



EMBARGOED UNTIL 9:00 A.M.
May 5, 2004

CONTACT: Office of Financing
202/691-3550

TREASURY MAY QUARTERLY FINANCING

The Treasury will auction \$24,000 million of 3-year notes, \$15,000 million of 5-year notes, and \$15,000 million of 10-year notes to refund \$32,813 million of publicly held securities and Government account holdings maturing or called on May 15, 2004, and to raise approximately \$21,187 million of new cash.

In addition to the public holdings, Federal Reserve Banks, for their own accounts, hold \$8,913 million of the maturing or called securities, which may be refunded by issuing additional amounts of the new securities.

Up to \$1,000 million in noncompetitive bids from Foreign and International Monetary Authority (FIMA) accounts bidding through the Federal Reserve Bank of New York will be included within the offering amount of each auction. These noncompetitive bids will have a limit of \$100 million per account and will be accepted in the order of smallest to largest, up to the aggregate award limit of \$1,000 million.

TreasuryDirect customers requested that we reinvest their maturing holdings of approximately \$124 million into the 3-year note, \$46 million into the 5-year note, and \$34 million into the 10-year note.

The auctions being announced today will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders. The allocation percentage applied to bids awarded at the highest yield will be rounded up to the next hundredth of a whole percentage point, e.g., 17.13%.

The notes being offered today are eligible for the STRIPS program.

This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (31 CFR Part 356, as amended).

Details about the notes are given in the attached offering highlights.

The amount of maturing securities on May 15, 2004, includes the 9-1/8% Bonds of 2004-09 which were called for redemption on January 15, 2004. This bond, of which \$3,109 million is publicly held and \$92 million is held by Government accounts, will be repaid from available funds. The \$1,405 million held by the Federal Reserve Banks, for their own accounts, may be refunded by issuing additional amounts of the new securities.

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Attachment

HIGHLIGHTS OF TREASURY OFFERINGS TO THE PUBLIC
MAY 2004 QUARTERLY FINANCING

May 5, 2004

<u>Offering Amount</u>	\$24,000 million	\$15,000 million	\$15,000 million
<u>Maximum Award (35% of Offering Amount)</u>	\$ 8,400 million	\$ 5,250 million	\$ 5,250 million
<u>Maximum Recognized Bid at a Single Yield</u> ...	\$ 8,400 million	\$ 5,250 million	\$ 5,250 million
<u>NLP Reporting Threshold</u>	\$ 8,400 million	\$ 5,250 million	\$ 5,250 million

Description of Offering:

Term and type of security.....	3-year notes	5-year notes	10-year notes
Series.....	J-2007	H-2009	C-2014
CUSIP number.....	912828 CG 3	912828 CH 1	912828 CJ 7
Auction date.....	May 11, 2004	May 12, 2004	May 13, 2004
Issue date.....	May 17, 2004	May 17, 2004	May 17, 2004
Dated date.....	May 15, 2004	May 15, 2004	May 15, 2004
Maturity date.....	May 15, 2007	May 15, 2009	May 15, 2014
Interest rate.....	Determined based on the highest accepted competitive bid	Determined based on the highest accepted competitive bid	Determined based on the highest accepted competitive bid
Amount currently outstanding.....	Not applicable	Not applicable	Not applicable
Yield.....	Determined at auction	Determined at auction	Determined at auction
Interest payment dates.....	November 15 and May 15	November 15 and May 15	November 15 and May 15
Minimum bid amount and multiples.....	\$1,000	\$1,000	\$1,000
Accrued interest payable by investor	Determined at auction	Determined at auction	Determined at auction
Premium or discount.....	Determined at auction	Determined at auction	Determined at auction

STRIPS Information:

Minimum amount required.....	\$1,000	\$1,000	\$1,000
Corpus CUSIP number.....	912820 KD 8	912820 KE 6	912820 KF 3
Due date(s) and CUSIP number(s) for additional TINT(s)	Not applicable	Not applicable	Not applicable

The following rules apply to all securities mentioned above:

Submission of Bids:

Noncompetitive bids: Accepted in full up to \$5 million at the highest accepted yield.

Foreign and International Monetary Authority (FIMA) bids: Noncompetitive bids submitted through the Federal Reserve Banks as agents for FIMA accounts. Accepted in order of size from smallest to largest with no more than \$100 million awarded per account.

The total noncompetitive amount awarded to Federal Reserve Banks as agents for FIMA accounts will not exceed \$1,000 million. A single bid that would cause the limit to be exceeded will be partially accepted in the amount that brings the aggregate award total to the \$1,000 million limit. However, if there are two or more bids of equal amounts that would cause the limit to be exceeded, each will be prorated to avoid exceeding the limit.

Competitive bids:

- (1) Must be expressed as a yield with three decimals, e.g., 7.123%.
- (2) Net long position (NLP) for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position equals or exceeds the NLP reporting threshold stated above.
- (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Receipt of Tenders:

Noncompetitive tenders.....Prior to 12:00 noon eastern daylight saving time on auction day

Competitive tenders.....Prior to 1:00 p.m. eastern daylight saving time on auction day

Payment Terms:.....By charge to a funds account at a Federal Reserve Bank on issue date, or payment of full par amount with tender.
TreasuryDirect customers can use the Pay Direct feature which authorizes a charge to their account of record at their financial institution on issue date.