



EMBARGOED UNTIL 2:30 P.M.  
June 30, 1999

CONTACT: Office of Financing  
202/691-3550

TREASURY TO AUCTION \$7,000 MILLION OF  
9-1/2-YEAR 3-7/8% INFLATION-INDEXED NOTES

The Treasury will auction \$7,000 million of 9-1/2-year 3-7/8% inflation-indexed notes 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.

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

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. 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).

For original issue discount (OID), IRS regulations permit reopenings of inflation-indexed securities without regard to OID rules, provided that the reopenings occur not more than one year after the original securities were first issued to the public. Therefore, the OID limit does not apply to this auction.

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

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Attachment

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF  
9-1/2-YEAR INFLATION-INDEXED NOTES TO BE ISSUED JULY 15, 1999

June 30, 1999

Offering Amount .....\$7,000 million

Description of Offering:

Term and type of security .....9-1/2-year inflation-  
indexed notes (reopening)  
Series .....A-2009  
CUSIP number .....912827 4Y 5  
Auction date .....July 7, 1999  
Issue date .....July 15, 1999  
Dated date .....January 15, 1999  
Maturity date .....January 15, 2009  
Interest rate .....3-7/8%  
Amount originally issued .....\$8,532 million  
Adjusted amount currently outstanding ...\$8,645 million  
Real yield .....Determined at auction  
Interest payment dates .....January 15 and July 15  
Minimum bid amount and multiples .....\$1,000  
Accrued interest .....None  
Premium or discount .....Determined at auction

STRIPS Information:

Minimum amount required .....\$1,000  
Corpus CUSIP number .....912820 DN 4

Submission of Bids:

Noncompetitive bids: Will be 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 \$2 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 Yield ..... 35% of public offering  
Maximum Award ..... 35% of public offering

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.

Indexing Information:

CPI Base Reference Period ..... 1982-1984  
Ref CPI 01/15/1999 ..... 164.00000  
Ref CPI 07/15/1999 ..... 166.20000  
Index Ratio 07/15/1999 ..... 1.01341