



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION

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## MEDIA BUREAU ACTION

October 13, 2004

### INFLATION ADJUSTMENT FIGURES FOR CABLE OPERATORS USING FCC FORMS 1210 AND 1240 NOW AVAILABLE

Pursuant to 47 C.F.R. § 76.922(d)(2) and § 76.922(e)(2) of the Commission's rules, cable operators may adjust the non-external cost portion of their rates for inflation. Operators filing FCC Form 1210, may make an annual adjustment based on inflation occurring from June 30 of the previous year to June 30 of the year in which the inflation adjustment is made. Operators filing FCC Form 1240, may make an adjustment based on quarterly figures. All adjustments are based on changes in the Gross National Product Price Index (GNP-PI) as published by the United States Department of Commerce, Bureau of Economic Analysis (BEA). The Media Bureau obtained the chain-type price indexes from the BEA news release dated September 29, 2004 (BEA 04-45).

#### **FCC Form 1210**

The inflation factor for the twelve months ended June 30, 2004 is 1.0226. Operators that wish to take this year's inflation adjustment using FCC Form 1210 should enter the figure "1.0226" on Lines I5 and J5 of the form. This year's inflation adjustment factor is calculated by dividing second quarter 2004 GNP-PI (108.164) by the second quarter 2003 GNP-PI (105.772).<sup>1</sup> Operators may take this year's inflation adjustment between October 1, 2004 and August 31, 2005.

#### **FCC Form 1240**

The second quarter of 2004 inflation factor for operators using FCC Form 1240 is 1.0323. The inflation adjustment factor is calculated by dividing the GNP-PI for the second quarter of 2004 (108.164) by the GNP-PI for the first quarter of 2004 (107.308). 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 second quarter of 2004 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

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<sup>1</sup> In July 2004, BEA revised its quarterly and annual GNP-PI for the previous three years.

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 thirty-six quarterly inflation factors for use with FCC Form 1240. The following table lists these factors:

<b>Year</b>	<b>Quarter</b>	<b>Dates Covered</b>	<b>Inflation Factor</b>
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%
2001	Second	Apr. 1, 2001 - Jun. 30, 2001	2.08%
2001	Third	Jul. 1, 2001 - Sep. 30, 2001	2.25%
2001	Fourth	Oct. 1, 2001 - Dec. 31, 2001	(0.11%)
2002	First	Jan. 1, 2002 - Mar. 31, 2002	1.21%
2002	Second	Apr. 1, 2002 - June 30, 2002	1.24%
2002	Third	Jul. 1, 2002 - Sep. 30, 2002	1.02%
2002	Fourth	Oct. 1, 2002 - Dec. 31, 2002	1.78%
2003	First	Jan. 1, 2003 - Mar. 31, 2003	2.39%
2003	Second	Apr. 1, 2003 - June 30, 2003	1.00%
2003	Third	Jul. 1, 2003 - Sep. 30, 2003	1.66%
2003	Fourth	Oct. 1, 2003 - Dec. 31, 2003	1.50%
2004	First	Jan. 1, 2004 - Mar. 31, 2004	2.84%
2004	Second	Apr. 1, 2004 - Jun. 31, 2004	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/mb/csinflat.html>.

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