

# Council Business Meeting

February 20, 2018

**Title:** AFN Strategy and Marketing Update  
**From:** Donald Kewley AFN Operations Manager  
donald.kewley@ashland.or.us

## **Summary:**

The AFN Operations Manager will update the City Council on the Ashland Fiber Network's Strategy, Marketing Plan and discuss Net Neutrality.

## **Actions, Options, or Potential Motions:**

This item is for information only.

## **Staff Recommendation:**

N/A.

## **Resource Requirements:**

The funding for AFN Marketing was included in the approved 2017 – 2019 biennial budget.

## **Policies, Plans and Goals Supported:**

The AFN Marketing Strategy supports City Council Goal #17 Market and further develop the Ashland Fiber Network.

## **Background and Additional Information:**

The City of Ashland Fiber Network (AFN) started in the late 1990's with the vision of creating a telecommunications infrastructure to provide the City of Ashland with a public telecommunications utility that creates opportunities and enables citizens, business and municipal government to thrive as a connected community.

## **Net Neutrality**

The City of Ashland Fiber Network is a community owned open-access telecommunications infrastructure that showcases local people, supports local innovators and shares the community's unique way of living and thinking with the world.

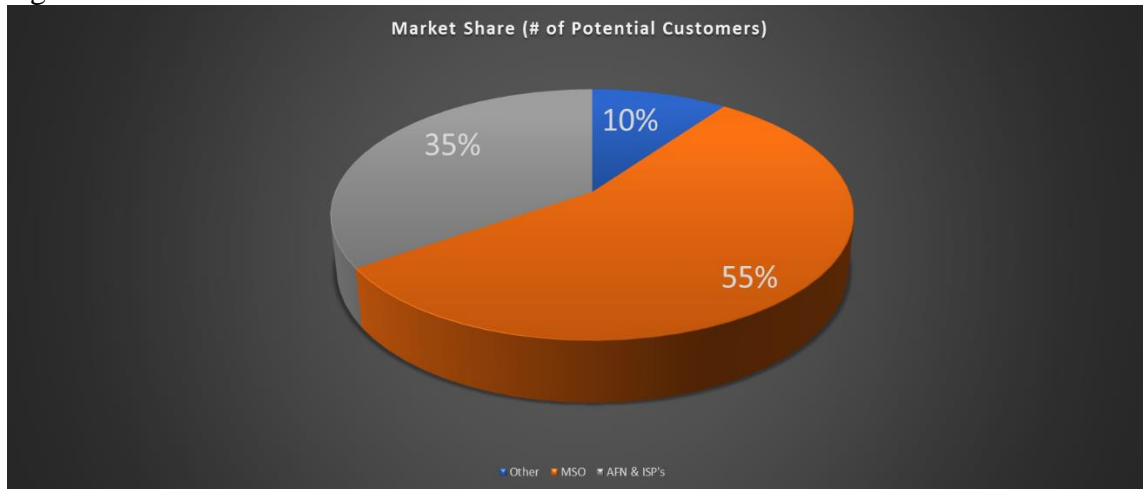
The Ashland Fiber Network and its local Internet Service Partners does not and will not collect or distribute subscriber's information or browsing history.

AFN and its partner ISP's treat all data on the Internet the same and will not discriminate or charge differently by user, content, website, platform, application, type of attached equipment, or method of communication.

## **Current Market Share**

As indicated in the chart below AFN and its partner ISP's combined serve approximately thirty-five percent of the total available customers in the City of Ashland. Charter Communications serves an estimated fifty percent leaving smaller MSO's such as DIRECTV and Century Link with the remaining ten percent.

Figure 1. Market Share



### Service Reliability

AFN's UB program tracks information pertaining customer service changes and disconnects for AFN direct-connect and ISP customers. The chart below shows that AFN's Headend and Outside plant reliability has improved significantly since 2012. This is primarily due to AFN plant and system upgrades that were completed during the 2015 2017 Biennium, improved management practices and internal controls.

