



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

June 4, 2010

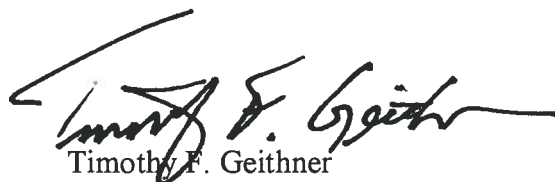
The Honorable David Camp
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Camp:

Pursuant to the Government Securities Act Amendments of 1993, P.L. 103-202 (Dec. 17, 1993), please find attached the Annual Report on the Public Debt: Fiscal Year Ending on September 30, 2009, which includes information on the public debt and on the operations of the Federal Financing Bank.

A copy of this report is also being transmitted to the Committee on Finance of the United States Senate.

Sincerely,



Timothy F. Geithner

Enclosure



Annual Report on the Public Debt

Fiscal Year Ending on September 30, 2009

31 U.S.C. §3130

June 2010
Annual Report on the Public Debt



Fiscal Year Ending on September 30, 2009

The Annual Report on the Public Debt has been prepared under the requirements of the Government Securities Act Amendments of 1993 (Public Law 103-202 codified at 31 U.S.C. §3130), which list the information that is required to be included in the Annual Report. The information includes historical data, data for the fiscal year (FY) for which the report is prepared, and projections for the next six fiscal years.

Information on Public Debt Activities

Net Public Debt

Table 1 displays information regarding past and projected levels of the net public debt as of the close of FY 2009 and the next six fiscal years under the most recent current-services baseline estimate. The net public debt is defined in 31 U.S.C. §3130 as “the portion of the total public debt which is held by the public.” The securities held by Federal Government accounts that are subject to the statutory debt limit, such as the Social Security trust funds, have been deducted from the total public debt to derive the net public debt for the purposes of the Annual Report.

The Administration’s estimates of gross domestic product (GDP) used to prepare the Budget for FY 2011 were used to calculate the net public debt-to-GDP ratios in Table 1. The net interest cost data for FY 2010-2015 in Table 1 are based on current-services baseline budget estimates from the Office of Management and Budget (OMB).

As a result of financial stabilization activities, the government has provided loans to private institutions and purchased assets of private institutions and government-sponsored enterprises. Although these transactions raise the deficit and total public debt, they also represent an increase in assets held by the government. To obtain a clearer picture of net government indebtedness, these asset holdings and others could be subtracted from the public debt. Such a calculation was performed in the FY2011 Budget, which reports that netting out these assets reduces government indebtedness by \$1.1 trillion to \$1.6 trillion (roughly 8 percent of GDP) starting in FY 2010. In 2012, for example, the debt held by the public net of financial assets, relative to GDP, is projected to be 63 percent based on the policy budget. Note that these Budget figures, including the government’s holdings of financial assets, are expressed on a policy basis, rather than the current-services estimates used elsewhere in this document.

Total Public Debt

Table 2 displays information regarding past and projected levels of the *total public debt* as of the close of FY 2009 and the next six fiscal years under the most recent current-services baseline projection of the Executive Branch.¹ In 31 U.S.C. §3130, the

¹ *Budget of the United States Government for Fiscal Year 2011* (“Budget”).



total public debt is defined as “the total amount of the obligations subject to the public debt limit established in §3101 of this title.” This definition includes debt held by the public and the holdings of U.S. Government accounts, such as various Federal trust funds.

Total public debt expanded by 19 percent during FY 2009 but is expected to grow more slowly in FY 2010. The rise in the debt reflected a variety of factors related to the economic recession that began in December 2007 and the responses to the unprecedented challenges that emerged thereafter.

The estimates of debt subject to limit for FY 2010-2015 in the Annual Report differ from the data that were published in the Budget for FY 2010 because OMB uses the policy budget, rather than current-services baseline estimates, to estimate the debt subject to limit for the FY 2011 Budget.²

The Administration’s estimates of GDP used to prepare the Budget for FY 2011 were used to calculate the total public debt-to-GDP ratios in Table 2.

Discussion of Financing Strategy

In addition to the data on the maturity distribution of outstanding Treasury securities in Table 3, the law requires Treasury to provide an explanation of the overall financing strategy used in determining the distribution of maturities when issuing public debt obligations and a discussion of the projections and assumptions regarding the structure of interest rates.

The Treasury Department’s primary goal in debt management is to finance Government borrowing needs at the lowest cost over time. This is accomplished by (i) issuing debt in a regular and predictable pattern; (ii) providing transparency in the decision-making process; (iii) continually seeking improvements in the auction process; and, (iv) issuing debt across the maturity spectrum to reduce operational and event risks, diversify the investor base, and improve cash management. The risks to regular and predictable issuance result from unexpected changes in borrowing requirements, changes in the demand for securities, and developments that inhibit timely sales of securities. To reduce these risks, Treasury closely monitors economic conditions, fiscal policy and market activity, and, if necessary, responds with appropriate changes in debt issuance based on thorough analysis and discussion with market participants.

Marketable securities

The deficit was a record \$1.4 trillion for FY 2009, as the recession that began in December 2007 deepened at the end of calendar year 2008 and the start of 2009. Receipts fell 16.6 percent during FY 2009, following a 1.7 percent decrease in FY 2008,

² See the table entitled “Federal Government Financing and Debt” on page 58 of the *Analytical Perspectives* volume of the Budget for FY 2011 for the policy budget estimates of debt subject to limit.



and outlays grew by 17.9 percent, following a 9.3 percent increase.

