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7710-FW-P

POSTAL REGULATORY COMMISSION

39 CFR part 3050

[Docket No. RM2026-7; Order No. 9734]

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*: October 30, 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 September 16, 2026, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to

consider changes to analytical principles relating to periodic reports.[1] The Petition presents a proposal to update the methodology for developing labor productivity data for selected mail processing operations using Management Operating Data System (MODS) data. Petition at 1.

II. Proposal

Background. The Postal Service states that MODS-based labor productivities are "important inputs" into the mailflow models for letter-, flat-, and parcel-shaped products that are used to develop cost avoidances for workshare discounts. Petition, Proposal at 1. MODS classifies Postal Service work activities, including, but not limited to, mail processing activities, using a system of standardized operation numbers. *Id.* The Postal Service states that "MODS collects workhours associated with the operations and, as applicable, workload data from data systems such as the Time and Attendance Collection System (TACS) and [the Web End-of-Run system (webEOR)]." *Id.*

For automated mail processing, workloads are passively obtained using machine counts of processed articles that are automatically transmitted to MODS. *Id.* The Postal Service asserts that, accordingly, these automated workloads "generally are measured reliably." *Id.* at 1-2. The Postal Service states that accurate workhour measurement requires employees to "clock into the appropriate operation number(s) for their work activities and to re-clock during shifts, as needed, to reflect changes of work activities during the workday." *Id.* at 2. The Postal Service states that labor productivity methodology "must balance needs for sufficiently detailed productivities to reflect materially

[1] Petition of the United States Postal Service to Initiate a Proceeding to Change Analytical Principles, September 16, 2026 (Petition). The proposed change is attached to the Petition (Proposal).

different costs among mailflows, while ensuring that workhour and workload data are well aligned given data generation processes." *Id.* The Postal Service states that the currently accepted methodology "mitigates data issues by aggregation over time, facilities, and/or operations as well as by outlier screening." *Id.* According to the Postal Service, the Proposal retains these methodologies with certain changes discussed below. *See id.*

Proposal. The Proposal updates the methodology for developing MODS-based labor productivity data for selected mail processing operations based on certain operational, facility, and time aggregation changes. *Id.* The Proposal reflects, among other things, "the discontinuation of certain flats operations, including the Flats Sequencing System (FSS) and the UFSM 1000; the supplanting of Sack Sorting Machine (SSM) processing with universal sorters; and [the] incorporat[ion of] additional operations related to the processing of undeliverable-as-addressed (UAA) letters and flats." *Id.* (internal footnotes omitted). Additionally, the Proposal updates the role of network distribution centers (NDCs) in mail processing operations to reflect that NDCs provide significant processing, particularly for parcels, but "no longer have a distinct network role." *Id.* The Proposal combines data for NDCs with other MODS plants in order to provide "more comprehensive coverage of operations" carried out by both types of facilities. *Id.* at 2, 6. The Proposal also increases the frequency of MODS data inputs from monthly to weekly. *Id.* at 7. The Postal Service contends that "[t]he increased frequency would improve data quality by requiring workload and workhour data to be aligned at the weekly level and . . . reject data from periods where workhours and workloads are not both recorded." *Id.* at 8. The Proposal provides detail on these and other proposed changes to labor productivities to reflect operational, network, and equipment changes. *Id.*

at 6-20. The Postal Service presents the proposed updates to MODS-based labor productivities in its Proposal. *Id.* at 4-5, Table 1.

Rationale and Impact. The Postal Service states that "[t]he proposed [labor] productivities better reflect current mailflows, incorporate additional operation groups to facilitate future mailflow model refinements, and cease reporting of certain discontinued operations." *Id.* at 1. The Proposal compares Fiscal Year (FY) 2025 labor productivities under the proposed methodology compared to current FY 2025 labor productivities. *Id.* at 21-22, Table 4. The Postal Service states that new labor productivities "will decrease the associated model costs if the new productivity is higher or increase them if the new productivity is lower, other things equal." *Id.* at 23. The Postal Service describes the impacts of the Proposal on FY 2025 First-Class Mail and USPS Marketing Mail letter mail processing models, FY 2025 First-Class Mail and USPS Marketing Mail flat mail processing models, and FY 2025 Parcel Select cost models. *Id.* at 23-28.

III. Notice and Comment

The Commission establishes Docket No. RM2026-7 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission's website at *https://www.prc.gov.* Interested persons may submit comments on the Petition and Proposal no later than October 30, 2026. Pursuant to 39 U.S.C. 505, Jana Slovinska is designated as an officer of the Commission (Public Representative) to represent the interests of the general public 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. The Commission establishes Docket No. RM2026-7 for consideration of the matters raised by the Petition of the United States Postal Service to Initiate a Proceeding to Change Analytical Principles, filed September 16, 2026.

2. Comments by interested persons in this proceeding are no later than due October 30, 2026.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Jana Slovinska 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.

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