UNITED STATES
POSTAL SERVICE

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

February 12, 1997

Hon. Margaret P. Crenshaw, Secretary
Postal Rate Commission
1333 H Street, NW, Suite 300
Washington, D.C. 20268-0001

Dear Ms. Crenshaw:

In connection with the Commission's rules pertaining to periodic reports, 39 C.F.R. § 3001.102 (1995), I have enclosed copies of the following:

(1) Civil Service Retirement Fund Deficit Report for Fiscal Years 1972 through 1996; and

(2) Workers' Compensation and Estimation Report for Fiscal Year 1996.

Sincerely,

Daniel J. Foucheaux, Jr.

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Enclosures

cc: Ms. Brown

POSTAL RATE COMMISSION
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475 L'ENFANT PLAZA SW
WASHINGTON DC 20260

CIVIL SERVICE DEFERRED RETIREMENT LIABILITY *14-Jan-97*

FY 1996 before payment

($000)

FISCAL YEAR		BEGINNING DEF. LIAB	ADDITIONS/ ADJMTS	EXPENSE		PRINCIPAL	INTEREST	BALANCE
1972/	25	$319,703	-	$62,991		$47,006	$15,985	$272,697
1973/	24	242,984	-	41,994		29,845	12,149	213,139
1974/	23	447,357	-	69,200		46,832	22,368	400,525
1975/	22	236,366	-	33,256		21,438	11,818	214,928
1976/	21	1,293,374	-	167,000		102,331	64,669	1,191,043
1977/	20	562,495	-	70,000		41,875	28,125	520,620
1978/	19	355,511	-	40,382		22,606	17,776	332,905
1979/	18	1,498,752	-	159,549		84,611	74,938	1,414,140
1980/	17	521,717	-	52,707		26,621	26,086	495,096
1981/	16	336,710	-	32,438		15,602	16,836	321,108
1982/	15	1,737,145	-	160,285		73,428	86,857	1,663,717
1983/	14	310,467	-	27,537		12,014	15,523	298,453
1984/	13	679,330	-	58,115		24,149	33,966	655,181
1985/	12	3,855,202	-	318,998		126,238	192,760	3,728,964
1986/	11	730,333	-	58,604		22,087	36,517	708,246
1987/	10	619,455	-	48,315		17,342	30,973	602,113
1988/	9	2,183,371	-	165,871		56,702	109,169	2,126,669
1989	8	678,070	-	50,270		16,367	33,903	661,703
1990	7	565,926	-	41,013		12,717	28,296	553,209
1991	6	1,319,862	-	93,647		27,654	65,993	1,292,208
1991	6	346,989	-	24,620		7,270	17,350	339,719
1992	5	1,669,607	-	116,145		32,664	83,480	1,636,943
1993	4	663,603	-	45,319		12,138	33,181	651,465
1994	3	880,537	-	59,104		15,077	44,027	865,460
1995	2	2,042,131	-	134,873		32,766	102,107	2,009,365
			14,809	917	*	917		
				917	**	222	695	13,670
1996	1	-	3,681,919	228,108		228,108	0	3,453,811
		$24,096,997	$3,696,728	$2,362,175		$1,156,629	$1,205,545	$26,637,096

* FY 1995 retro payment

** FY 1996 payment

POSTAL RATE COMMISSION
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United States Postal Service
FY 1996 Workers' Compensation Expense
($000)

	Fiscal Year Computation
July 1 - June 30 Expense	719,339
Plus Current 4th Quarter	191,375
Less Prior 4th Quarter	(174,226)
Subtotal	736,488
1996 Expense before Administrative Charge	736,488
Plus DOL Administrative Charge	19,226
Less 1997 Administrative Charge Included in Chargeback Billing	(19,221)
Total FY 1996 Workers' Compensation Expense	736,493

Long-Term Accrual at 09/30/95	4,685,300
Plus 1995 Workers' Compensation Expense	736,493
Less Current Billing	(512,105)
Less Increase to Portion Treated as Short-Term	(19,688)
Long-Term Accrual at 09/30/95	4,890,000

United States Postal Service
FY 1996 Workers' Compensation Expense
($000)

	Fourth Quarter Calculation
Total Cost of New Claims	609,672
Estimated Percentage of New Claims Arriving in the Fourth Quarter	25.0%
New Claims Portion of Fourth Quarter Expense	152,418
One Quarter Inflation on Medical Liability @ 3.7% Annualized	9,577
One Quarter Inflation of Compensation Liability @ 2.8% Annualized	29,380
Rounding	-
Total FY 1996 Fourth Quarter Expense	191,375