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 (EESA) was signed into law, raising the debt limit to \$11,315 billion (P.L. 110-343).

On October 6, 2008, in response to increased funding needs posed by EESA, Treasury announced that it was considering the reintroduction of the 3-year note, beginning in November 2008. In keeping with its operating principle of transparency, the announcement was made outside the customary Quarterly Refunding announcements to allow Treasury to adequately respond to the near-term increase in borrowing requirements and to give market participants notice of the potential changes.

On October 8, 2008, as the Treasury market was experiencing widespread and chronic settlement failures, the Treasury announced that it would reopen multiple securities to address upcoming borrowing needs and enhance liquidity. The reopenings were limited to four 10-year notes that were experiencing high levels of settlement failures. Two were auctioned on October 8 and two on October 9.

On November 5, 2008, Treasury announced several changes to its coupon auction schedule in response to the large increases in projected financing needs resulting from changes in economic conditions, financial markets, fiscal policy and a decline in nonmarketable debt issuance. First, Treasury added monthly 3-year notes for mid-month settlement. Second, Treasury introduced a second reopening of the quarterly 10-year notes, beginning with the November 2008 refunding. This would result in a new 10-year note being issued as part of the quarterly refunding auctions and reopening auctions being held in each of the next two months. Finally, Treasury announced that it was replacing the practice of regularly reopening 30-year bonds every other quarter and instead would auction new-issue 30-year bonds every quarter beginning with the February 2009 refunding.

As projected financing needs continued to increase, Treasury announced on February 4, 2009 the introduction of a monthly 7-year note for end-of month settlement. The first auction of the new 7-year note took place on February 26, 2009. At the same time, Treasury announced the introduction of regular reopenings of the 30-year bond in the month following the initial quarterly offering, resulting in eight 30-year bond auctions per year. The first such 30-year bond reopening auction took place on March 16, 2009.

On February 17, 2009, the debt limit was increased again to \$12,104 billion, when the American Recovery and Reinvestment Act of 2009 was signed into law (P.L. 111-5).

On April 29, 2009, Treasury announced the addition of a second regular reopening of the 30-year bond in the month following the first reopening. This addition to the auction calendar was made in response to increases in projected financing needs and also to better manage the debt portfolio.

On August 5, 2009, as part of the Quarterly Refunding policy statement, Treasury



affirmed that the existing suite of nominal securities was sufficient to address the government's borrowing needs. Treasury further stated that market participants should expect gradual increases in auction sizes and that, to increase flexibility, Treasury Inflation-Protected Securities (TIPS) issuance would gradually increase. In addition, Treasury reiterated its commitment to the TIPS program and announced that it was considering replacing the 20-year TIPS with 30-year TIPS to potentially improve the liquidity of the TIPS market and to better capture the premium associated with inflation protection.

Over the fiscal year, the average maturity of total marketable Treasury securities (consisting of privately-held debt and debt held in the Federal Reserve's System Open Market Account) was 4 years and 5 months on September 30, 2009 compared to 4 years and 4 months on September 30, 2008 and 4 years and 8 months on September 30, 2007.

Ownership of the Public Debt

Table 4 displays estimates of ownership of the total public debt (at face value) by ownership category as of the end of prior fiscal years. Treasury data on public debt outstanding, Federal Reserve Bank of New York statistics, and data from the Federal Reserve Board of Governors Flow of Funds Accounts of the United States section were compiled to present these ownership estimates. A description of the ownership categories follows.

- U.S. GOVERNMENT ACCOUNTS — Federal trust funds, such as the Social Security trust funds, and investments of U.S. Government accounts, such as Federal Housing Administration mortgage insurance funds, in Treasury securities. Source: Derived from FY 2011 Budget.
- FEDERAL RESERVE — Federal Reserve System Open Market Account. Treasury securities held under repurchase agreements are excluded. Source: Federal Reserve Bank of New York.
- DEPOSITORY INSTITUTIONS — Includes commercial banks, savings institutions, and credit unions. Source: Federal Reserve Board of Governors, Flow of Funds Table L 209.
- SAVINGS BONDS — Holdings are at current accrual value. Source: Monthly Statement of the Public Debt.
- PENSION FUNDS — Private pension funds include U.S. Treasury securities held by the Federal Employees Retirement System Thrift Savings Plan "G" Fund. Source: Federal Reserve Board of Governors, Flow of Funds Table L 209.
- INSURANCE COMPANIES — Life, fire, and casualty insurance companies. Source: Federal Reserve Board of Governors, Flow of Funds Table L 209.



- **MUTUAL FUNDS** — Includes money market mutual funds, mutual funds, and closed-end investment companies. Source: Federal Reserve Board of Governors, Flow of Funds Table L 209.
- **STATE AND LOCAL GOVERNMENTS** — General funds. Source: Federal Reserve Board of Governors, Flow of Funds Table L 209.
- **FOREIGN AND INTERNATIONAL** — Official and private foreign and international accounts, including the multilateral development banks. Includes nonmarketable foreign series Treasury securities and Treasury Deposit Funds. Excludes Treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York. Estimates reflect various benchmark revisions. Source: Treasury Department estimate.
- **OTHER INVESTORS** — Residual number includes individuals, Government-Sponsored Enterprises, brokers and dealers, bank personal trusts and estates, corporate and non-corporate businesses, and other investors.

