



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 12TH STREET, SW
WASHINGTON, D.C. 20554

DA 01-1577

News media information 202/418-0500 Fax-On-Demand 202/418-2830 Internet: <http://www.fcc.gov> <ftp.fcc.gov>

CABLE SERVICES BUREAU ACTION

July 3, 2001

FIRST QUARTER 2001 INFLATION ADJUSTMENT FIGURE FOR CABLE OPERATORS USING FCC FORM 1240 NOW AVAILABLE

As described in the instructions for FCC Form 1240, cable operators may adjust the non-external cost portion of their rates for inflation based on quarterly figures released by the Commission. The First Quarter 2001 Inflation Factor for operators using FCC Form 1240 is 3.23%.

The adjustment factor of 3.23% is a measure of the annualized change in prices occurring over the period from January 1, 2001 to March 31, 2001. The factor is based on the changes in the quarterly Gross National Product Price Index (GNP-PI) published by the Bureau of Economic Analysis (BEA) of the United States Department of Commerce. The indexes used were the Gross National Product: Chain-type price indexes for the fourth quarter of 2000 and the first quarter of 2001. These indexes were obtained from Table 5 of the BEA news release dated June 29, 2001 (BEA 01-20).

The inflation adjustment factor is calculated by taking the GNP-PI from the first quarter of 2001 (108.59) and dividing by the GNP-PI for the fourth quarter of 2000 (107.73). The result of this calculation is converted from a quarterly change measurement factor to an annual change measurement factor by raising it to the fourth power.

Operators calculating the Inflation Factor for a True-Up Period which includes some portion of the first quarter of 2001 should enter the inflation factor on the appropriate lines of Worksheet 1 of FCC Form 1240 as "0.0323." Operators using this factor for calculating the Projected Period Inflation Segment of FCC Form 1240 should enter this number on Line C3 (January, 1996 version), or Line C5 (July, 1996 version), as "1.0323."

To date, the Commission has released twenty-three quarterly inflation factors for use with FCC Form

1240. The following table lists these factors:

Year	Quarter	Dates Covered	Inflation Factor
1995	Third	Jul. 1, 1995 - Sep. 30, 1995	2.22%
1995	Fourth	Oct. 1, 1995 - Dec. 31, 1995	2.22%
1996	First	Jan. 1, 1996 - Mar. 31, 1996	2.39%
1996	Second	Apr. 1, 1996 - Jun. 30, 1996	2.22%
1996	Third	Jul. 1, 1996 - Sep. 30, 1996	2.21%
1996	Fourth	Oct. 1, 1996 - Dec. 31, 1996	1.83%
1997	First	Jan. 1, 1997 - Mar. 31, 1997	2.70%
1997	Second	Apr. 1, 1997 - Jun. 30, 1997	1.77%
1997	Third	Jul. 1, 1997 - Sep. 30, 1997	1.43%
1997	Fourth	Oct. 1, 1997 - Dec. 31, 1997	1.43%
1998	First	Jan. 1, 1998 - Mar. 31, 1998	1.14%
1998	Second	Apr. 1, 1998 - Jun. 30, 1998	0.82%
1998	Third	Jul. 1, 1998 - Sep. 30, 1998	1.00%
1998	Fourth	Oct. 1, 1998 - Dec. 31, 1998	0.78%
1999	First	Jan. 1, 1999 - Mar. 31, 1999	1.60%
1999	Second	Apr. 1, 1999 - Jun. 30, 1999	1.35%
1999	Third	Jul. 1, 1999 - Sep. 30, 1999	1.04%
1999	Fourth	Oct. 1, 1999 - Dec. 31, 1999	1.96%
2000	First	Jan. 1, 2000 - Mar. 31, 2000	3.00%
2000	Second	Apr. 1, 2000 - Jun. 30, 2000	2.40%
2000	Third	Jul. 1, 2000 - Sep. 30, 2000	1.62%
2000	Fourth	Oct. 1, 2000 - Dec. 31, 2000	1.99%
2001	First	Jan. 1, 2001 - Mar. 31, 2001	3.23%

The Commission releases a new quarterly inflation factor for operators using FCC Form 1240 four times each year. The inflation factor for a given quarter is usually released between three and four months after the end of the quarter, depending on the schedule of the Department of Commerce. The release of a new factor is posted on the Commission's Internet site at: <http://www.fcc.gov/Bureaus/Cable/WWW/csb.html>.

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