



PUBLIC NOTICE

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MEDIA BUREAU ACTION

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 26, 2014 (BEA 14-48) at Table 6 (Addenda: Gross National Product).

FCC Form 1210

The inflation factor for the twelve months ended June 30, 2014 is 1.0166. Operators who wish to take this year's inflation adjustment using FCC Form 1210 should enter the figure "1.0166" on Lines I5 and J5 of the form. This year's inflation adjustment factor is calculated by dividing second quarter 2014 GNP-PI (108.38) by the second quarter 2013 GNP-PI (106.615). Operators may take this year's inflation adjustment between October 1, 2014 and August 31, 2015.

FCC Form 1240

The second quarter of 2014 inflation factor for operators using FCC Form 1240 is 1.0211. The inflation adjustment factor is calculated by dividing the GNP-PI for the second quarter of 2014 (108.38) by the GNP-PI for the first quarter of 2014 (107.815). 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 2014 should enter the inflation factor on the appropriate lines of Worksheet 1 of FCC Form 1240 as "0.0211". 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 "1.0211".

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

The following table lists these factors beginning in 2007:¹

| Year | Quarter | Dates Covered | Inflation Factor |
|-------------|----------------|------------------------------|-------------------------|
| 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% |
| 2011 | Fourth | Oct. 1, 2011 - Dec. 31, 2011 | 0.89% |
| 2012 | First | Jan. 1, 2012 – Mar. 31, 2012 | 2.03% |
| 2012 | Second | Apr. 1 -2012 – Jun. 30, 2012 | 1.55% |
| 2012 | Third | Jul. 1, 2012 – Sep. 30, 2012 | 2.65% |
| 2012 | Fourth | Oct. 1, 2012 – Dec. 31, 2012 | 0.98% |
| 2013 | First | Jan. 1, 2013 – Mar. 31, 2013 | 1.24% |
| 2013 | Second | Apr. 1, 2013 - Jun. 30, 2013 | 0.65% |
| 2013 | Third | Jul. 1, 2013 - Sep. 30, 2013 | 1.97% |
| 2013 | Fourth | Oct. 1, 2013 – Dec. 31, 2013 | 1.56% |
| 2014 | First | Jan. 1, 2014 – Mar. 31, 2014 | 1.28% |
| 2014 | Second | Apr. 1, 2014 - Jun. 30, 2014 | 2.11% |

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-2007 inflation figures see DA 08-866 (rel. April 17, 2008), available at <http://www.fcc.gov/mb/csinflat.html>.

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