Federally Assisted Borrowing

Table 5 displays Federally assisted borrowing as it relates to total Federal borrowing in FY 2009 and prior fiscal years.

Federally assisted borrowing is of two principal types: Government-guaranteed borrowing and borrowing by Government-Sponsored Enterprises (GSEs). The Federal Government guarantees the borrowing of such major sectors as agriculture, housing, higher education, small business, and exports. GSEs are entities that have been established and chartered by the Federal Government to perform specific credit functions. GSEs generally serve as financial intermediaries to facilitate the flow of credit to private borrowers in agriculture, education, and housing. On September 6, 2008, the Federal Housing Finance Agency placed Fannie Mae and Freddie Mac into conservatorship. The Budget continues to report those GSEs as nonbudgetary entities.

Federal borrowing consists largely of Treasury borrowing to finance Federal deficits and Federal direct loans. It also includes borrowing from the public by other Federal agencies.



Annual Principal and Interest Payments

Table 6 shows the annual principal and interest payments that would be required to amortize in equal payments the net public debt as of the end of FY 2009 over the longest remaining term to maturity of any obligation which is a part of the debt. The net public debt was \$7,532.6 billion as of September 30, 2009. The interest rate used for the amortization table was the prevailing rate for the longest marketable Treasury fixed rate maturity on September 30, 2009 (4.03 percent).

Information on Operations of the Federal Financing Bank

Table 7 displays the results of the financial operations of the Federal Financing Bank, including loan payments and prepayments, and on the levels and categories of the lending activities of the Federal Financing Bank for FY 2010 and for prior fiscal years.

Recommendations

The Treasury Department does not have any recommendations for legislative changes to improve the issuance and sale of public debt obligations at this time.



Table 1
Net Public Debt ^{1/}

Billions of Dollars							
End of Fiscal Year	Net Public Debt	GDP	Ratio of Net Public Debt to GDP	Interest on Net Public Debt ^{2/}	Total Budget Outlays	Ratio of Interest Cost to Outlays	
1990	2,380.8	5,734.5	41.5	202.4	1,253.2	16.2	
1991	2,674.4	5,930.5	45.1	214.8	1,324.4	16.2	
1992	2,984.8	6,242.0	47.8	214.5	1,381.7	15.5	
1993	3,227.2	6,587.3	49.0	210.2	1,409.5	14.9	
1994	3,408.3	6,976.6	48.9	210.6	1,461.9	14.4	
1995	3,580.1	7,341.1	48.8	239.2	1,515.8	15.8	
1996	3,706.8	7,718.3	48.0	246.6	1,560.6	15.8	
1997	3,750.0	8,211.7	45.7	250.8	1,601.3	15.7	
1998	3,699.1	8,663.0	42.7	241.2	1,652.6	14.6	
1999	3,608.4	9,208.4	39.2	234.9	1,702.9	13.8	
2000	3,385.6	9,821.0	34.5	233.1	1,788.8	13.0	
2001	3,295.7	10,225.3	32.2	215.4	1,863.9	11.6	
2002	3,516.6	10,543.9	33.4	179.2	2,011.0	8.9	
2003	3,889.6	10,979.8	35.4	162.1	2,157.6	7.5	
2004	4,272.7	11,685.6	36.6	167.7	2,292.2	7.3	
2005	4,570.3	12,445.7	36.7	191.4	2,472.2	7.7	
2006	4,808.9	13,224.9	36.4	236.6	2,665.4	8.9	
2007	5,017.6	13,896.0	36.1	252.0	2,730.2	9.2	
2008	5,788.6	14,439.0	40.1	259.6	2,982.9	8.7	
2009	7,532.6	14,237.2	52.9	201.5	3,518.0	5.7	
2010	<i>estimate</i> ^{3/}	9,136.9	14,623.9	62.5	233.5	3,643.0	6.4
2011	<i>estimate</i>	10,120.1	15,299.0	66.1	302.8	3,728.0	8.1
2012	<i>estimate</i>	11,102.8	16,203.3	68.5	398.5	3,762.0	10.6
2013	<i>estimate</i>	12,076.4	17,182.2	70.3	497.1	3,973.0	12.5
2014	<i>estimate</i>	13,034.0	18,192.6	71.6	581.3	4,203.0	13.8
2015	<i>estimate</i>	14,036.0	19,190.4	73.1	653.6	4,400.0	14.9

^{1/} "Net public debt" is defined in 31 U.S.C. § 3130 as "the portion of the total public debt which is held by the public." The net public debt equals the total public debt less the holdings of the U.S. Government accounts.

^{2/} Estimated as interest on Treasury debt securities less "interest received by trust funds." Does not include the comparatively small amount of interest on agency debt or the offsets for interest on Treasury debt received by other Government accounts (revolving funds and special funds).

^{3/} Estimates for fiscal years 2010-2015 are on the basis of the current-services baseline projection in the documentation for the Budget of the U. S. Government for Fiscal Year 2011.



