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7710-FW-P

POSTAL REGULATORY COMMISSION

[Docket No. R2027-1; Order No. 9650]

Market Dominant Price Adjustment

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is recognizing a recently filed Postal Service motion seeking a partial waiver of rules regarding the applicability, data sources, and calculation of density rate authority affecting market dominant products and services. This notice informs the public of the filing, invites public responses, and takes other administrative steps.

DATES: *Responses are due*: July 29, 2026.

ADDRESSES: Submit responses electronically via the Commission's Filing Online system at *https://www.prc.gov*. Those who cannot submit responses 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:

Table of Contents

I. Introduction

On July 16, 2026, pursuant to 39 CFR 3010.161, the Postal Service filed a motion for partial waiver of 39 CFR 3030.160, .161, and .162 regarding the applicability, data sources, and calculation of density rate authority.[1] The Postal Service requests a partial waiver of the Commission's density rate authority rules to allow it to use a modified calculation of the available density rate authority based on a mix of actual and forecasted Fiscal Year (FY) 2026 data, which it states will allow it to "transition to a January rate change cycle in 2027 in a financially responsible manner." Motion at 1.

II. Overview of the Postal Service's Motion

The Postal Service's states that, subject to the approval of the Governors, it is evaluating a shift of its planned annual market dominant price adjustments "to a more traditional January cycle[.]" *Id.* The Postal Service contends that implementing market dominant price adjustments in January "would generate much needed additional revenue sooner" and "is preferable to the majority of [Postal Service] customers, as [it] aligns with most budget-planning cycles." *Id.*

The Postal Service asserts that the Commission's density rate authority rules prevent the Postal Service from implementing a price adjustment that incorporates density rate authority in January 2027. *Id.* at 2. The Postal Service argues that "waiting until January 2028 to claim the [FY] 2026 [density rate authority] would not be advisable given the Postal Service's financial condition, as [the Postal Service] would be foregoing this rate authority for nearly six months, compared to a July 2027 price change." *Id.* In order to pursue a January 2027 market dominant price adjustment, the Postal Service argues that it must seek a partial waiver of the Commission's density rate authority rules

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[1] USPS Motion for Partial Waiver of Rules 3030.160-162, Regarding Density Rate Authority, July 16, 2026 (Motion).

because it will not have a full year of data necessary to submit "its usual calculation" for the amount of density rate authority. *Id.* The Postal Service avers that, in order to pursue a January 2027 market dominant price adjustment, the Postal Service must receive approval from the Governors no later than September 2026, and therefore "the full picture of the Postal Service's rate authority must be resolved in the immediate future . . . ." *Id.* at 2-3.

The Postal Service proposes using a "modified set of inputs" for the calculation of the estimated FY 2026 density rate authority for use in a January 2027 market dominant price adjustment. *Id.* at 3. Specifically, the Postal Service proposes using the same methodology that it used in FY 2026, with the following exceptions:

- Rather than using the complete FY 2026 volume, the Postal Service proposes using draft June year-to-date FY 2026 actual volume and forecasted FY 2026, Quarter 4 volumes;[2]
- The Postal Service will calculate projected delivery points for FY 2026 "by applying the straight average of the two most recent annual historical growth rates (FY 2023–FY 2024 and FY 2024–FY 2025) to the FY 2025 baseline";
- The Postal Service will use the Institutional Cost Ratio from FY 2025 rather than FY 2026 because the FY 2026 Institutional Cost Ratio is not available;
- The Postal Service will apply a 5 percent reduction to the estimated FY 2026 density rate authority in order "to provide a conservative estimate" and account for possible overestimation between the FY 2026 density rate

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[2] The Postal Service states that April, May, and June 2026 volumes are unaudited. *Id.*

authority calculation in the instant docket and the actual FY 2026 density rate authority.

Id.

The Postal Service provides an attachment that calculates the proposed FY 2026 density rate authority using the above-described methodology along with a Preface that explains each step and input source. *See generally id.* Attachment. The Postal Service acknowledges that “the Commission will likely endeavor to reconcile” the estimated FY 2026 density rate authority used in a January 2027 market dominant price adjustment “with the final figure published in March 2027.” Motion at 4. The Postal Service proposes that the differential be added to its banked authority if the Postal Service underestimates the FY 2026 density rate authority. *Id.* The Postal Service contends that the likelihood of overestimating FY 2026 density rate authority is low because it will reduce the estimate by 5 percent. *Id.* Nevertheless, if the Postal Service overestimates the FY 2026 density rate authority, the Postal Service states that the overestimate “would . . . be added to the banked authority as a negative value.” *Id.*

III. Initial Administrative Actions

The Commission extends the deadline for responses to the Motion to July 29, 2026. *See* 39 CFR 3010.160(b). The Postal Service's motion is available for review on the Commission’s website (*https://www.prc.gov*). Responses to the Motion and other material filed in this proceeding will be available for review on the Commission’s website, unless the information contained therein is subject to an application for non-public treatment. The Commission's rules on non-public materials (including access to documents filed under seal) appear in 39 CFR part 3011.

Pursuant to 39 U.S.C. 505, the Commission appoints John Avila to represent the interests of the general public (Public Representative) in this proceeding. The Public Representative does not represent any individual person, entity, or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established.

IV. Ordering Paragraphs

It is ordered:

1. Responses to the USPS Motion for Partial Waiver of Rules 3030.160-162, Regarding Density Rate Authority filed on July 16, 2026 are due no later than July 29, 2026.

2. Pursuant to 39 U.S.C. 505, John Avila is appointed to serve as an officer of the Commission to represent the interests of the general public (Public Representative) in this proceeding.

3. The order, or abstract thereof, shall be published in the **Federal Register**.

By the Commission.

Sarah Wessel,

Senior Paralegal Specialist.

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