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May 29, 2012

County of St. Paul No. 19
5015-49 Ave
St. Paul, Alberta T0A 3A4

ATTENTION: Sheila Kitz, Chief Administrative Officer

RE: County of St. Paul RFP – Rural Broadband Internet Services

2.1 Qualifications and Experience:

MCSNet is a family owned and operated business that was founded in 1989. MCSNet began offering Internet services in 1994. In 2003, MCSNet officially launched as a Wireless Internet Service Provider (WISP). Today, MCSNet is Alberta's largest fixed WISP with over 15,000 customers and an infrastructure of over 400 towers spanning Northern Alberta and Western Saskatchewan.

MCSNet's success as a WISP is largely due to its unique model and approach to providing broadband service. As rural Albertans, MCSNet's management recognizes the importance of quality Internet service, and has made reinvesting in expanded coverage a big priority. With its small business mentality, MCSNet has kept its focus on cost cutting and efficiency. This emphasis allows the business to remain profitable even with the lower population densities (or lower subscriber counts per tower) that are intrinsic in rural Alberta. MCSNet's efficiency has also translated into great value for its subscribers: rural subscribers all benefit from the same highly competitive pricing, regardless of their location.

Today, MCSNet's larger scale has enabled partnerships with large industry players such as equipment manufacturer Cambium Networks (formerly Motorola) to deliver the highest performance and greatest reliability possible to rural residents.

Part of MCSNet's success over the years has been as a result of its public and private partnerships established with such municipalities as Strathcona County, Athabasca County, County of Lac La Biche, Lamont County, Beaver County etc.

MCSNet provides its own tower construction crews and equipment that are able to erect a range of towers varying from smaller 50' foot towers, up to 400' guyed towers. MCSNet is one of the only ISPs able to take on these types of projects from start to finish.

By partnering with MCSNet, you can be confident that its rural roots, high efficiency and proven track record will ensure a sustainable long term solution to the digital divide.

2.2 Current Investment Respecting Rural Broadband Service in the County:

MCSNet currently has approximately 1720 households/business served within the County.

MCSNet currently has 34 towers/sites spanning throughout the County.

2.3 Commitments in Partnering with the County:

MCSNet is committed to completing the application process with the County, along with taking care of all matters pertaining to the applications for permits, construction, electrical, leases etc. MCSNet would take full responsibility of the project and would require very little resources on the part of the County. We would however, want the County's input on finalizing the project's tower sites to ensure the best possible locations are chosen.

2.4 Other Commitments and Estimated Project costs:

2.4.1 Identifying Areas/Locations of Project Broadband Coverage

MCSNet is committed to work closely with the County in order to help establish the unserved/underserved areas and the proposed areas/locations that the project intends to provide access to high-speed internet.

2.4.2 Estimated Number of Households Benefiting from Project

The estimated number of households that will benefit from the proposed new service is 600+.

2.4.3 Estimated Costs of Proposed Project and Cost Contribution of MCSNet

The Estimated cost of the proposed project is as follows:

- 10 Towers Including Broadband Equipment = \$318,000.00
- Estimated Additional Costs for Electrical & Misc.= \$40,000.00
- **ESTIMATED GRAND TOTAL PROJECT COST: \$358,000.00**

MCSNet agrees to commit to 25% of all project costs. Assuming final project cost of \$358,000.00, MCSNet would contribute \$89,500.00 towards the project.

2.5 Project Time Schedule

Upon receipt of formal project approval and finalization of lease agreements, MCSNet estimates that the project of erecting 10 towers can be completed and operational within 12 months subject to regulatory delays.

Installation of services for each household/business is completely dependent on the demand of services by the rural residents that fall within a servable radius of the project's towers. Installations to customer premises are usually completed within 3 weeks of the customer applying for services as we have a minimum of 8 full time installers working daily.

2.6 Assistance in Completing the Application

MCSNet would be committed in assisting the County in completing the project's funding application.

2.7 Commitment in Providing Project Management and Engineering

MCSNet has all the necessary software and technical support staff to properly provide all the project management and engineering required to complete a successful project.

2.8 Important Information

MCSNet proposes an agreement with the County in which, for a 10 year term, the County would own the towers and radio infrastructure. MCSNet will contribute 25% of the project cost upon project initiation and the County will use this contribution as compensation of the following:

- 24% of the 25% contribution made by MCSNet, will be used to compensate the County for annual rental of the project infrastructure throughout the 10 year term
- The remaining 1% of the 25% contribution made by MCSNet will be used for the purchase of the project towers and radio infrastructure at the end of the 10 year term from the County

The County and MCSNet would jointly enter into this 10 year agreement whereby MCSNet shall have an exclusive lease to the entire tower and radio equipment thereon. MCSNet will maintain, replace, upgrade and support said equipment and network at no cost to the County. MCSNet will conform to Industry Canada regulations with regards to towers and collocation requirements. MCSNet will arrange and maintain an agreement/lease with each land owner of the project's towers, including monthly lease payments. At the end of the 10 year period, the County would sell the towers and radio equipment to MCSNet at 1% of the project cost.

The agreements will amount to MCSNet owning and maintaining the infrastructure, MCSNet committing to provide broadband services for a minimum of 10 years, and the County having no ongoing costs related to the project.

Furthermore, we have attached maps showing the approximate locations of our proposed project tower sites. Based on our experience and current interest in the County, we feel that these are areas that are currently underserved or unserved and are therefore, the best possible locations for the project's towers.

Looking forward to hearing from you at your earliest convenience, I remain

Yours truly,



Leo VanBrabant - CEO
1-866-390-3928 Ext. 240