Table 2
Total Public Debt^{1/}

Billions of Dollars			
End of Fiscal Year	Total Public Debt	GDP	Ratio of Debt to GDP
1990	3,161.2	5,734.5	55.1
1991	3,569.3	5,930.5	60.2
1992	3,972.6	6,242.0	63.6
1993	4,315.6	6,587.3	65.5
1994	4,605.3	6,976.6	66.0
1995	4,884.6	7,341.1	66.5
1996	5,137.2	7,718.3	66.6
1997	5,327.6	8,211.7	64.9
1998	5,439.4	8,663.0	62.8
1999	5,567.7	9,208.4	60.5
2000	5,591.6	9,821.0	56.9
2001	5,732.8	10,225.3	56.1
2002	6,161.4	10,543.9	58.4
2003	6,737.6	10,979.8	61.4
2004	7,333.4	11,685.6	62.8
2005	7,871.0	12,445.7	63.2
2006	8,420.3	13,224.9	63.7
2007	8,921.3	13,896.0	64.2
2008	9,959.8	14,439.0	69.0
2009	11,853.1	14,237.2	83.3
2010	<i>estimate</i> ^{2/} 13,617.0	14,623.9	93.1
2011	<i>estimate</i> 14,753.0	15,299.0	96.4
2012	<i>estimate</i> 15,934.0	16,203.3	98.3
2013	<i>estimate</i> 17,141.0	17,182.2	99.8
2014	<i>estimate</i> 18,338.0	18,192.6	100.8
2015	<i>estimate</i> 19,614.0	19,190.4	102.2

^{1/} "Total public debt" is defined in 31 U.S.C. §3130 as the total amount of the obligations subject to the public debt limit in 31 U.S.C. §3101.

^{2/} Estimates for fiscal years 2010-2015 are on the basis of the current services baseline projection in the documentation for the Budget of the U. S. Government for Fiscal Year 2011.



Table 3
**Maturity Distribution
of Marketable Treasury Debt ^{1/}**

Dollars in Billions						
Fiscal Year End	Total Marketable Public Debt ^{2/}	Maturity Classes				
		Within 1 Yr.	1-5 Yrs.	5 - 10 Yrs.	10-20 Yrs.	20 Yrs. and over
1990	2,077.8	762.5	693.3	278.2	95.7	248.1
1991	2,375.7	874.2	822.7	295.2	98.5	285.0
1992	2,662.5	981.5	945.2	312.7	99.9	323.2
1993	2,889.9	1,052.7	1,057.1	328.9	113.2	338.0
1994	3,076.7	1,083.3	1,218.5	315.8	108.3	350.8
1995	3,245.4	1,222.7	1,244.2	321.2	108.1	349.2
1996	3,403.4	1,274.3	1,311.3	341.4	136.3	340.1
1997	3,424.6	1,256.4	1,302.4	360.9	183.2	321.7
1998	3,316.0	1,186.8	1,214.2	362.5	188.3	364.2
1999	3,218.0	1,170.2	1,089.2	434.5	167.1	357.0
2000	2,977.8	1,115.0	927.4	412.1	190.2	333.1
2001	2,882.3	1,185.0	796.1	383.2	204.7	313.3
2002	3,121.6	1,259.7	988.4	360.1	240.1	273.3
2003	3,460.6	1,401.5	1,151.3	393.4	286.0	228.4
2004	3,845.8	1,503.9	1,362.1	453.0	286.0	240.8
2005	4,070.8	1,494.4	1,503.2	541.4	330.8	200.9
2006	4,257.3	1,551.9	1,512.0	641.4	344.3	207.7
2007	4,407.4	1,554.9	1,548.9	747.1	346.8	209.8
2008	5,221.9	2,151.8	1,643.8	809.5	417.0	199.9
2009	6,997.7	2,702.2	2,399.0	1201.8	448.6	246.0
2010 ^{3/}	7,745.0	2,577.8	2,911.1	1474.4	440.1	341.7

Percentages						
1990	100.0%	36.7%	33.4%	13.4%	4.6%	11.9%
1991	100.0%	36.8%	34.6%	12.4%	4.1%	12.0%
1992	100.0%	36.9%	35.5%	11.7%	3.8%	12.1%
1993	100.0%	36.4%	36.6%	11.4%	3.9%	11.7%
1994	100.0%	35.2%	39.6%	10.3%	3.5%	11.4%
1995	100.0%	37.7%	38.3%	9.9%	3.3%	10.8%
1996	100.0%	37.4%	38.5%	10.0%	4.0%	10.0%
1997	100.0%	36.7%	38.0%	10.5%	5.3%	9.4%
1998	100.0%	35.8%	36.6%	10.9%	5.7%	11.0%
1999	100.0%	36.4%	33.8%	13.5%	5.2%	11.1%
2000	100.0%	37.4%	31.1%	13.8%	6.4%	11.2%
2001	100.0%	41.1%	27.6%	13.3%	7.1%	10.9%
2002	100.0%	40.4%	31.7%	11.5%	7.7%	8.8%
2003	100.0%	40.5%	33.3%	11.4%	8.3%	6.6%
2004	100.0%	39.1%	35.4%	11.8%	7.4%	6.3%
2005	100.0%	36.7%	36.9%	13.3%	8.1%	4.9%
2006	100.0%	36.5%	35.5%	15.1%	8.1%	4.9%
2007	100.0%	35.3%	35.1%	17.0%	7.9%	4.8%
2008	100.0%	41.2%	31.5%	15.5%	8.0%	3.8%
2009	100.0%	38.6%	34.3%	17.2%	6.4%	3.5%
2010 ^{3/}	100.0%	33.3%	37.6%	19.0%	5.7%	4.4%

^{1/} Data are at face value.

