  
 IAN REAY, Competition Policy Manager, U.K. Post Office  
 JOHN REYNOLDS, Manager of Cost Analysis, U.S. Postal Service  
 ALAN ROBINSON, Direct Communications Group  
 CATHY M. ROGERSON, Manager, New Business Opportunities, U.S. Postal Service  
 LINDA SHEPHERD, Finance Department, United Parcel Service  
 EDWARD S. SMITH, Economist, U.S. Postal Service  
 MARC A. SMITH, Principal Economist, U.S. Postal Service  
 NANCY SPARKS, Managing Attorney, International Regulatory Affairs, Federal Express Corp.  
 BÖRJE SPONG, Koncercontroll, Sweden Post  
 ULRICH STUMPF, Deputy Director, WIK  
 WILLIAM M. TAKIS, Principal Consultant, Price Waterhouse  
 JOËLLE TOLEDANO, Head of Economics and Mailing Prospectives Department, La Poste  
 DAVID TREWORGY, Principal Consultant, Price Waterhouse  
 TIM WALSH, Director—Strategic Planning, Royal Mail International  
 HAROLD WARE, Senior Consultant, National Economic Research Associates  
 FRANK A. WOLAK, Associate Professor, Stanford University