

**STATEMENT OF
COMMISSIONER ROBERT M. McDOWELL**

Re: In the Matter of Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as Amended (47 U.S.C. § 160(c)), for Forbearance from Certain Dominant Carrier Regulation of Its Interstate Access Services, and for Forbearance from Title II Regulation of Its Broadband Services, in the Anchorage, Alaska, Incumbent Local Exchange Carrier Study Area, WC Docket No. 06-109

I support the relief from regulation that is granted in this forbearance petition filed by ACS of Anchorage, Inc. (ACS). The Anchorage, Alaska study area is a unique market, where the incumbent local exchange carrier, ACS, faces significant facilities-based competition from other carriers, primarily General Communication Inc. (GCI). For instance, GCI purportedly has over one-half of the exchange access market and 60 percent of the high-speed Internet market in Alaska. In addition, the geographic location of Anchorage contributes to the special characteristics of that market that are not duplicated in any other market in the country. With regard to ACS's enterprise broadband services, forbearance from regulating those services is appropriate based on the level of competition it faces in the Anchorage market, not only from GCI but also from AT&T and other providers. I believe that a local market analysis, rather than a national market analysis, is the correct basis for determining whether this type of relief is warranted.

The competitive situation facing ACS, a rate-of-return carrier, in the Anchorage market provides a poster child for deregulation of the services covered in this order. Forbearance from regulation in this instance is good for everybody and should reap benefits for all concerned, including customers of the deregulated services, particularly in light of the conditions we impose.