

**Agenda -- February 2005 Refunding
Treasury Dealer Meetings January 27-28, 2005
Dealer _____**

To allow more time for discussion, please e-mail your responses prior to 5:00 p.m. on Wednesday, January 26 to debt.management@do.treas.gov . Even if you are not scheduled to meet with Treasury officials this quarter, your responses are still appreciated.

I. Borrowing Estimates

| | Central Estimate | Range that would not surprise you |
|---------------------|---------------------|--------------------------------------|
| January – March | | |
| Ending Cash Balance | | |
| April-June | | |
| Ending Cash Balance | | |

II. Budget Deficit Estimates

| | | |
|--------|--|--|
| FY2005 | | |
| FY2006 | | |

III. Quarterly Note Issuance

| | | |
|----------------------------|--|--|
| 3-year note | | |
| 5-year note | | |
| 10-year note | | |
| Avg 2-year note, Feb - Apr | | |
| Avg 5-year note, Mar - Apr | | |
| 10-year reopening | | |
| 5-year TIPS reopening | | |
| 10-year TIPS reopening | | |

IV. Discussion Topics

- What do you see as risks to higher or lower budget deficits than you have forecast here? Do you think the current financing schedule provides enough flexibility to handle uncertain financing needs going forward?
- We are considering the setting of coupons in decimal increments rather than the current 1/8 increments. Ideally we would set coupons at 0.001% increments, allowing us to increase the number of securities issued at par (i.e., the coupon would be in the same units as the bid award). Should we move to 0.001% increments or would higher increments be preferable? Why?
- To prevent unintended reopenings, we are also considering a policy of stepping down a coupon by one increment. Do you see any difficulties with this approach?