iPass Unveils Usage-Based Pricing

REDWOOD SHORES, Calif. – October 15, 2002 – Seeing an opportunity to improve the cost efficacy of broadband Internet for its customers as well as increase enterprise adoption of wireless broadband, iPass Inc. today unveiled usage-based pricing for Ethernet and Wi-Fi (802.11b) Internet connectivity. The new pricing plan which takes effect November 15, 2002 will charge users by the minute for broadband connectivity instead of the current market pricing model of a fixed fee for each twenty-four hour period of service.

"We've heard from our customers and our data shows that most broadband connections are less than one hour at each venue in a given day," said Jon Russo, vice president of marketing at iPass. "By changing how we bill for broadband services our customers stand to save a lot of money on their high-speed Internet consumption, which we hope will make broadband service more attractive. This new plan brings our broadband pricing model in line with how iPass bills for narrowband usage, such as with dial-up Internet."

Under the new broadband pricing plan, an end user using the iPassConnect™ smart client with the broadband service activated can get high speed Internet service at locations such as airports, hotels, convention centers and many other venues around the world and be charged only for the time spent connected to the Internet. The industry convention, and the way these same venues bill for service on an à la carte basis, is to charge the customer a flat fee for unlimited service in a twenty-four hour period.

"The key drawback for the all-you-can-eat approach to broadband billing is that most usage occurs in transient locations such as airports or hotels," stated Russo. "While it sounds compelling to use the Internet as much as you can within a twenty-four hour window, many users are not in a position to take full advantage of this pricing model. With usage at each location averaging only a single hour per day, the current market pricing model can create significant overcharges for use."

In one day an individual user can check e-mail in the morning at one hotel, synch his calendar at an airport gate and work online later in the evening at a second hotel, incurring a full twenty-four charge for each location, or seventy-two hours in fees for what may amount to less than three hours of usage. The twenty-four pricing structure can be a deterrent to some users who recognize they have only a limited period of time to connect to the Internet.

By facilitating the economical use of broadband service through its new per-minute billing model, iPass is providing a means for its customers to enhance their productivity while traveling. Larger organizations should realize savings even if several of their employees are "power-users" who consume many hours of Internet connectivity, as average consumption should cost less in the per-minute billing model. Under the new iPass pay-as-you-go pricing plan, customer savings could be realized immediately.

This pricing change comes at a time when iPass is poised to considerably expand its Global Broadband Roaming (GBR) network footprint. Over the course of the fourth quarter, iPass will introduce GBR access points in Europe, as well as increase the number of GBR access points in North America and Asia Pacific at key business travel destinations such as airports, hotels and convention centers. Today the iPass Global Broadband Roaming service includes over 400 domestic US and international Wi-Fi hotspot locations such as airports in Austin, Texas (AUS), Dallas/Ft. Worth, Texas (DFW), Minneapolis, Minn. (MSP), San Jose, Calif. (SJC), and Seattle, Wash (SEA). In addition the GBR service provides over 100,000 wireline broadband access points in hotels.

About iPass
provides software-enabled enterprise connectivity services that give employees secure access to information and applications on the corporate network from any location in the world. iPass'

global virtual network offers employees a range of Internet protocol-based connectivity technologies, including wired and wireless broadband service at airports, hotels and conference centers worldwide. The award winning and user-friendly iPassConnect™ smart client is easily deployed across multiple computing devices and operating systems within an enterprise. Once deployed, the iPass service gives the corporate IT department complete control over how network resources are accessed. iPass counts among its enterprise and service provider customers many of the most recognizable corporate brands and "Global 1000" companies. Founded in 1996, iPass is headquartered in Redwood Shores, Calif., with offices throughout North America, Europe and Asia Pacific.