



POSTAL REGULATORY COMMISSION

39 CFR Part 3050

[Docket No. RM2026-4; Order No. 9548]

Periodic Reporting

AGENCY: Postal Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission is acknowledging a recent Postal Service filing requesting the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports. This document informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* May 29, 2026.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <https://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction

On April 24, 2026, the Postal Service filed a petition pursuant to 39 CFR 3050.11 and Order No. 9377¹ requesting that the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports.² The Petition identifies the proposed analytical changes filed in this docket in a proposal accompanying the Petition.

II. Background

The Postal Service Reform Act of 2022³ modified and expanded the Postal Service's ability to enter into interagency agreements (IAAs) to provide property and services to, or on behalf of, other government agencies. Specifically, 39 U.S.C. 3703 for the first time authorizes the Postal Service to enter into agreements with agencies of any state government, local government, or tribal government to provide property or nonpostal services to the public on behalf of such agencies for non-commercial purposes. At the same time, with respect to the Postal Service's pre-existing authority under 39 U.S.C. 411 to provide property and services to other Federal agencies, the PSRA specifies that "[t]he Postal Service may establish a program to provide property and nonpostal services to other Government [*i.e.*, federal] agencies within the meaning of section 411,⁴ but only if such program provides a net contribution to the Postal

¹ Docket No. RM2023-7, Order on Motion for Reconsideration and Clarification of Order No. 6659, December 1, 2025 (Order No. 9377).

² Petition of the United States Postal Service to Initiate a Proceeding to Change Analytical Principles, April 24, 2026 (Petition).

³ Postal Service Reform Act of 2022 (PSRA), Pub. L. 117-108, 136 Stat. 1127 (2022).

⁴ Prior to the enactment of the PSRA, the Postal Service's authority for these agreements was governed by 39 U.S.C. 411, which authorizes the Postal Service to "furnish property and services" to "Executive agencies within the meaning of [5 U.S.C. 105] and the Government Publishing Office...." 39 U.S.C. 411. Section 105 of Title 5 of the United States Code specifies that an "Executive agency" means an Executive department, a Government corporation, and an independent establishment" of the U.S. Government, as those terms are defined in 5 U.S.C. chapter 1. 5 U.S.C. 105.

Service, defined as reimbursement that covers at least 100 percent of the costs attributable” 39 U.S.C. 3704.

Under the PSRA, the Postal Service must submit a report to the Commission after the close of each fiscal year that:

[A]nalyzes costs, revenues, rates, and quality of service for each agreement or substantially similar set of agreements for the provision of property or nonpostal services under section 3703 or the program as a whole under section 3704, and any other nonpostal service authorized under [Chapter 37 of Title 39 of the United States Code], using such methodologies as the Commission may prescribe, and in sufficient detail to demonstrate compliance with the requirements of [Chapter 37 of Title 39 of the United States Code].

39 U.S.C. 3705(a)(1). Upon receiving the Postal Service’s report and providing an opportunity for public comment, the Commission must make a written determination of compliance. 39 U.S.C. 3705(e).

Because the PSRA was enacted on April 6, 2022 (during FY 2022 Quarter 3), the Postal Service’s first report responsive to this new statutory requirement was due December 29, 2022, covering FY 2022. In its FY 2022 Annual Compliance Determination (ACD), the Commission directed the Postal Service to develop a proposed methodology (or methodologies) for calculating and attributing costs and revenue to IAAs authorized under 39 U.S.C. 3703 and 3704, and to initiate a rulemaking proceeding to establish such methodology (or methodologies) in accordance with 39 CFR 3050.11.⁵ As directed, the Postal Service initiated Docket No. RM2023-7 on May 26, 2023, proposing a categorical

⁵ Docket No. ACR2022, *Annual Compliance Determination*, March 29, 2023, at 102 (FY 2022 ACD).

approach to calculating and attributing costs and revenue to similar types, or groupings, of IAAs.⁶