^{2/} Distributions are available for interest-bearing marketable debt only.

^{3/} Through March 31, 2010.



Estimated Ownership of Treasury Securities ^{1/}

Table 4A
Billions of Dollars

End of Fiscal Year	Total Public Debt ^{2/}	U.S. Government Accounts	Federal Reserve	Total Private	Depository Institutions	Savings Bonds ^{3/}	Pension Funds		Insurance Companies	Mutual Funds	State and Local Governments	Fgn & Intl	Other Investors
							Private	State & Local					
1994	4,605.3	1,197.0	355.2	3,053.1	364.0	178.6	136.4	217.4	243.7	201.5	398.2	682.0	631.3
1995	4,884.6	1,304.5	374.1	3,206.0	330.8	183.5	142.3	211.3	245.2	211.5	304.3	820.4	756.7
1996	5,137.2	1,430.4	390.9	3,315.9	310.9	186.8	141.6	213.4	226.8	226.4	263.7	993.4	752.9
1997	5,327.6	1,577.6	424.5	3,325.5	292.8	186.2	143.0	223.5	186.8	221.3	235.2	1,230.5	606.2
1998	5,439.4	1,740.4	458.2	3,240.8	244.5	185.9	135.5	207.8	151.4	231.7	271.8	1,224.2	588.0
1999	5,567.7	1,959.3	496.6	3,111.8	241.2	186.2	150.9	204.8	128.0	222.5	299.2	1,281.4	397.6
2000	5,591.6	2,206.1	511.4	2,874.1	220.5	184.3	147.9	185.5	113.7	207.8	307.9	1,038.8	467.7
2001	5,732.8	2,437.1	559.6	2,736.0	189.1	186.4	149.9	166.8	106.8	234.1	321.2	992.2	389.5
2002	6,161.4	2,644.8	628.4	2,888.2	209.3	193.3	154.5	156.3	130.4	256.8	338.6	1,188.6	260.4
2003	6,737.6	2,848.1	656.1	3,233.5	146.8	201.5	167.7	155.5	137.4	287.1	357.7	1,443.3	336.5
2004	7,333.4	3,060.6	700.3	3,572.5	138.5	204.1	174.0	140.8	147.4	255.0	381.7	1,794.5	336.5
2005	7,871.0	3,300.7	736.4	3,833.9	125.4	203.6	184.2	164.8	159.0	244.8	467.6	2,033.9	250.6
2006	8,420.3	3,610.3	768.9	4,041.1	113.6	203.7	202.0	155.6	160.6	235.7	502.1	2,025.3	442.5
2007	8,921.3	3,903.8	779.6	4,237.9	119.7	197.1	246.6	165.6	133.4	306.3	541.4	2,235.2	292.6
2008	9,959.8	4,170.9	476.6	5,312.3	130.1	194.3	292.5	171.6	140.6	656.0	500.5	2,799.5	427.2
2009	11,853.1	4,320.5	769.2	6,763.4	199.3	192.5	328.3	172.0	232.9	644.9	520.0	3,572.5	901.0
2010 ^{4/}	12,254.5	4,520.0	776.6	6,957.9	206.6	191.3	338.4	174.7	235.7	664.0	531.3	3,689.1	926.8

Table 4B

Percentage of Total Public Debt

End of Fiscal Year	Total Public Debt ^{2/}	U.S. Government Accounts	Federal Reserve	Total Private	Depository Institutions	Savings Bonds ^{3/}	Pension Funds		Insurance Companies	Mutual Funds	State and Local Governments	Fgn & Intl	Other Investors
							Private	State & Local					
1994	100%	26.0%	7.7%	66.3%	7.9%	3.9%	3.0%	4.7%	5.3%	4.4%	8.6%	14.8%	13.7%
1995	100%	26.7%	7.7%	65.6%	6.8%	3.8%	2.9%	4.3%	5.0%	4.3%	6.2%	16.8%	15.5%
1996	100%	27.8%	7.6%	64.5%	6.1%	3.6%	2.8%	4.2%	4.4%	4.4%	5.1%	19.3%	14.7%
1997	100%	29.6%	8.0%	62.4%	5.5%	3.5%	2.7%	4.2%	3.5%	4.2%	4.4%	23.1%	11.4%
1998	100%	32.0%	8.4%	59.6%	4.5%	3.4%	2.5%	3.8%	2.8%	4.3%	5.0%	22.5%	10.8%
1999	100%	35.2%	8.9%	55.9%	4.3%	3.3%	2.7%	3.7%	2.3%	4.0%	5.4%	23.0%	7.1%
2000	100%	39.5%	9.1%	51.4%	3.9%	3.3%	2.6%	3.3%	2.0%	3.7%	5.5%	18.6%	8.4%
2001	100%	42.5%	9.8%	47.7%	3.3%	3.3%	2.6%	2.9%	1.9%	4.1%	5.6%	17.3%	6.8%
2002	100%	42.9%	10.2%	46.9%	3.4%	3.1%	2.5%	2.5%	2.1%	4.2%	5.5%	19.3%	4.2%
2003	100%	42.3%	9.7%	48.0%	2.2%	3.0%	2.5%	2.3%	2.0%	4.3%	5.3%	21.4%	5.0%
2004	100%	41.7%	9.5%	48.7%	1.9%	2.8%	2.4%	1.9%	2.0%	3.5%	5.2%	24.5%	4.6%
2005	100%	41.9%	9.4%	48.7%	1.6%	2.6%	2.3%	2.1%	2.0%	3.1%	5.9%	25.8%	3.2%
2006	100%	42.9%	9.1%	48.0%	1.3%	2.4%	2.4%	1.8%	1.9%	2.8%	6.0%	24.1%	5.3%
2007	100%	43.8%	8.7%	47.5%	1.3%	2.2%	2.8%	1.9%	1.5%	3.4%	6.1%	25.1%	3.3%
2008	100%	41.9%	4.8%	53.3%	1.3%	2.0%	2.9%	1.7%	1.4%	6.6%	5.0%	28.1%	4.3%
2009	100%	36.5%	6.5%	57.1%	1.7%	1.6%	2.8%	1.5%	2.0%	5.4%	4.4%	30.1%	7.6%
2010 ^{4/}	100%	36.9%	6.3%	56.8%	1.7%	1.6%	2.8%	1.4%	1.9%	5.4%	4.3%	30.1%	7.6%

