

SERVICE PROVIDERS

Wireless startup proves orphan spectrum works

Public Mobile shows it was worth buying rarely-used PCS spectrum in last summer's auction. Now it has to choose an equipment supplier and build a network

BY HOWARD SOLOMON

Ever since one of the winners of last summer's wireless auction paid a mere \$52 million for what some thought is unwanted PCS spectrum covering southern Ontario and Quebec, there have been questions over whether the company can actually be a cellular service provider.

At the time industry analysts were certain that while chipsets existed to handle the spectrum, there wasn't a handset on the market yet that could take advantage of it.

But Public Mobile, the new moniker for licence winner BMV Holdings of Toronto, showed last month at least one cellphone in the world can do the job. "Those that have written 'Maybe [our company] will get handsets, maybe they won't', here they are," crowed CEO Alek Krastajic.

The demonstration for the press used a ZTE C78 CDMA handset that Krastajic said is sold now by MetroPCS in the U.S. ZTE needed two weeks to install a filter for the Qualcomm chipset that works over the 1.9Ghz spectrum.

Public Mobile doesn't actually have its licence yet — Industry Canada still has to approve of the holding company's ownership, which includes U.S. venture capital — so it got a temporary licence for the demo to make calls.

The signal ran from the handset to a Nortel base station, which radioed it to Public Mobile's switch in Ottawa, where it connected to the public phone system. Technically, it was the first wireless call made by any of the new licence winners over spectrum acquired in the auction.

Public Mobile's target audience are the estimated 30-odd per cent of Canadians who don't own a cellphone and who want simple service — voice and text, not video. Initially, it will offer one plan: \$40 a month for unlimited talk or text.

Krastajic hopes to launch service in Toronto and Montreal at the end of September. Other new entrants — who paid hundreds of millions of dollars for AWS spectrum — such as Globalive Wireless and Quebec's Videotron, have said they will launch either late this year or early next year. Toronto-based DAVE Wireless hasn't said yet when or where it will launch.

Roaming on Public Mobile will have to wait until the rest of its network is built, but Krastajic suggested his target audience won't roam much, so won't see it as an important feature.

Unlike Bell, Telus and Rogers, there won't be a great range of handsets offered. Initially, Krastajic suggested, there will only be three.

STILL TO PICK SUPPLIERS

Although the trial used a Nortel base station, Public Mobile hasn't fixed on the equipment maker as its supplier, nor on ZTE as its handset supplier. Those decisions are expected in a month, which will affect the launch date.

Because the company is early out of the gate and the industry is highly competitive, the demo in a downtown Toronto coffee shop was marked with a little paranoia. Off in a corner were a group of technicians with a scanner to make sure someone wouldn't jam the signal.

The demo itself wasn't spec-

tacular — Krastajic phoned a reporter about 10 metres away from him. And there were two small snags: The reporter's phone rang, but when he answered it, another call plugged the line so he didn't connect with Krastajic. On the second attempt Krastajic got the reporter's voicemail. Finally, they connected.

As a demo went, it wasn't much, but it made Krastajic's point that despite getting what some thought is unusual spectrum, Public Mobile is determined to open its doors.

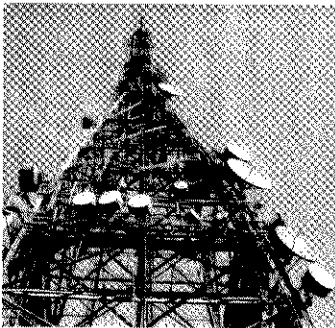
The network is being put together by Brian O'Shaughnessy,

vice-president of network and technology, who said he started his career as Bell Mobility's first radio frequency engineer. He rose to become VP of wireless technology development, and most recently Bell's VP of video and access network technology.

"It's very exciting to be back at what I started doing," he said, referring to the early network creation work he did at Bell.

Also at the launch were some of the venture investors, including Rick Nathan, managing director of Toronto's Kensington Capital Partners, who said he's pleased at the progress Public Mobile has made so far.

Neither he nor another investor group, Mike Lank of OMERS, Ontario's municipal employees pension fund, are worried about starting a wireless business in this economy. Public Mobile's business model is particularly suited for those searching for a value cellphone service, Nathan said. "This is a service for the masses," said Lank. ☎ 092477



Demo, which used a Nortel base station, needed a temporary licence from Ottawa

Waiting for mobile WiMAX

BY HOWARD SOLOMON

For almost two years Primus Canada has been conducting limited mobile WiMAX trials in two Ontario cities, trying to determine if and when broadband wireless service will be brought to Canadians.

The answer, according to the president of the carrier, is that maybe one trial will be expanded by the end of this year. But commercial deployment likely won't come until at least 2010.

The same is likely for other WiMAX spectrum holders in Canada, which include Craig Wireless of Winnipeg and the Inukshuk partnership.

Meanwhile in the United States, Clearwire is pushing ahead with its Clear broadband wireless service using the 802.16e technology in Portland, Ore., and

Baltimore (where its currently called Xohm) and promising to expand to more cities soon.

Mobile WiMAX promises fast downloads of Internet Web sites, music and video to people on the move is being trialed in a number of countries, and in commercial deployment in a few.

Development of the technology has been brewing for several years, with deployments in a number of countries including Korea and Pakistan. But in 2008 interest began to heat up, with an increasing number of carriers starting trials.

But in Canada, interest among carriers and service providers in mobile WiMAX is tepid. That may be because of the economy. In addition according to Cintia Garza, a WiMAX market analyst for

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