

Treasury Acting Under Secretary for Domestic Finance
Anthony W. Ryan
August 2008 Quarterly Refunding Statement

Washington - We are offering \$27.0 billion of Treasury securities to refund approximately \$43.5 billion of privately held securities maturing or called on August 15 and to pay down approximately \$16.5 billion. The securities are:

- A new 10-year note in the amount of \$17.0 billion, maturing August 15, 2018;
- A new 29 ³/₄-year bond in the amount of \$10.0 billion, maturing May 15, 2038

These securities will be auctioned on a yield basis at 1:00 p.m. EDT on Wednesday, August 6, and Thursday, August 7, respectively. Both of these auctions will settle on Friday, August 15. The balance of our financing requirements will be met with weekly bills, monthly 52-week bills, monthly 2-year and 5-year notes, the September 10-year note reopening, and the October 10-year TIPS and 5-year TIPS reopenings.

Treasury also expects to issue cash management bills on a monthly basis during the quarter.

Borrowing Needs in Fiscal Years 2008 and 2009

Over the course of the fiscal year, changes in economic conditions, financial markets, and fiscal policy as well as nonmarketable debt issuance have caused an increase in Treasury's marketable borrowing needs.

Treasury has responded to the increase in marketable borrowing requirements by increasing issuance sizes of regular bills, the frequency, terms, and issuance sizes of cash management bills, and the issuance sizes of nominal coupon security offerings. In addition, Treasury reintroduced a 52-week bill, with auctions occurring once every four weeks.

Treasury will continue to monitor projected financing needs and make adjustments as necessary including, but not limited to, considering a second reopening of the 10-year note in the month following the first reopening and moving to quarterly new issue 30-year bond auctions.

We will make an announcement at the November 2008 quarterly refunding regarding any changes to the calendar, including any decision regarding a second reopening of the 10-year note or moving to quarterly new issue 30-year bonds.

Debt Subject to Limit

In the recent housing legislation, the statutory debt limit was increased from \$9.815 trillion to \$10.615 trillion. We applaud the efforts of Congress for being proactive in managing the debt limit.

Treasury Cash and Debt Modernization

Treasury is pleased to announce another milestone in efforts to modernize cash and debt management practices. Beginning in November 2008, the Quarterly Dealer Agenda will be prepared in both its current paper format and in an electronic format. This change will make submission, collection, and analysis of survey data more efficient. We expect to eliminate the paper format and move to a fully electronic platform in 2009.

Please send comments and suggestions on these subjects or others relating to Treasury debt management to debt.management@do.treas.gov.

The next quarterly refunding announcement will take place on Wednesday, November 5, 2008.