



Office of Public Affairs  
and Government Relations

## Three Research Contracts Awarded by Postal Regulatory Commission

In October 2009, the Commission awarded a scoping contract to The Urban Institute to identify the array of benefits provided by the Postal Service that contribute to the social value of the post in the United States. The study was intended to identify possible metrics and methods for estimating the value of these benefits, and to provide a categorization framework. The Commission believes this is the first such research on this subject.

The Urban Institute conducted a literature search, interviewed a large number of knowledgeable individuals, and drew upon analytical experience in the fields of sociology and economics. The contractor submitted its Final Report on February 2, 2010. [http://www.prc.gov/prc-docs/home/whatsnew/Final\\_Report\\_Sent\\_to\\_PRC\\_Feb\\_3\\_943.pdf](http://www.prc.gov/prc-docs/home/whatsnew/Final_Report_Sent_to_PRC_Feb_3_943.pdf)

The report identified and described dozens of benefits, clustered around the following eight broad categories:

- Consumer
- Business
- Safety and Security
- Environmental
- Delivery of Other Government Services
- Information Exchange
- Social Linkage
- Civic Pride and Patriotism

The study also described additional research methodologies that could quantify the social and economic value of the described social benefits.

On May 7, 2010, the Commission issued a Request for Proposal [http://www.prc.gov/prc-docs/home/whatsnew/Request%20for%20Proposal%20Social%20Value\\_942.pdf](http://www.prc.gov/prc-docs/home/whatsnew/Request%20for%20Proposal%20Social%20Value_942.pdf) seeking proposals to quantify some or all of the social benefits identified in the scoping study, and received thirteen proposals by the deadline. Three of these proposals were selected for further research work, beginning in August 2010 and continuing into FY 2011. Contracts were signed with SJ Consulting, Joy Leong Consulting, and The Urban Institute.

**SJ Consulting** will quantify the benefit of the Postal Service's rural services by measuring the percent of population affected by Delivery Area Surcharges and determine if there is a cost basis for the Delivery Area Surcharges by the two major parcel carriers and the benefits from the Postal Service having a more frequent delivery network in rural areas.

**Urban Institute** will measure the Economic Effects of Post Offices by researching available data and providing an impact analysis of the presence of post offices on real estate values, business activity, and employment through sampling the impact of about 125 closed post offices.

**Urban Institute** will research the role and benefits of Price Leadership of the Postal Service from lower priced postal products such as parcels or expedited services, money orders and post office boxes to determine the competitive advantages the Postal Service offers with these products compared to its competitors.

**Urban Institute** will quantify the benefits of the Postal Service to Community Security and Public Safety by researching Postal Service and NALC data, and Metropolitan Police Department crime data to measure the impact on crime in the District of Columbia by changing retail service hours and postal carrier routes, considering neighborhood characteristics, and Postal Service personnel training regarding community security and public safety reporting.

**Leong Consulting** will quantify the benefits of the Postal Service's Disaster Response, Emergency Preparedness, and Safety including its role in neighborhood safety, as a first responder and as a communications network in an area devastated by natural disaster by estimating the "savings" to government agencies from Postal Service performance of these duties and assess the Postal Service's role in the Nation's preparation for bioterrorism, including neighborhood safety, and the Cities Readiness Initiative (CRI), the Bio-Detection System, and the Custom-Trade Partnership Against Terrorism (C-TPAT).

**Leong Consulting** will also quantify the Essential Services for the Unbanked Population provided by the Postal Service using publicly available data from banking industry organizations and consumer advocacy groups and assess the value of Postal Service products provided to the unbanked population and identify other areas where the Postal Service could offer useful financial-type services, particularly to those receiving hard-copy checks.