^{1/} Ownership categories are described in the text of this Annual Report. Sources: Treasury data and Federal Reserve Board of Governors Flow of Funds Table L 209.

^{2/} Total public debt is defined in 31 U.S.C. §3130 as the total amount of the obligations subject to the public debt limit established in 31 U.S.C. §3101.

^{3/} Actual current redemption value.

^{4/} Through December 2009, latest available.



Table 5
**Federally Assisted Borrowing
 As It Relates to Total Federal Borrowing**

Billions of Dollars					
Fiscal Year	Guaranteed Borrowing	GSE Borrowing ^{1/}	Total Federally Assisted Borrowing	Federal Borrowing From the Public ^{2/}	Federal Borrowing less Federally Assisted Borrowing
1990	40.7	115.4	156.1	220.9	64.8
1991	22.1	124.6	146.7	277.4	130.7
1992	19.7	150.8	170.5	310.7	140.2
1993	-2.0	169.3	167.3	247.4	80.1
1994	38.7	121.3	160.0	184.7	24.7
1995	26.2	125.7	151.9	171.3	19.4
1996	89.9	141.5	231.4	129.7	-101.7
1997	57.8	112.8	170.6	38.3	-132.3
1998	58.5	293.1	351.6	-51.2	-402.8
1999	60.8	284.0	344.8	-88.7	-433.5
2000	97.3	277.9	375.2	-222.8	-598.0
2001	40.3	415.3	455.6	-90.1	-545.7
2002	61.6	479.3	540.9	220.0	-320.9
2003	37.9	435.9	473.8	373.2	-100.6
2004	46.9	n.a. ^{3/}	n.a. ^{4/}	382.1	n.a. ^{4/}
2005	-135.5	n.a. ^{3/}	n.a. ^{4/}	296.7	n.a. ^{4/}
2006	23.9	n.a. ^{3/}	n.a. ^{4/}	236.8	n.a. ^{4/}
2007	82.0	n.a. ^{3/}	n.a. ^{4/}	206.2	n.a. ^{4/}
2008	205.6	n.a. ^{3/}	n.a. ^{4/}	767.6	n.a. ^{4/}
2009	517.0	n.a. ^{3/}	n.a. ^{4/}	1,742.0	n.a. ^{4/}
2010 <i>estimate</i>	21.3	n.a. ^{3/}	n.a. ^{4/}	1,608.0	n.a. ^{4/}
2011 <i>estimate</i>	184.1	n.a. ^{3/}	n.a. ^{4/}	985.0	n.a. ^{4/}

^{1/} Most Government-Sponsored Enterprises (GSEs) are financial intermediaries. GSEs assist the ultimate nonfinancial borrower whose loans are purchased or otherwise financed by GSEs. In order to avoid double counting, GSE borrowing is calculated as net of transactions with Federal agencies, transactions between GSEs, and transactions in guaranteed loans.

^{2/} Federal borrowing from the public includes the change in the public debt during the fiscal year, plus the change in Federal agency debt held by the public. The latter includes securities issued by the Tennessee Valley Authority, FSLIC Resolution Fund, and the Farm Credit System Financial Assistance Corporation. The estimates are consistent with the Administration's policy budget.

^{3/} Complete financial data for GSEs are not available.

^{4/} Totals and subtotals have not been calculated because a substantial portion of the total is not available.

Source: Office of Management and Budget.



