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Discussion of
“Towards a Sector-overlapping
USO for Communication”
(Jaag & Trinkner, Swiss
Economics)

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- Nice paper, tackling a most relevant and timely question.
- Knack for formulas: from e-substitution to « u-substitution », or how the advent of electronic substitutes impacts the postal USO.

- Paper has excellent structure:
 - First looks at foundations for postal USO, and their economic rationale.
 - Then studies the impact of e-substitution.
- First part: very good to start with economic foundations, going all the way back to fundamental theorems of welfare economics.

Remarks – Part 1

- USO not defined.
- Very general discussion. OK for market imperfections, but
 - Why should we use sectoral USO to correct them?
(ex: why use postal system to redistribute?)
 - Mixes regulation, USO, and even competition policy.
 - No discussion of costs of USO.

- I would have liked a discussion of costs and benefits of current sectoral USO, followed by a discussion of
 - how they are affected by e-substitution,
 - new ways to attain the same objectives with other policies, such as sector-overlapping USO.

Part 2 : « Defining USO in an electronic age »

- A bit disappointing.
- Less than one third of paper.
- Piecemeal approach:
 - « While some USO elements may be of decreasing value, others may become more valuable to society »
 - « New combinations of physical postal services with new digital means will allow for selected adjustments of the postal USO »

- Also, not much on how to impose these modified USO (on postal operators, on telecom operators, on both, pay or play, ...)