ESTIMATING RUN FOR 1996ANM

21: EST. TOT. REM. LIABILITY ($000)

AGE	CLASS 1	2	3	4	5	6	7	
0	65,255	0	54,709	43,991	0	0	4	
1	46,990	0	41,445	32,341	0	0	3	
2	43,189	0	37,298	29,205	0	0	0	
3	34,049	0	25,964	21,851	0	0	0	
4	33,349	0	23,246	17,651	0	0	0	
5	29,485	0	19,618	17,016	0	0	0	
6	28,177	0	17,988	16,646	0	0	0	
7	21,906	0	15,637	13,872	0	0	0	
8	21,786	0	12,340	11,383	0	0	0	
9	18,617	0	9,644	9,963	0	0	0	
10	13,129	0	6,766	8,128	0	0	0	
11	11,276	0	6,066	5,788	0	0	0	
12	8,876	0	5,453	5,217	0	0	0	
13	6,319	0	4,022	4,294	0	0	0	
14	5,196	0	4,142	3,057	0	0	0	
15	5,088	0	3,462	2,814	0	0	0	
16	3,617	0	3,556	4,040	0	0	0	
17	3,247	0	3,512	3,746	0	0	0	
18	4,690	0	3,835	3,749	0	0	0	
19	6,370	0	4,730	4,494	0	0	0	
20	7,489	0	5,296	4,504	0	0	0	
21	6,374	0	5,029	3,756	0	0	0	
22	4,472	0	3,706	2,931	0	0	0	
23	3,544	0	3,509	2,978	0	0	0	
24	3,296	0	3,073	2,073	0	0	1	
25+ USPS								0
25+ DOL								0
TOTAL	435,787	0	324,045	275,488	0	0	7	0

ESTIMATING RUN FOR 1996ANM

22: EST. TOT. INCURRED ($000)

AGE	CLASS 1	2	3	4	5	6	7	
0	84,253	0	67,829	57,659	0	0	12	
1	66,631	0	55,982	45,949	0	0	33	
2	51,291	0	43,912	35,183	0	0	0	
3	38,446	0	29,256	25,187	0	0	0	
4	36,673	0	25,773	20,263	0	0	0	
5	32,130	0	21,505	18,928	0	0	0	
6	30,439	0	19,562	18,655	0	0	0	
7	23,279	0	17,024	15,360	0	0	0	
8	23,319	0	13,403	12,858	0	0	6	
9	19,890	0	10,732	11,095	0	0	0	
10	14,062	0	7,419	9,039	0	0	0	
11	11,944	0	6,492	6,431	0	0	0	
12	9,573	0	5,908	5,805	0	0	0	
13	6,750	0	4,348	4,815	0	0	0	
14	5,416	0	4,435	3,220	0	0	0	
15	5,511	0	3,695	3,063	0	0	0	
16	3,864	0	3,924	4,725	0	0	0	
17	3,408	0	3,786	4,164	0	0	0	
18	4,883	0	4,256	4,052	0	0	0	
19	6,634	0	5,164	4,884	0	0	0	
20	7,835	0	5,818	5,008	0	0	0	
21	6,611	0	5,543	3,967	0	0	0	
22	4,651	0	3,980	3,339	0	0	0	
23	3,722	0	3,808	3,357	0	0	0	
24	3,520	0	3,300	2,220	0	0	1	
25+ USPS								0
25+ DOL								0
TOTAL	504,736	0	376,854	329,225	0	0	52	0

23: SUMMARY REPORT FROM ESTIMATING RUN FOR 1996ANM RUN ON 09-12-1996

PARAMETERS: SMOOTHING FACTOR = 10%, DISCOUNT RATE = .1%
INFLATION RATE = 0%, LIFE ANNUITY =1992ANC, YEARS DATA = 24

	1996ANM CURRENT COST	ESTIMATED TOTAL REMAINING LIABILITY	TOTAL COST INCURRED
CLASS 1	68,949,000	435,786,800	504,735,900
CLASS 2	0	0	0
CLASS 3	52,809,420	324,045,000	376,854,500
CLASS 4	53,736,250	275,488,400	329,224,700
CLASS 5	0	0	0
CLASS 6	0	0	0
CLASS 7	45,370	6,916	52,286
AGE 25+	0	0	0
TOTAL	175,540,022	1,035,327,076	1,210,867,262

ESTIMATING RUN FOR 1996ANC

22: EST. TOT. INCURRED ($000)

