



PUBLIC NOTICE

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Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

DA 02-957
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ANNUAL ADJUSTMENT OF REVENUE THRESHOLD

This gives notice that the revenue threshold used for classifying carriers for various accounting and reporting purposes¹ is increased to \$119 million. Section 402(c) of the Telecommunications Act of 1996 mandates that we adjust this revenue threshold annually to reflect the effects of inflation since October 19, 1992, at which time the threshold was \$100 million. In accordance with the Act, we adjust the threshold based on the ratio of the gross domestic product chain-type price index (GDP-CPI) in the revenue year and the GDP-CPI for October 19,1992. The revenue threshold for 2001 was determined as follows:

(1)	October 19, 1992 GDP-CPI	91.62 ²
(2)	2001 GDP-CPI	109.37 ³
(3)	Inflation Factor (line 2 ÷ line 1)	1.1937
(4)	Original Revenue Threshold	\$100 million
(5)	2001 Revenue Threshold (line 3 * line 4)	\$119 million ⁴

¹ See 47 C.F.R. §§ 32.11, 43.21, 43.43 and 64.903.

² Currently, National Data Tables, *Survey of Current Business*, Table 7.1 for GDP-CPI uses an index base of 1996 equals 100; in our previous calculations Table 7.1 used an index base of 1992 equals 100. Therefore, the index for October 19, 1992 has been adjusted from 100.69 to 91.62 calculated as follows:

$$\frac{\text{October 19, 1992 GDP-CPI (1992=100)}}{1996 \text{ GDP-CPI (1996=100)}} = \frac{100.69}{109.90} = 91.62$$

³ National Data Tables, *Survey of Current Business*, Bureau of Economic Analysis, April 2002, Table 7.1.

⁴ Rounded to the nearest million.

Action by Chief, Pricing Policy Division