Figure 2. Number of Disconnects

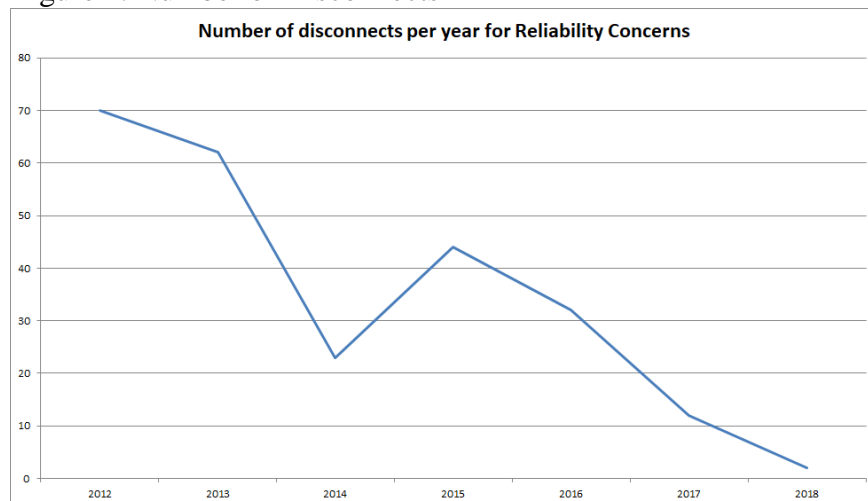
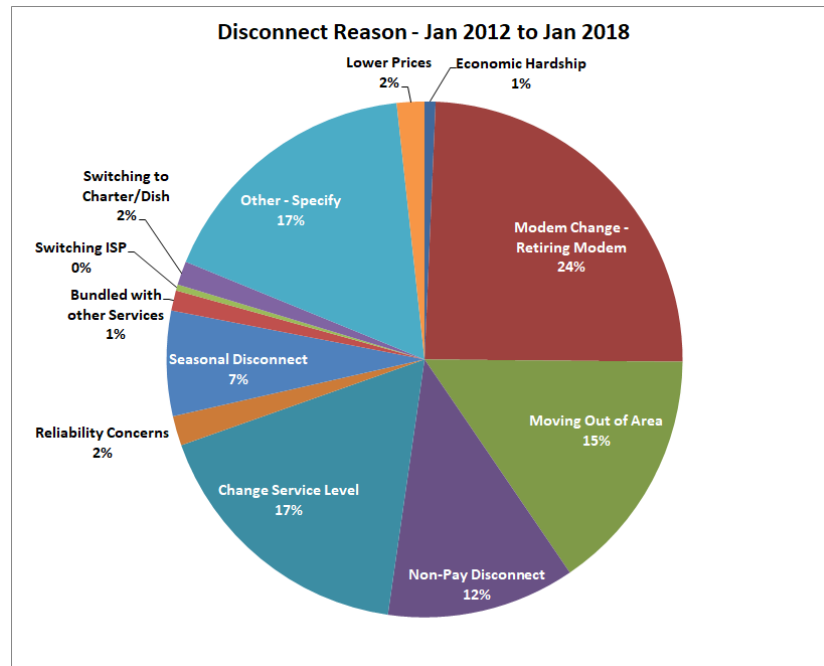


Figure 3. Disconnect Reasons



### Growth Trend Jun 2014 – Jan 2018

From June 2014 to Jan 2017 the overall customer count for AFN steadily declined. This was due to factors such as declining customer demand for antiquated television services, lack of customer education, lack of marketing & management structure and the absence of a clear vision for the future. In January 2017, the city hired a new operations manager to revitalize AFN by providing leadership, improving customer service, working with a consultant to develop a fresh marketing campaign, ensuring that staff receives much needed training & support, develop a platform for customer education and engage in community outreach. Since that time customer subscription rates have steadily increased (see Figures 4 and 5. Below)