Table 6
Amortization of the Net Public Debt ^{1/}

Payment Date	Principal	Interest	Total	Remaining Balance
8/15/2010	\$133,624,696,128	\$303,539,600,000	\$437,164,296,128	\$7,398,375,303,872
8/15/2011	\$139,009,771,382	\$298,154,524,746	\$437,164,296,128	\$7,259,365,532,490
8/15/2012	\$144,611,865,169	\$292,552,430,959	\$437,164,296,128	\$7,114,753,667,321
8/15/2013	\$150,439,723,335	\$286,724,572,793	\$437,164,296,128	\$6,964,313,943,986
8/15/2014	\$156,502,444,185	\$280,661,851,943	\$437,164,296,128	\$6,807,811,499,801
8/15/2015	\$162,809,492,686	\$274,354,803,442	\$437,164,296,128	\$6,645,002,007,115
8/15/2016	\$169,370,715,241	\$267,793,580,887	\$437,164,296,128	\$6,475,631,291,874
8/15/2017	\$176,196,355,065	\$260,967,941,063	\$437,164,296,128	\$6,299,434,936,809
8/15/2018	\$183,297,068,175	\$253,867,227,953	\$437,164,296,128	\$6,116,137,868,634
8/15/2019	\$190,683,940,022	\$246,480,356,106	\$437,164,296,128	\$5,925,453,928,612
8/15/2020	\$198,368,502,805	\$238,795,793,323	\$437,164,296,128	\$5,727,085,425,807
8/15/2021	\$206,362,753,468	\$230,801,542,660	\$437,164,296,128	\$5,520,722,672,339
8/15/2022	\$214,679,172,433	\$222,485,123,695	\$437,164,296,128	\$5,306,043,499,906
8/15/2023	\$223,330,743,082	\$213,833,553,046	\$437,164,296,128	\$5,082,712,756,824
8/15/2024	\$232,330,972,028	\$204,833,324,100	\$437,164,296,128	\$4,850,381,784,796
8/15/2025	\$241,693,910,201	\$195,470,385,927	\$437,164,296,128	\$4,608,687,874,595
8/15/2026	\$251,434,174,782	\$185,730,121,346	\$437,164,296,128	\$4,357,253,699,813
8/15/2027	\$261,566,972,026	\$175,597,324,102	\$437,164,296,128	\$4,095,686,727,787
8/15/2028	\$272,108,120,998	\$165,056,175,130	\$437,164,296,128	\$3,823,578,606,789
8/15/2029	\$283,074,078,274	\$154,090,217,854	\$437,164,296,128	\$3,540,504,528,515
8/15/2030	\$294,481,963,629	\$142,682,332,499	\$437,164,296,128	\$3,246,022,564,886
8/15/2031	\$306,349,586,763	\$130,814,709,365	\$437,164,296,128	\$2,939,672,978,123
8/15/2032	\$318,695,475,110	\$118,468,821,018	\$437,164,296,128	\$2,620,977,503,013
8/15/2033	\$331,538,902,757	\$105,625,393,371	\$437,164,296,128	\$2,289,438,600,256
8/15/2034	\$344,899,920,538	\$92,264,375,590	\$437,164,296,128	\$1,944,538,679,718
8/15/2035	\$358,799,387,335	\$78,364,908,793	\$437,164,296,128	\$1,585,739,292,383
8/15/2036	\$373,259,002,645	\$63,905,293,483	\$437,164,296,128	\$1,212,480,289,738
8/15/2037	\$388,301,340,452	\$48,862,955,676	\$437,164,296,128	\$824,178,949,286
8/15/2038	\$403,949,884,472	\$33,214,411,656	\$437,164,296,128	\$420,229,064,814
8/15/2039	\$420,229,064,814	\$16,935,231,312	\$437,164,296,126	\$0

^{1/} The net public debt as of September 30, 2009 totaled \$7,532.6 billion. The interest rate used for this table is the prevailing rate on the longest maturity fixed rate Treasury bond outstanding on September 30, 2009. (4.03%).



Table 7
Federal Financing Bank

	Millions of Dollars														
	2006			2007			2008			2009			2010 (Estimate)**		
	New Disbursements	Loan Payments	End of Year	New Disbursements	Loan Payments	End of Year	New Disbursements	Loan Payments	End of Year	New Disbursements	Loan Payments	End of Year	New Disbursements	Loan Payments	End of Year
Agency Debt:															
Export-Import Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Federal Deposit Insurance Corporation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
U.S. Postal Service	2,100	0	2,100	12,973	10,873	4,200	92,113	89,113	7,200	189,566	186,566	0	96,722	93,722	13,200
National Credit Union Administration-CLF	4	4	0	0	0	0	1,109	0	1,109	30,539	13,004	260	10,095	18,362	10,117
sub-total*	2,104	4	2,100	12,973	10,873	4,200	93,222	89,113	8,309	220,105	199,570	260	106,817	112,084	23,317
Agency Assets:															
Farmers Home Administration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DHHS-Health Maintenance Org.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DHHS-Medical Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rural Utilities Service-CBO	0	353	3,917	0	0	3,917	0	284	0	3,633	0	586	0	689	2,358
sub-total*	0	353	3,917	0	0	3,917	0	284	0	3,633	0	586	0	689	2,358
Government Guaranteed Loans:															
DOD-Foreign Military Sales	0	220	1,024	0	188	836	0	156	0	680	0	135	0	128	417
DEI-HBCU	42	4	154	170	4	314	27	4	0	337	120	5	0	5	607
DHUD-Community Dev. Block Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DHUD-Public Housing Notes	88	0	884	0	93	791	0	99	0	691	0	104	0	104	483
General Services Administration	44	41	2,147	18	45	2,120	8	50	0	2,078	5	57	0	51	1,982
DOD-Virgin Islands	0	2	3	0	2	0	1	0	0	0	0	0	0	0	0
DOA-Ship Lease Financing	87	118	171	0	73	28	0	53	0	17	0	2	0	1	0
DVA - Transitional Housing	2	0	2	3	0	5	0	0	0	5	0	0	0	0	5
Rural Utilities Service	3,535	656	21,367	2,235	922	21,667	2,704	1,650	647	22,693	3,614	916	6,930	2,784	29,537
SBA-Statelocal Development Cos	0	8	5	0	6	17	0	5	2	10	0	4	0	2	2
DOT-Section 511	0	0	3	0	1	0	0	0	0	2	0	0	0	0	2
DOE - Title 17 Innovative Technology	0	0	0	0	0	0	0	0	0	0	21	0	0	0	7,305
DOE- Adv Tech Vehicles Manufacturing	0	0	0	0	0	0	0	0	0	0	886	0	0	0	6,190
sub-total*	3,623	1,106	25,782	2,426	1,334	25,843	2,739	1,418	649	26,513	4,646	1,223	15	3,075	46,630
Grand-total*	5,727	1,463	31,799	15,399	12,207	33,960	95,961	90,815	649	38,455	224,751	201,379	275	115,848	72,205

