**DA 22-350**

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**Media Bureau AND OFFICE OF ECONOMICS and ANALYTICS action**

**FOURTH QUARTER 2021 INFLATION ADJUSTMENT FIGURES FOR CABLE OPERATORS USING FCC RATE REGULATION FORM 1240 NOW AVAILABLE**

This Public Notice is applicable to rate-regulated cable operators that use FCC Forms to justify their cable rates.[[1]](#footnote-3) Cable operators adjusting the non-external cost portion of their rates for inflation should follow the instructions provided with the applicable FCC Form. All inflation adjustment figures 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 chain-type price indexes were obtained from the BEA news release dated March 30, 2022 (BEA 22-13) at Table 1.7.4 (Price Indexes for Gross Domestic Product, Gross National Product, and Net National Product) Line 4 (Gross National Product).[[2]](#footnote-4)

Operators filing FCC Form 1240 may make an adjustment based on quarterly figures. The fourth quarter 2021 inflation factor for operators using FCC Form 1240 is 7.13%. The adjustment factor of 7.13% is a measure of the annualized change in prices occurring over the period from October 1, 2021 to December 31, 2021. The inflation adjustment factor is calculated by dividing the GNP-PI for the fourth quarter of 2021 (121.307) by the GNP-PI for the third quarter of 2021 (119.235). 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 that includes some portion of the fourth quarter of 2021 should enter the inflation factor on the appropriate lines of Worksheet 1 of FCC Form 1240 as “0.0713.” 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 “1.0713.”

Each quarter the Commission releases a quarterly inflation factor for use with FCC Form 1240. The following table lists these factors beginning in 2017.[[3]](#footnote-5)

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| --- | --- | --- | --- |
| **Year** | **Quarter** | **Dates Covered** | **Inflation Factor** |
| 2017 | First | Jan. 1, 2017 – Mar. 31, 2017 | 1.96% |
| 2017 | Second | Apr. 1, 2017 – Jun. 30, 2017 | 1.01% |
| 2017 | Third | Jul. 1, 2017 – Sept. 30, 2017 | 2.09% |
| 2017 | Fourth | Oct. 1, 2017 – Dec. 31, 2017 | 2.33% |
| 2018 | First | Jan. 1, 2018 – Mar. 31, 2018 | 2.20% |
| 2018 | Second | Apr. 1, 2018 – Jun. 30, 2018 | 3.04% |
| 2018 | Third | Jul. 1, 2018 – Sept. 30, 2018 | 1.81% |
| 2018 | Fourth | Oct. 1, 2018 – Dec. 31, 2018 | 1.68% |
| 2019 | First | Jan. 1, 2019 – Mar. 31, 2019 | 0.90% |
| 2019 | Second | Apr. 1, 2019 – Jun. 30, 2019 | 2.42% |
| 2019 | Third | Jul. 1, 2019 – Sept. 30, 2019 | 1.81% |
| 2019 | Fourth | Oct. 1, 2019 – Dec. 31, 2019 | 1.28% |
| 2020 | First | Jan. 1, 2020 – Mar. 31, 2020 | 1.41% |
| 2020 | Second | Apr. 1, 2020 – Jun. 30, 2020 | -1.82% |
| 2020 | Third | Jul. 1, 2020 – Sept. 30, 2020 | 3.51% |
| 2020 | Fourth | Oct. 1, 2020 – Dec. 31, 2020 | 2.04% |
| 2021 | First | Jan. 1, 2021 – Mar. 31, 2021 | 4.32% |
| 2021 | Second | Apr. 1, 2021 – Jun. 30, 2021 | 6.07% |
| 2021 | Third | Jul. 1, 2021 – Sept. 30, 2021 | 5.95% |
| 2021 | Fourth | Oct. 1, 2021 – Dec. 31, 2021 | 7.13% |

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 when the Department of Commerce releases its quarterly updates to Table 1.7.4. The release of a new factor is posted on the Commission’s website at <https://www.fcc.gov/general/inflation-updates-forms-1210-and-1240>.

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1. Pursuant to 47 CFR § 76.922(d)(2) and (e)(2), cable operators may adjust the non-external cost portion of their rates for inflation. [↑](#footnote-ref-3)
2. Table 1.7.4 can be found at this link: <https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey>. [↑](#footnote-ref-4)
3. For pre-2017 inflation figures see DA 17-646, 32 FCC Rcd 5479 (rel. July 5, 2017), available at <https://www.fcc.gov/general/inflation-updates-forms-1210-and-1240>. [↑](#footnote-ref-5)