December 14, 2012
Manager, Emerging Networks
DGSO, Industry Canada
300 Slater Street
Ottawa, Ontario K1A 0C8
spectrum.operations@ic.gc.ca

Subject: Comments to Notice No. DGSO-006-12 — Consultation on Renewal Process for 2300 MHz and 3500 MHz Licences

Dear Sir / Madam,

Executive Summary

Cranbrook Internet Network Technologies Inc. (“CINTEK” Inc.) is a fixed wireless Internet services provider based in Cranbrook, British Columbia, serving a market base of 56,000 throughout the East Kootenay of British Columbia. Cintek provides broadband services to customer in remote and rural areas who are largely un-served by land-line-based broadband connections. Cintek’s renewal process response will reflect our interest in BC’s rural and remote markets.

Cintek’s access to 3500 MHz licensed spectrum, won in the 2004 spectrum auctions, radically transformed our business by allowing the change of services to occur which we now offer our customers. Due to our ownership of a licensed spectrum and the assurance of business continuity which the lack of interference brings, strengthened by the business certainty provided by this ownership, Cintek has made significant capital investments into our network. The success of Cintek as a fixed wireless provider is largely attributable to the relatively low auction price of this spectrum compared to the prices paid for in lower bands. Continued access to this relatively low-cost spectrum, through low renewal fees, will ensure a healthy and competitive market for fixed wireless services in the future. As a small Canadian telecommunications company we urge Industry Canada to strongly consider avoiding any regulatory measures that would endanger the health of this small but important aspect of the Canadian telecommunications economy.

Cintek has had considerable success in the deployment of WiMAX systems in the 3500 MHz band. A broader range of equipment has recently become available to support our customers’ desires and remain cost effective for our needs. To increase our presence in a way which further fulfills Industry Canada’s mandate, carrier-grade equipment remains cost prohibitive and limited in choice.

Cintek’s WiMAX deployment on the licensed spectrum has brought high-speed connectivity to many rural customers promoting the use of high-quality voice and video streaming applications. Cintek continues to invest in our WiMAX network to prepare for projected growing customer base and network demands.
(1) Industry Canada seeks comments of the proposed wording of the condition of licence related to deployment. Comments are also sought on the following proposals that:

A. deployments of fixed links not servicing an end user directly should be considered as an alternative method to meet WCS and FWA spectrum deployment licence conditions; and

B. when a requirement is considered for fixed links not servicing an end user directly should be set at 15 links per million population, per Tier 4 area at the end of the licence term.

4 LINKS PER 15 MILLION POPULATION IS APPROPRIATE

(3) For the 3500 MHz band, which of the two renewal options is preferred? OPTION A This helps to achieve the goal of getting broadband services to the end user and as this is the mandate we don’t think penalties or taxes in any form help achieve this end.

(4) For Option 1 (detailed in section 7.1 of this consultation):

A. Should licence terms be extended? YES
   a. If so, should they be extended by the same length for all licensees? YES
      i. Is three years an appropriate extension? NO
   b. Or, should the licence terms be extended to a fixed date for all licensees? YES
      i. Would December 2017 be an appropriate extension date? YES

B. Should the deployment requirement also be extended to the end of the proposed term? YES We feel most of the small licence holders are not trying to hold a licence without implementing, this has no financial benefit. There are many reasons that may slow the deployment, these have been well documented and may include the availability of equipment, the cost of equipment, competition, financing and a whole host of other obstacles. They, like us have every intention and desire to both implement according to the conditions of license and even surpass the required deployment limits so that this conversation may not be of concern again.

C. In considering an extension of the licence term, do you expect equipment in the 2300 MHz band to become available soon enough to achieve the deployment requirements by December 2017? No comment as we do not operate in this band.

D. In considering an extension of the licence term, do you expect LTE equipment in the 3500 MHz band to become available soon enough to achieve the deployment requirements by December 2017?

The equipment in the 3500 MHz band was not widely available for most of our licence term, so we do not remain hopeful that the LTE would be any different. If it does become available the question of cost effectiveness looms larger.

Thank you,

Randy Priore
Owner/operator
Cintek Inc.
250-489-4289