

ensure that customers who are willing and able to pay with their own money for a telephone service should do that, absent a contribution made through other consumers' phone bills. In the wireless context, such subsidies could also undercut the high-fixed-cost wireline investments on which wireless telephony inevitably relies. Both of these considerations are properly at play in our consideration of ETC designations.¹⁰

That being said, I am willing to side with iSmart in its request for ETC designation for two important reasons.

First, unlike other recently designated ETCs elsewhere in the United States, iSmart has made a commitment in its testimony that it would not offer a device and phone plan that's simply given away to someone for "free." Hrg. Transcr. 60:17-61:7. iSmart is doing something—obtaining a Lifeline subsidy to discount its phone service—that other wireless providers in Montana already enjoy, and absent a meaningful distinction on which to rely, it would be inappropriate to deny iSmart an advantage that its competitors enjoy.

Second, while the FCC has chosen to abrogate the requirement, the Montana Administrative Rules still call upon this Commission to consider whether an ETC will have its own facilities. Admin. R. Mont. 38.5.3210(3)(g). This is for good reason. It is important that federal subsidies flow as directly as possible to the creation of new infrastructure that can sustain better telephony. iSmart has its own facilities in the wire centers for which it seeks ETC designation, and its business plan appears to be more than merely to act as a siphon for federal subsidies.

I therefor CONCUR with the Order.

Travis Kavulla, Commissioner (concurring)

¹⁰ For a colloquy about this public-policy dimension to ETC designations, *See* Hrg. Transcr. 57:19-63:17.