

DEPARTMENT OF THE TREASURY

TREASURY



NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

EMBARGOED UNTIL 2:30 P.M.
October 4, 2000

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TREASURY TO AUCTION \$5,000 MILLION OF
28-1/2-YEAR 3-7/8% INFLATION-INDEXED BONDS

The Treasury will auction \$5,000 million of 28-1/2-year 3-7/8% inflation-indexed bonds to raise cash.

Amounts bid by Federal Reserve Banks for their own accounts and as agents for foreign and international monetary authorities will be added to the offering.

The auction will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders.

NOTE: The net long position reporting threshold amount for the 28-1/2-year inflation-indexed bond is \$1 billion.

The bonds 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).

Given the revision to the Consumer Price Index announced by the Bureau of Labor Statistics on Thursday, September 28, the Treasury has decided to reopen the 3-7/8% bond of April 2029 to preclude any computational issues regarding the Reference CPI that would be associated with the issuance of a new security. The index ratio for the 3-7/8% security on the settlement date, October 16, 2000, is 1.05022. Although this reopening is not a "qualified reopening" for the purposes of Treasury tax regulations, the securities issued in this offering will be subject to Treasury Reg. Sec. 1.1275-7 for tax purposes and therefore will be treated in the same manner as the currently outstanding securities.

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

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Attachment

For press releases, speeches, public schedules and official biographies, call our 24-hour fax line at (202) 622-2040

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
28-1/2-YEAR INFLATION-INDEXED BONDS TO BE ISSUED OCTOBER 16, 2000

October 4, 2000

Offering Amount \$5,000 million

Description of Offering:

Term and type of security 28-1/2-year inflation-
indexed bonds (reopening)

Series Bonds of April 2029

CUSIP number 912810 FH 6

Auction date October 11, 2000

Issue date October 16, 2000

Dated date April 15, 1999

Maturity date April 15, 2029

Interest rate 3-7/8%

Amount currently outstanding \$14,721 million

Adjusted amount currently outstanding \$15,457 million

Real yield Determined at auction

Interest payment dates April 15 and October 15

Minimum bid amount and multiples \$1,000

Accrued interest \$0.10646 per \$1,000 (from October 15
to October 16, 2000)

Adjusted accrued interest payable
by investor \$0.11181 per \$1,000

Premium or discount Determined at auction

STRIPS Information:

Minimum amount required \$1,000

Corpus CUSIP number 912803 CF 8

TIIN Conversion factor per \$1,000 11.785757974

Submission of Bids:

Noncompetitive bids: Accepted in full up to \$5,000,000 at the highest accepted yield.

Competitive bids:

- (1) Must be expressed as a real yield with three decimals, e.g., 3.123%.
- (2) Net long position for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position is \$1 billion or greater.
- (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid

at a Single Yield35% of public offering

Maximum Award35% of public offering

Receipt of Tenders:

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

Competitive tendersPrior 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.

Indexing Information:

CPI Base Reference Period 1982-1984

Ref CPI 04/15/1999 164.39333

Ref CPI 10/16/2000 172.64839

Index Ratio 10/16/2000 1.05022