On August 31, 2023, the Commission conditionally approved the Postal Service's proposed methodology, subject to seven conditions.⁷ As relevant here, three of the conditions had to do with what the Commission termed "hybrid agreements," or agreements that involve the provision to government agencies of both: (1) postal services as defined by 39 U.S.C. § 102(5) and/or nonpostal services authorized under 39 U.S.C. 404(e); and (2) property or nonpostal services authorized under 39 U.S.C. 411, 3703, and 3704. Order No. 6659 at 16-17, Attachment Under Seal at 1. As explained in Order No. 6659, postal services and nonpostal services are subject to different legal requirements with respect to pre-implementation review and post-implementation accounting and reporting. Order No. 6659 at 13. For these unique types of agreements, therefore, the Commission sought to ensure that the postal and nonpostal aspects of the agreements were separately accounted for and attributed, and that the correct pre-implementation procedures were followed. *Id.* at 16-17; see Attachment Under Seal. The Commission directed the Postal Service to make additional filings responsive to these conditions by September 29, 2023. *Id.*

On September 15, 2023, the Postal Service filed a motion seeking reconsideration and clarification of Order No. 6659, including the three conditions specific to hybrid agreements.⁸ On December 1, 2025, the Commission denied

⁶ Docket No. RM2023-7, Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), May 26, 2023.

⁷ Docket No. RM2023-7, Order on Analytical Principles Used in Periodic Reporting (Proposal Two), Directing the Postal Service's Participation in Further Proceedings, and Providing Notice of Filing Attachment Under Seal, August 31, 2023 (Order No. 6659).

⁸ Docket No. RM2023-7, USPS Motion for Reconsideration and Clarification of Commission Order No. 6659, with Portions Filed Under Seal, September 15, 2023.

the Postal Service's motion with respect to the conditions relating to hybrid agreements in Order No. 9377. The Commission directed the Postal Service to file a proposed change in analytical principles consistent with the terms of Conditions 5 and 7 of Order No. 6659, as clarified by Order No. 9377, by May 1, 2026. Order No. 9377 at 44-45. On January 27, 2026, the Postal Service appealed Order Nos. 6659 and 9377 to the United States Court of Appeals for the District of Columbia Circuit. See *Petition for Review, United States Postal Serv. v. Postal Regul. Comm'n*, No. 25-1289 (D.C. Cir. filed Dec. 26, 2025, ECF No. 2152063). Nevertheless, the Postal Service states that it is "proceeding with this proposal in the interim as a good faith attempt to comply with Order No. 9377 and outline the procedure for disaggregating costs, revenues, and volumes for agreements that fit the Commission's definition of 'hybrid' agreements." *Petition* at 4.

III. Proposal

The Postal Service proposes that it begin, for purposes of each fiscal year's Annual Compliance Review (ACR), designating fulfillment costs as "nonpostal" and disaggregating any nonpostal product costs and revenues from postal product costs and revenues. *Id.* Fulfillment related costs and revenues currently included in NSA reporting would be moved to IAA reporting and categorized under one of the 6 categories approved in Order No. 6659. *Id.* The Postal Service additionally proposes to change the name of the current IAA category "COVID Test Kits- Fulfillment" to only "Fulfillment." *Id.* at 5. The Postal Service states that "[w]ith the discontinuance of the Postal Service distribution of COVID test kits, this category may have been removed[;] [however,] [t]o support the reporting of fulfillment activities within IAAs and NSAs with government

counterparties, the Postal Service finds an IAA category for fulfillment services necessary for accurate IAA reporting.” *Id.*

IV. Notice and Comment

Pursuant to 39 C.F.R. 3050.11(d)(1), the Commission establishes Docket No. RM2026-4 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission’s website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and the Postal Service’s Proposal by May 29, 2026. Pursuant to 39 U.S.C. 505, Jennaca Upperman is designated as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

V. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. RM2026-4 for consideration of the matters raised by the Petition of the United States Postal Service to Initiate a Proceeding to Change Analytical Principles, filed April 24, 2026.

2. Comments by interested persons in this proceeding are due May 29, 2026.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Jennaca Upperman to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

4. This order, or abstract thereof, will be published in the **Federal Register**.

By the Commission.

Sarah Wessel,

Senior Paralegal Specialist.

