

TREASURY



NEWS

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TREASURY OFFERS CASH MANAGEMENT BILLS

The Treasury will auction approximately \$16,000 million of 12-day Treasury cash management bills to be issued September 3, 2004.

Tenders for Treasury cash management bills to be held on the book-entry records of *TreasuryDirect* will not be accepted.

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 allocation percentage applied to bids at the highest discount rate will be rounded up to the next hundredth of a whole percentage point, e.g., 17.13%.

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 new security are given in the attached offering highlights.

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Attachment

HIGHLIGHTS OF TREASURY OFFERING
OF 12-DAY CASH MANAGEMENT BILLS

August 27, 2004

<u>Offering Amount</u>	\$16,000 million
<u>Maximum Award (35% of Offering Amount)</u> ..	\$ 5,600 million
<u>Maximum Recognized Bid at a Single Rate</u> .	\$ 5,600 million
<u>NLP Reporting Threshold</u>	\$ 5,600 million
<u>NLP Exclusion Amount</u>	\$ 5,600 million

Description of Offering:

Term and type of security	12-day Cash Management Bill
CUSIP number	912795 TC 5
Auction date	September 2, 2004
Issue date	September 3, 2004
Maturity date	September 15, 2004
Original issue date	September 1, 2004
Approximate amount outstanding on auction day ..	\$16,000 million
Minimum bid amount and multiples	\$1,000

Submission of Bids:

Noncompetitive bids: Accepted in full up to \$1 million at the highest discount rate of accepted competitive bids.

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 discount rate with three decimals in increments of .005%, e.g., 7.100%, 7.105%.
- (2) Net long position (NLP) for each bidder must be reported when the sum of the total bid amount, at all discount rates, 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.