



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES ANNUAL ADJUSTMENT OF REVENUE THRESHOLDS

This notice announces the inflation-adjusted 2017 revenue thresholds used for classifying carrier categories for various accounting and reporting purposes: (1) distinguishing Class A carriers from Class B carriers;¹ and (2) distinguishing larger Class A carriers from mid-sized carriers.² The revenue threshold between Class A carriers and Class B carriers is increased to \$160.16 million.³ The revenue threshold between larger Class A carriers and mid-sized carriers is increased to \$9.49 billion.⁴ The revenue thresholds for 2017 were determined as follows:

	Class A to Class B Threshold	Larger Class A to Mid-size Threshold
(1) 4 th Qtr. 1992/2001 GDP-CPI ⁵	67.937	80.284
(2) 4 th Qtr. 2017 GDP-CPI	108.807	108.807
(3) Inflation Factor (line 2 ÷ 1)	1.602	1.355
(4) Original Revenue Threshold	\$100 million	\$7 billion
(5) 2017 Revenue Threshold (line 3*4)	\$160.16 million	\$9.49 billion

¹ See 47 C.F.R. §§ 32.11, 43.21, 43.43, 64.903. In 2017, the Commission streamlined the Part 32 Uniform System of Accounts, eliminating the distinction between Class A and Class B accounts, and allowing all carriers to keep the more streamlined Class B accounts. *Comprehensive Review of the Part 32 Uniform System of Accounts; Jurisdictional Separations and Referral to the Federal-State Joint Board*, WC Docket No. 14-130, CC Docket No. 80-286, Report and Order, 32 FCC Rcd 1735, 1741, para. 15 (2017). These rules became effective January 1, 2018. Because these distinctions are no longer meaningful, this will be the last year we update these thresholds.

² See 47 C.F.R. § 32.9000.

³ Section 402(c) of the Telecommunications Act of 1996 Act 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. Pub. L. No. 104-104, § 402(c), 110 Stat. 56, 130 (1996).

⁴ The Commission concluded in November 2001 that it would begin annually indexing for inflation the \$7 billion threshold used to separate the larger Class A carriers and the mid-sized carriers using gross domestic product chain price index (GDP-CPI) index figures. See *2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2; Amendments to the Uniform System of Accounts for Interconnection; Jurisdictional Separations Reform and Referral to the Federal-State Joint Board; Local Competition and Broadband Reporting*, CC Docket No. 00-199, Report and Order in CC Docket Nos. 00-199, 97-212, and 80-286; Further Notice of Proposed Rulemaking in CC Docket Nos. 00-199, 99-301, and 80-286, 16 FCC Rcd 19913 (2001) (*Phase 2 Report and Order*).

⁵ GDP-CPI figures in this table are from National Income and Product Accounts Table, Bureau of Economic Analysis, Last revised July 27, 2018, Table 1.1.4. The Bureau of Economic Analysis (BEA) currently assigns a GDP-CPI value of 100 to 2012.