



EMBARGOED UNTIL 2:30 P.M.
January 2, 2002

CONTACT: Office of Financing
202/691-3550

TREASURY OFFERS 10-YEAR INFLATION-INDEXED NOTES

The Treasury will auction \$6,000 million of 10-year inflation-indexed notes to raise cash.

Amounts bid by Federal Reserve Banks for their own accounts will be added to the offering.

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 the 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.

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 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 security are given in the attached offering highlights.

oOo

Attachment

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
10-YEAR INFLATION-INDEXED NOTES TO BE ISSUED JANUARY 15, 2002

January 2, 2002

Offering Amount\$6,000 million
Public Offering\$6,000 million

Description of Offering:

Term and type of security10-year inflation-indexed notes
SeriesA-2012
CUSIP number912827 7J 5
Auction dateJanuary 9, 2002
Issue dateJanuary 15, 2002
Dated dateJanuary 15, 2002
Maturity dateJanuary 15, 2012
Interest rateDetermined based on the highest
accepted competitive bid
Real yieldDetermined at auction
Interest payment datesJuly 15 and January 15
Minimum bid amount and multiples\$1,000
Accrued interestNone
Premium or discountDetermined at auction

STRIPS Information:

Minimum amount required\$1,000
Corpus CUSIP number912820 GT 8
Due date(s) and CUSIP number(s)
for additional TIIN(s)July 15, 2011 - - 912833 YN 4
January 15, 2012 - - 912833 YP 9

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 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 standard time on auction day.

Competitive tenders: Prior to 1:00 p.m. eastern standard 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 01/15/2002 177.56452
Index Ratio 01/15/2002..... 1.00000