Figure 4. Aggregated Monthly Customer Subscriptions Jun 2014 – Jan 2018

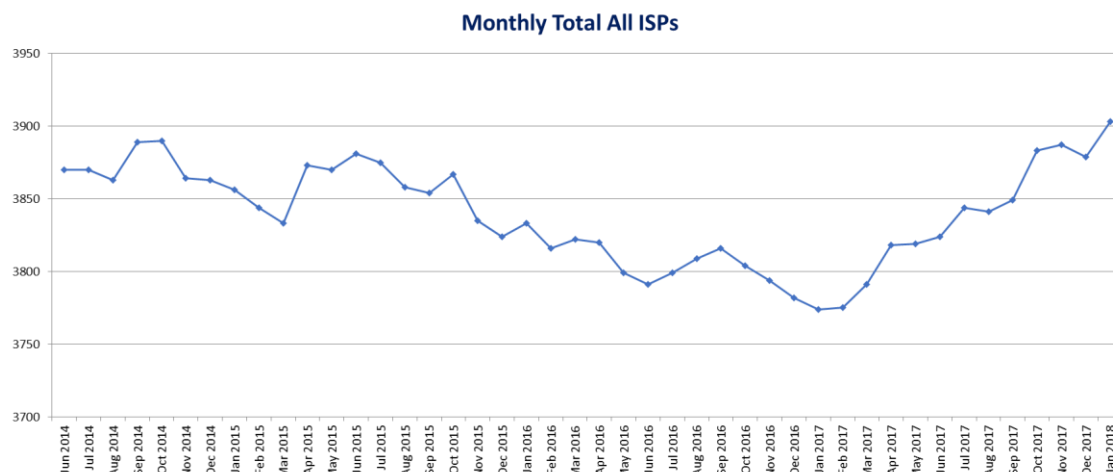
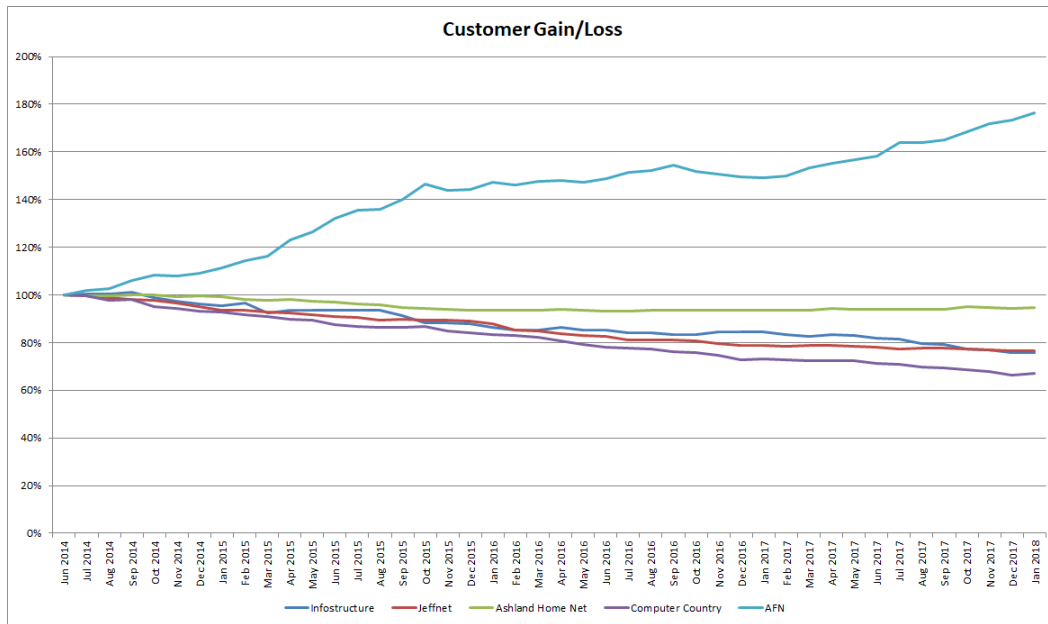


Figure 5. Monthly Customer Subscription Rates Breakdown By ISP



### Growth Strategy

Currently Ashland Fiber Network and partner ISP's customers combined currently use just over forty percent of the total available bandwidth (see Figure 3 below). To maintain competitiveness with Charter, DIRECTV and Century Link, AFN will double our current bandwidth offerings for the same low price. The Service offerings chart below (Figure 4) shows AFN and its partner ISP's currently advertised and the proposed new service offerings. According to industry standard forecasting models the proposed changes would increase total bandwidth utilization to approximately fifty percent, leaving enough capacity to facilitate future growth.

