



State of Louisiana
Division of Administration
OFFICE OF GENERAL SERVICES

OSMO Information Notice 08-01

April 14, 2008

You are receiving this notice because postage rates are set to change May 12, 2008. If it seems that you are seeing more frequent rate changes, you should know that the Post Office's process for changing, and the timeframe for announcing, postage rate increases were both modified last year. Changes in postage rates no longer require a "rate case process" that usually gave us 12 to 18 month advance notice.

The new rate setting process breaks classes of mail into one of two different categories – "**Market Dominant**" and "**Competitive**." Rate increases for those classes of mail in the "**Market Dominant**" category will be based upon the consumer price index (CPI). You can expect to see an increase in the postage rates of classes listed in that category to increase by an amount equivalent to the CPI percentage during May of every year. For this year, **Market Dominant** category postage rates will change on May 12, 2008.

Rates for those classes of mail falling in the "**Competitive**" category will be based upon the actual cost that the USPS incurs to provide the service. In addition, the new rate process provides the ability for the post office to quickly respond to costs affecting **Competitive** category class postage rates. Rate changes in this category may occur in as little as 15 days.

Why is this information important to your agency? The new process should allow budget development staff to better predict your agency's future fiscal year's postage needs for those classes of mail falling in the "**Market Dominant**" class. Alternatively, if your agency's mail includes a significant amount of items mailed under a mail class falling under the "**Competitive**" category, you may need to request more funds than the CPI percentage indicates, depending upon external influences that occur during the year that affect the USPS' costs. Rapidly escalating changes in fuel costs would be an example that might cause these rates to increase at a rate larger than the CPI would otherwise indicate.

Market Dominant	Competitive
First Class Mail	Priority Mail
Periodicals	Expedited (Express Mail)
Standard Mail	Bulk Parcel Post
Single-piece Parcel Post	Bulk International
Media Mail	
Bound Printed Matter	
Library Mail	
Special Services (Certified, Registered, Merchandise Return Receipt, etc.)	
Single-piece International Mail	

Please forward this document to the person(s) in your agency responsible for developing budget requests for your section. If you have specific questions about the new rates, please contact State Mail at 225-342-7391.