



EMBARGOED UNTIL 11:00 A.M.
July 10, 2006

CONTACT: Office of Financing
202/504-3550

TREASURY OFFERS 10-YEAR TREASURY INFLATION-PROTECTED SECURITIES (TIPS)

The Treasury will auction \$9,000 million of 10-year Treasury inflation-protected securities to raise new cash.

The Federal Reserve Banks hold \$5,519 million in addition to the \$17,221 million of publicly held notes maturing on July 15, 2006, for their own accounts. This amount may be refunded by issuing an additional amount of the new security.

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.

Treasury Direct customers have scheduled purchases of approximately \$12 million into the 10-year Treasury inflation-protected security.

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 securities 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.

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
10-YEAR TREASURY INFLATION-PROTECTED SECURITIES TO BE ISSUED JULY 17, 2006

July 10, 2006

<u>Offering Amount</u>	\$9,000 million
<u>Maximum Award (35% of Offering Amount)</u>	\$3,150 million
<u>Maximum Recognized Bid at a Single Yield</u>	\$3,150 million
<u>NLP Reporting Threshold</u>	\$3,150 million

Description of Offering:

Term and type of security	10-year Treasury inflation-protected securities
Series	D-2016
CUSIP number	912828 FL 9
Auction date	July 13, 2006
Issue date	July 17, 2006
Dated date	July 15, 2006
Maturity date	July 15, 2016
Interest rate	Determined based on the highest accepted competitive bid
Real yield	Determined at auction
Interest payment dates	January 15 and July 15
Minimum bid amount and multiples	\$1,000
Accrued interest	Determined at auction
Adjusted accrued interest payable by investor	Determined at auction
Premium or discount	Determined at auction

STRIPS Information:

Minimum amount required	\$1,000
Corpus CUSIP number	912820 NH 6
Due date(s) and CUSIP number(s)	Not applicable for additional TIIN(s)

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 (NLP) for each bidder must be reported when the sum of the total bid amount, at all yields, 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.
- (4) Competitive bids from Treasury Direct customers are not allowed.

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.

Indexing Information:

CPI Base Reference Period	1982-1984
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