AGE	CLASS 1	2	3	4	5	6	7	
0	173,567	0	123,218	98,559	0	0	4,574	
1	148,314	0	122,860	99,657	0	0	1,765	
2	127,157	0	112,610	95,571	0	0	2,839	
3	111,876	0	90,603	87,665	0	0	2,557	
4	108,648	0	79,647	74,890	0	0	4,696	
5	101,560	0	77,200	83,745	0	0	1,570	
6	99,179	0	73,589	83,464	0	0	2,248	
7	78,383	0	70,503	76,507	0	0	1,175	
8	85,736	0	55,335	69,670	0	0	2,400	
9	75,298	0	45,450	64,042	0	0	5,633	
10	53,278	0	35,377	60,150	0	0	1,840	
11	43,469	0	30,325	47,568	0	0	2,965	
12	43,517	0	29,716	46,196	0	0	2,739	
13	29,278	0	22,027	39,424	0	0	1,140	
14	23,317	0	24,922	27,883	0	0	2,248	
15	24,724	0	20,825	29,772	0	0	1,871	
16	18,891	0	24,821	40,861	0	0	3,163	
17	18,024	0	23,388	44,704	0	0	3,391	
18	25,689	0	35,011	50,501	0	0	3,875	
19	38,115	0	43,941	60,458	0	0	3,290	
20	47,169	0	51,213	72,552	0	0	4,537	
21	41,408	0	49,384	60,713	0	0	3,609	
22	27,004	0	38,906	47,078	0	0	2,758	
23	21,127	0	29,873	46,207	0	0	3,733	
24	19,178	0	28,413	36,597	0	0	5,138	
25+ USPS								0
25+ DOL								0
TOTAL	$1,583,908	0	$1,339,157	$1,544,433	0	0	75,754	

23: SUMMARY REPORT FROM ESTIMATING RUN FOR 1996ANC RUN ON 09-12-1996

PARAMETERS: SMOOTHING FACTOR = 10%, DISCOUNT RATE = 3%
INFLATION RATE = 0%, LIFE ANNUITY =1992ANC, YEARS DATA = 24

	1996ANC CURRENT COST	ESTIMATED TOTAL REMAINING LIABILITY	TOTAL COST INCURRED
CLASS 1	113,459,400	1,470,449,000	1,583,908,000
CLASS 2	0	0	0
CLASS 3	106,198,500	1,232,959,000	1,339,157,000
CLASS 4	121,415,900	1,423,017,000	1,544,433,000
CLASS 5	0	0	0
CLASS 6	0	0	0
CLASS 7	5,093,254	70,660,500	75,753,740
AGE 25+	0	0	0
TOTAL	346,167,062	4,197,084,816	4,543,251,848

UNITED STATES POSTAL SERVICE
WORKERS' COMPENSATION ESTIMATION MODEL

ESTIMATING RUN FOR 1996ANC

21: EST. TOT. REM. LIABILITY ($000)

AGE	CLASS 1	2	3	4	5	6	7	
0	170,638	0	119,694	94,697	0	0	4,491	
1	137,282	0	111,669	89,351	0	0	1,672	
2	115,805	0	101,625	86,897	0	0	2,642	
3	101,788	0	82,271	80,332	0	0	2,388	
4	100,366	0	72,365	68,810	0	0	4,335	
5	94,161	0	70,962	77,420	0	0	1,501	
6	91,632	0	67,887	77,446	0	0	2,089	
7	73,069	0	65,073	71,222	0	0	1,118	
8	79,893	0	50,994	64,809	0	0	2,269	
9	70,093	0	42,124	59,507	0	0	5,329	
10	49,472	0	32,847	55,874	0	0	1,725	
11	40,529	0	28,226	44,027	0	0	2,789	
12	39,681	0	27,505	42,732	0	0	2,558	
13	27,226	0	20,310	36,501	0	0	1,078	
14	21,637	0	22,959	25,899	0	0	2,078	
15	22,820	0	18,927	27,266	0	0	1,758	
16	17,514	0	22,849	37,648	0	0	2,958	
17	16,608	0	21,603	41,241	0	0	3,180	
18	23,461	0	32,187	46,354	0	0	3,624	
19	34,662	0	40,170	55,189	0	0	3,046	
20	43,043	0	46,930	66,394	0	0	4,160	
21	37,684	0	45,103	55,366	0	0	3,306	
22	24,625	0	35,578	42,896	0	0	2,520	
23	19,340	0	27,254	41,974	0	0	3,387	
24	17,420	0	25,848	33,166	0	0	4,661	
25+ USPS								0
25+ DOL								0
TOTAL	%1,470,449	0	%1,232,959	%1,423,017	0	0	70,660	