Figure 6. Total Current Bandwidth Utilization

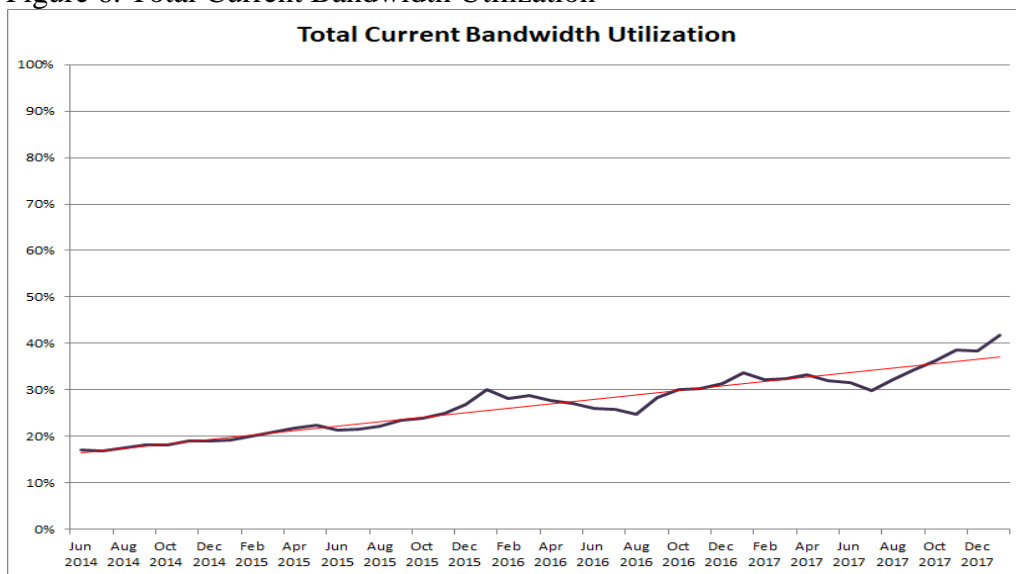


Figure 7. Service Offerings

	Max Home	Max Streaming	Max Small Business	Max Enterprise	Promo
Advertised Download	30 Mb/sec	60 Mb/sec	90 Mb/sec	120 Mb/sec	10 Mb/sec
Advertised Upload	3 Mb/sec	6 Mb/sec	9 Mb/sec	20 Mb/sec	1 Mb/sec
Proposed Download	60 Mb/sec	120 Mb/sec	180 Mb/sec	220 Mb/sec	25 Mb/sec
Proposed Upload	5 Mb/sec	8 Mb/sec	11 Mb/sec	26 Mb/sec	3 Mb/sec

#### Low Income Internet Service

- October 1, 2017 AFN developed an Internet Only service promotional for low-income families and senior citizens. The service provides 25 Mb/sec download and 3 Mb/sec upload which meets the minimum broadband standard as required by the FCC. Service offerings such as this are made possible because AFN is a community-owned utility that places more emphasis on providing community services than profitability.

#### Marketing Channels

##### Business and Community Based Organizations

- Chamber of Commerce
  - Greeters
  - Living and Doing Business Guide
  - Celebration of Lights Festival
  - 4th of July Celebration
  - Business Portal
- Southern Oregon Film Festival
- Newspapers In Education

##### City, Government & Education

- City of Ashland
  - Ice Skating Rink
  - Utility Bill Inserts & City Source Monthly Newsletter
  - Digital monitors in city facilities
- Ashland School District
  - Sports Sponsorship
- Southern Oregon University
  - Student Information Fair's

##### Trade Organizations

- Next Century Cities
- Connect Americans Now

Other

- Ashland TV (30 second commercials)
- Ashland phone directory

Current Advertising Campaigns

Figure 8. Living and Doing Business in Ashland Guide

## This good news travels fast.

### High Speed Internet for Residents & Businesses in Ashland

- Fastest upload & download speed in Southern Oregon
- Expert local partners to add TV, phone, and business services customized to you
- Low-income access program available

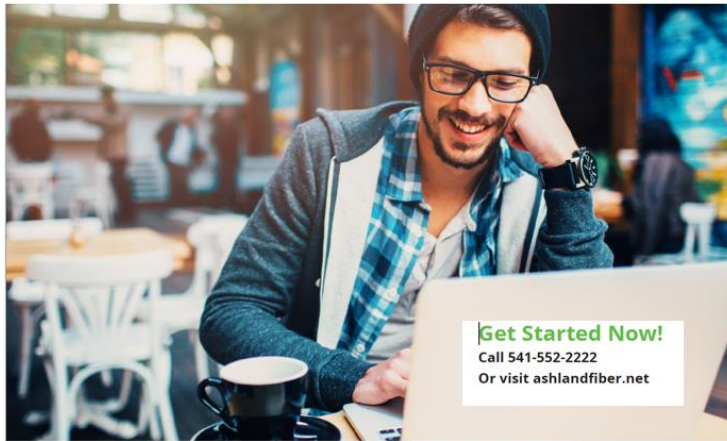


Figure 9. Direct Mail & Event Postcard

## High Speed Internet for Residents & Businesses in Ashland

**Max Home—Up to 30Mbps \$55/month**  
Email, surfing and music

**Max Streaming—Up to 60Mbps \$65/month**  
Great for video streaming

**Max Small Business—Up to 90Mbps \$95/month**  
Make your business fly



Attachments:

None