



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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MEDIA BUREAU ACTION

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THIRD QUARTER 2011 INFLATION ADJUSTMENT FIGURES 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 Federal Communications Commission. The Third Quarter 2011 inflation factor for operators using FCC Form 1240 is 2.57%.

The adjustment factor of 2.57% is a measure of the annualized change in prices occurring over the period from July 1, 2011 to September 30, 2011. All adjustments are based on changes in the Gross National Product Price Index (GNP-PI) published by the United States Department of Commerce, Bureau of Economic Analysis (BEA). The Media Bureau obtained the chain-type price indices from the BEA news release dated December 22, 2011 (BEA 11-63) at Table 6 (Addenda: Gross National Product).

The inflation adjustment factor is calculated by dividing the GNP-PI for the Third Quarter of 2011 (113.799) by the GNP-PI for the Second Quarter of 2011 (113.080). 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 Third Quarter of 2011 should enter the inflation factor on the appropriate lines of Worksheet 1 of FCC Form 1240 as "0.0257". 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 "1.0257."

To date, the Commission has released sixty-five quarterly inflation factors for use with FCC Form 1240.

The following table lists these factors beginning in 2005:¹

| Year | Quarter | Dates Covered | Inflation Factor |
|-------------|----------------|------------------------------|-------------------------|
| 2005 | First | Jan. 1, 2005 – Mar. 31, 2005 | 2.89% |
| 2005 | Second | Apr. 1, 2005 – Jun. 30, 2005 | 2.57% |
| 2005 | Third | Jul. 1, 2005 – Sep. 30, 2005 | 3.31% |
| 2005 | Fourth | Oct. 1, 2005 – Dec. 31, 2005 | 3.47% |
| 2006 | First | Jan. 1, 2006 – Mar. 31, 2006 | 3.12% |
| 2006 | Second | Apr. 1, 2006 – Jun. 30, 2006 | 3.31% |
| 2006 | Third | Jul. 1, 2006 – Sep. 30, 2006 | 1.89% |
| 2006 | Fourth | Oct. 1, 2006 – Dec. 31, 2006 | 1.67% |
| 2007 | First | Jan. 1, 2007 – Mar. 31, 2007 | 4.17% |
| 2007 | Second | Apr. 1, 2007 – Jun. 30, 2007 | 2.65% |
| 2007 | Third | Jul. 1, 2007 – Sep. 30, 2007 | 1.03% |
| 2007 | Fourth | Oct. 1, 2007 – Dec. 31, 2007 | 2.45% |
| 2008 | First | Jan. 1, 2008 – Mar. 31, 2008 | 2.68% |
| 2008 | Second | Apr. 1, 2008 – Jun. 30, 2008 | 1.11% |
| 2008 | Third | Jul. 1, 2008 – Sep. 30, 2008 | 3.92% |
| 2008 | Fourth | Oct. 1, 2008 – Dec. 31, 2008 | 0.55% |
| 2009 | First | Jan. 1, 2009 – Mar. 31, 2009 | 2.76% |
| 2009 | Second | Apr. 1, 2009 – Jun. 30, 2009 | 0.00% |
| 2009 | Third | Jul. 1, 2009 – Sep. 30, 2009 | 0.41% |
| 2009 | Fourth | Oct. 1, 2009 – Dec. 31, 2009 | 0.41% |
| 2010 | First | Jan. 1, 2010 – Mar. 31, 2010 | 1.08% |
| 2010 | Second | Apr. 1, 2010 – Jun. 30, 2010 | 1.08% |
| 2010 | Third | Jul. 1, 2010 – Sep. 30, 2010 | 2.09% |
| 2010 | Fourth | Oct. 1, 2010 – Dec. 31, 2010 | 0.41% |
| 2011 | First | Jan. 1, 2011 – Mar. 31, 2011 | 2.06% |
| 2011 | Second | Apr. 1, 2011 – Jun. 30, 2011 | 2.54% |
| 2011 | Third | Jul. 1, 2011 – Sep. 30, 2011 | 2.57% |

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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¹ For pre-2005 inflation figures see DA 06-1987 (rel. October 5, 2006), available at <http://www.fcc.gov/mb/csinflat.html>.