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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

March 19, 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:

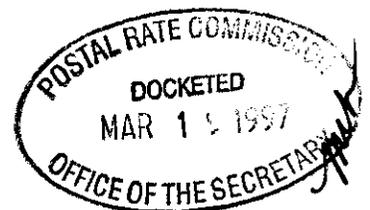
Investment Income Statement, First Quarter, GFY 1997.

Sincerely,

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Enclosures

cc: Ms. Brown



INVESTMENT INCOME
FIRST QUARTER, GFY 1997

PRC 103

	FIRST QUARTER (10/1/96-12/06/96)	YTD GFY 1997 (10/1/96-12/06/96)
BEGINNING BALANCE (Book Value)	\$859,800,329.09	\$859,800,329.09
ADD		
PURCHASES AT COST	22,960,400,000.00	22,960,400,000.00
ACCRUAL OF DISCOUNT	4,627,745.53	4,627,745.53
PROFIT (LOSS) NET	0.00	0.00
SUBTOTAL	22,965,027,745.53	22,965,027,745.53
DEDUCT		
AMORTIZATION OF PREMIUM	4.78	4.78
PROCEEDS FROM SALES	22,959,227,745.53	22,959,227,745.53
SUBTOTAL	22,959,227,750.31	22,959,227,750.31
ENDING BALANCE _1/ (Book Value)	\$865,600,324.31	\$865,600,324.31
AVERAGE INVESTMENT BALANCE	\$476,004,804.27	\$476,004,804.27
INVESTMENT INCOME	\$4,629,410.71	\$4,629,410.71
AVERAGE YIELD = _2/	4.94%	4.94%

_1/ DOES NOT INCLUDE CERTIFICATE OF DEPOSIT \$8,586,000.00

_2/ AVERAGE YIELD =
$$\frac{\text{INVESTMENT INCOME/\# OF DAYS IN QTR} \times 365}{\text{AVERAGE INVESTMENT BALANCE}}$$

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