

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Assistant Secretary for Financial Markets Mary Miller May 2011 Quarterly Refunding Statement

5/4/2011

WASHINGTON – The U.S. Department of the Treasury is offering \$72 billion of Treasury securities which will raise all new cash. The securities are:

- A 3-year note in the amount of \$32 billion, maturing May 15, 2014;
- A 10-year note in the amount of \$24 billion, maturing May 15, 2021; and
- A 30-year bond in the amount of \$16 billion, maturing May 15, 2041.

The 3-year note will be auctioned on a yield basis at 1:00 p.m. EDT on Tuesday, May 10, 2011. The 10-year note will be auctioned on a yield basis at 1:00 p.m. EDT on Wednesday, May 11, 2011, and the 30-year bond will be auctioned on a yield basis at 1:00 p.m. EDT on Thursday, May 12, 2011. All of these auctions will settle on Monday, May 16, 2011.

The balance of Treasury financing requirements will be met with the regular weekly bill auctions, the regular monthly nominal coupon security auctions, the May 10-year TIPS reopening, the June 30-year TIPS reopening auction and the July 10-year TIPS auction.

Treasury may also issue cash management bills during the quarter.

Projected Financing Needs

Based on current projections, Treasury expects nominal coupon auction sizes to remain steady in the upcoming quarter. The current suite of issuance provides Treasury a significant amount of flexibility, which will allow debt managers to respond to a range of different financing scenarios.

Treasury will continue to monitor projected financing needs, and will communicate any changes in strategy at future quarterly refunding meetings.

Debt Subject to the Statutory Limit

Based on our current forecast, Treasury expects to reach the debt limit on May 16, 2011. Earlier this week Treasury announced that effective Friday, May 6, it would suspend until further notice the issuance of State and Local Government Series (SLGS) Treasury securities. This extraordinary measure was taken in light of the proximity to the debt limit.

If Congress does not act to raise the debt limit by May 16, Treasury will employ other measures used in the past to give Congress additional time to act and to protect the creditworthiness of the country. These measures, however, only provide a limited degree of flexibility. Our current estimates indicate that these actions will allow obligations of the U.S. to be met until about August 2, 2011.

Congress has never failed to increase the debt limit when necessary, and Treasury is confident that a timely increase will be enacted this year. However, in the unlikely event that the debt limit is not increased by August 2, some alterations to the auction schedule should be expected. In such a scenario, Treasury will provide as much notice as possible regarding any necessary changes to Treasury bill and coupon auction schedules.

The next quarterly refunding announcement will take place on Wednesday, August 3, 2011.

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