

# *The Modern Evolution of Regulatory Frameworks for Postal Services*

William E. Kovacic

George Washington University

31<sup>st</sup> Conference on Postal and  
Delivery Economics

Gdansk, 24 May 2023

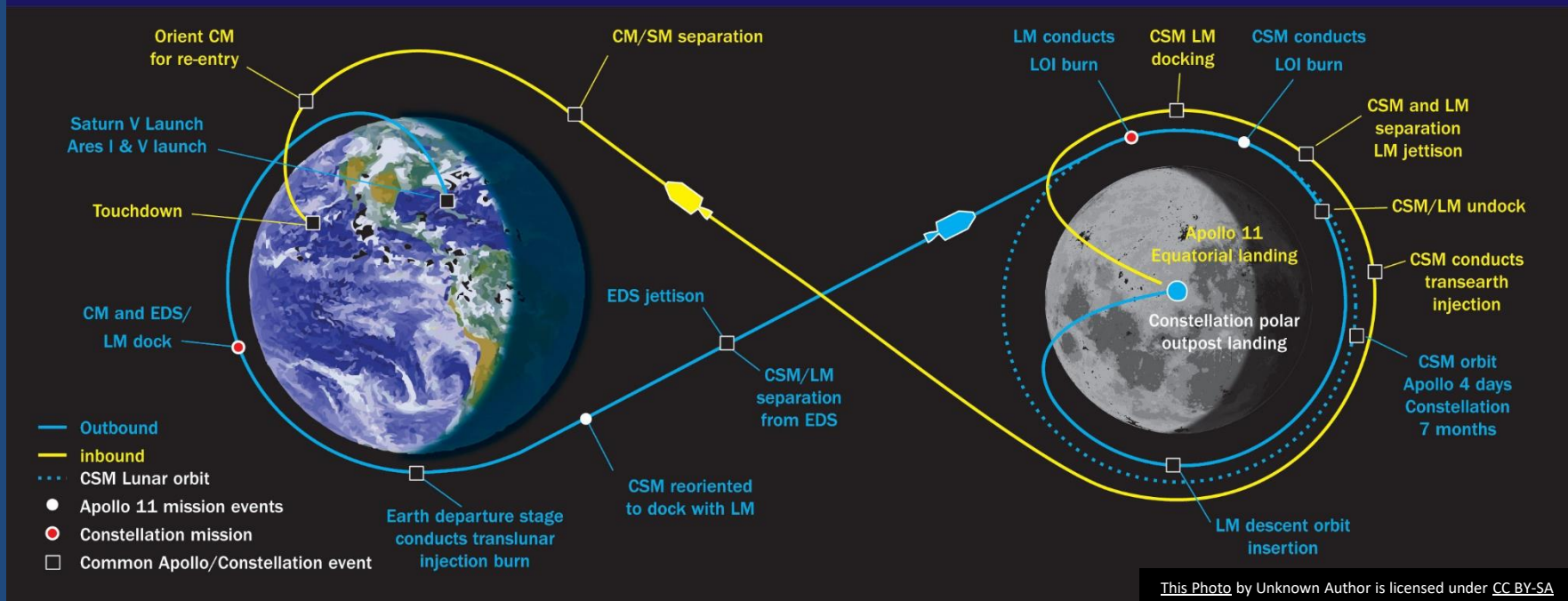
# Graham Allison, ESSENCE OF DECISION (1971)

- “If analysts and operators are to increase their ability to achieve desired policy outcomes, ... we shall have to find ways of thinking harder about the problem of ‘implementation,’ that is, the path between the preferred solution and actual performance of the government.”

# Policy Moonshots

- The Physics of Going from the Earth to the Moon and Back : Relatively Clear

## SIGNIFICANT EVENTS OF THE APOLLO 11 AND PROPOSED CONSTELLATION MISSION



This Photo by Unknown Author is licensed under [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/)

# Policy Implementation

---

- The Engineering of Sending Humans from Earth to the Moon and Back Safely: Very Difficult and Uncertain in 1961



# Today's Agenda

- Design Choices
- Formative Conditions
- Future of Policy Implementation
- Issue: How Does Structure Shape Results?
- GW Institutions Survey
- Contact: [wkovacic@law.gwu.edu](mailto:wkovacic@law.gwu.edu)

# Postal Regulation Design Choices

What's On the Menu?

# Four Regulatory Design Issues

- Mandate: Postal Only or Postal-Plus?
- Political Process: Autonomy vs Accountability?
- Governance: Board or Single Administrator?
- Capability: What to Invest in Policy Analysis?
- Adaptation: How to Assess and Adjust?

Formative Developments

Changing Environment



# Formative Conditions

- Technological Dynamism
  - Electronic commerce: impact on mail and parcels
- Organizational Dynamism
  - Ownership: public or private?
  - Delivery
- Substantive Complexity
  - Competition, consumer protection, data protection, sustainability, and others

# Policy Implementation Trends

Changing Institutional  
Foundations

# Mandate

- Bespoke Postal Regulators: Unusual
  - Main example: US Postal Regulatory Commission
- Multi-Function Agencies: Scale and Scope
  - Communications (telecom/postal): Arcep, Ofcom
  - Competition, consumer, postal, telecom: ACM
  - Competition, consumer, postal, telecom, energy, transportation: CMNC
- Integration by Inter-agency Consultation

# Assignment of Roles

- Complementarities in Theory and Practice
  - Degree of internal integration?
- Integration by Agreement/Collaboration
  - Mandatory consultation: e.g., Australia
  - Common working groups
  - Role of academic hubs : Paris-Dauphine, EUI, CRRI

# Assignment of Decision Making Roles

- Rate Making
- Performance Measurement
- Policy Formation

# Governance

- Dominant Model
  - Boards
- Ideal Board Composition?
  - Training diversification: economics, law, business
  - Managerial expertise
  - Technical expertise
  - Business expertise
  - Connection to political process

# Connection to Political Process

- Earlier Model: Ministerial Oversight
- Modern Trend
  - Autonomous authorities
  - But significant means for political control
    - Appointments
    - Budgets

# Investments in Capability

- Market Studies
- Analytics
- Impact of Past Policy Initiatives
- Horizon Scanning
- Political and Historical Awareness
- For Leadership: Consume or Invest?



# Adaptation

- Evaluation Regime
- Public Consultations
- Periodic Reassessments

# Present and Future Prospects

Next Steps

# Future Directions

- Research Agenda: Links between Regulatory Design and Performance
- Collaboration with Academic Hubs
- International Benchmarking