* Figures may not total due to rounding.

** Estimates from FY 2011 Budget.



Appendix



TITLE II — REPORTS ON PUBLIC DEBT

SEC.201. ANNUAL REPORT ON THE PUBLIC DEBT

(a) GENERAL RULE. — Subchapter II of chapter 31 of title 31, United States

Code, is amended by adding at the end the following new section:

“§3130. Annual public debt report

- "(a) GENERAL RULE — On or before June 1 of each calendar year after 1993, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on —
- "(1) the Treasury's public debt activities, and
 - "(2) the operations of the Federal Financing Bank.
- "(b) REQUIRED INFORMATION ON PUBLIC DEBT ACTIVITIES. —

Each report submitted under subsection (a) shall include the following information:

- "(1) A table showing the following information with respect to the total public debt:
 - "(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next five fiscal years under the most recent current services baseline projection of the executive branch.
 - "(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next five fiscal years under such most recent current services baseline projection.
- "(2) A table showing the following information with respect to the net public debt:
 - "(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next five fiscal years under the most recent current services baseline of the executive branch.
 - "(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next five fiscal years under the most recent current services projection.
 - "(C) The interest cost on such debt for prior fiscal years and the projected interest cost on such debt for the current fiscal year and for the next five fiscal years under such most recent current services baseline projection.
 - "(D) The interest cost to outlay ratios for prior fiscal years and the projected interest cost to outlay ratios for the current fiscal year and for the next five fiscal years under such most recent current services baseline projection.



- "(3) A table showing the maturity distribution of the net public debt as of the time the report is submitted and for prior years, and an explanation of the overall financing strategy used in determining the distribution of maturities when issuing public debt obligations, including a discussion of the projections and assumptions with respect to the structure of interest rates for the current fiscal year and for the succeeding five fiscal years.
 - "(4) A table showing the following information as of the time the report is submitted and for prior years:
 - "(A) A description of the various categories of the holders of public debt obligations.
 - "(B) The portions of the public debt held by each of such categories.
 - "(5) A table showing the relationship of federally assisted borrowing to total Federal borrowing as of the time the report is submitted and for prior years.
 - "(6) A table showing the annual principal and interest payments which would be required to amortize in equal annual payments the level (as of the time the report is submitted) of the net public debt over the longest remaining term to maturity of any obligation which is a part of such debt.
- "(c) **REQUIRED INFORMATION ON FEDERAL FINANCING BANK.**—Each report submitted under subsection (a) shall include (but not be limited to) information on the financial operations of the Federal Financing Bank, including loan payments and prepayments, and on the levels and categories of the lending activities of the Federal Financing Bank, for the current fiscal year and for prior fiscal years.
- "(d) **RECOMMENDATIONS.** — The Secretary of the Treasury may include in any report submitted under subsection (a) such recommendations to improve the issuance and sale of public debt obligations (and with respect to other matters) as he may deem advisable.
- "(e) **DEFINITIONS.** — For purposes of this section —
- "(1) **CURRENT FISCAL YEAR.** — The term 'current fiscal year' means the fiscal year ending in the calendar year in which the report is submitted.
 - "(2) **TOTAL PUBLIC DEBT.** — The term 'total public debt' means the total amount of the obligations subject to the public debt limit established in section 3101 of this title.
 - "(3) **NET PUBLIC DEBT.** — The term 'net public debt' means the portion of the total public debt which is held by the public.
 - "(4) **DEBT TO GDP RATIO.** — The term 'debt to GDP ratio' means the percentage obtained by dividing the level of the total public debt or net public debt, as the case may be, by the gross domestic product.
 - "(5) **INTEREST COST TO OUTLAY RATIO.** — The term 'interest cost to outlay ratio' means, with respect to any fiscal year, the percentage obtained by dividing the interest cost for such fiscal year on the net public debt by the total amount of Federal outlays for such fiscal year."
- (b) **CLERICAL AMENDMENT.** — The analysis for subchapter II of chapter 31 of title 31, United States Code, is amended by adding at the end the following new item:
"3130. Annual public debt report."