TREASURY ANNOUNCES DEBT BUYBACK OPERATION

On July 27, 2000, the Treasury will buy back up to $1,000 million par of its outstanding issues that mature between February 2019 and February 2021. Treasury reserves the right to accept less than the announced amount.

This debt buyback (redemption) operation will be conducted by Treasury’s Fiscal Agent, the Federal Reserve Bank of New York, using its Open Market operations system. Only institutions that the Federal Reserve Bank of New York has approved to conduct Open Market transactions may submit offers on behalf of themselves and their customers. Offers at the highest accepted price for a particular issue may be accepted on a prorated basis, rounded up to the next $100,000. As a result of this rounding, the Treasury may buy back an amount slightly larger than the one announced above.

This debt buyback operation is governed by the terms and conditions set forth in 31 CFR Part 375 and this announcement.

The debt buyback operation regulations are available on the Bureau of the Public Debt's website at www.publicdebt.treas.gov.

Details about the operation and each of the eligible issues are given in the attached highlights.

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Attachment
HIGHLIGHTS OF TREASURY DEBT BUYBACK OPERATION

July 26, 2000

Par amount to be bought back... Up to $1,000 million
Operation date .................... July 27, 2000
Operation close time ............ 11:00 a.m. Eastern Daylight Saving time
Settlement date ................. July 31, 2000
Minimum par offer amount ..... $100,000
Multiples of par ............... $100,000
Format for offers...... Expressed in terms of price per $100 of par with
three decimals. The first two decimals represent
fractional 32nds of a dollar. The third decimal
represents eighths of a 32nd of a dollar, and must
be a 0, 2, 4, or 6.
Delivery instructions ........... ABA Number 021001208 FRB NYC/CUST

Treasury issues eligible for debt buyback operation (in millions):

<table>
<thead>
<tr>
<th>Coupon Rate (%)</th>
<th>Maturity Date</th>
<th>CUSIP Number</th>
<th>Par Amount Outstanding*</th>
<th>Par Amount Privately Held*</th>
<th>Par Amount Held as STRIPS**</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.875</td>
<td>02/15/2019</td>
<td>912810 EC 8</td>
<td>18,179</td>
<td>16,279</td>
<td>7,558</td>
</tr>
<tr>
<td>8.125</td>
<td>08/15/2019</td>
<td>912810 ED 6</td>
<td>19,877</td>
<td>18,006</td>
<td>1,259</td>
</tr>
<tr>
<td>8.500</td>
<td>02/15/2020</td>
<td>912810 EE 4</td>
<td>10,009</td>
<td>8,583</td>
<td>1,844</td>
</tr>
<tr>
<td>8.750</td>
<td>05/15/2020</td>
<td>912810 EF 1</td>
<td>9,244</td>
<td>7,742</td>
<td>5,568</td>
</tr>
<tr>
<td>8.750</td>
<td>08/15/2020</td>
<td>912810 EG 9</td>
<td>19,868</td>
<td>18,270</td>
<td>10,656</td>
</tr>
<tr>
<td>7.875</td>
<td>02/15/2021</td>
<td>912810 EH 7</td>
<td>10,525</td>
<td>9,604</td>
<td>814</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>87,702</strong></td>
<td><strong>78,484</strong></td>
<td><strong>27,699</strong></td>
</tr>
</tbody>
</table>

* Par amounts are as of July 25, 2000
** Par amounts are as of July 24, 2000

The difference between the par amount outstanding and the par amount privately held is the par amount of those issues held by the Federal Reserve System.