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i-Pass Expands 'Roaming' Net Access

David Lazarus ✉   04.18.97

i-Pass Alliance said Thursday that 10 more Internet service providers had joined the company's growing global network, allowing subscribers of each ISP to access their home service with a local dialup virtually anywhere in the world.
The burgeoning success of i-Pass represents a significant challenge to online titans like America Online and CompuServe, which are investing millions of dollars into building infrastructure for global access. It's also a new lease on life for smaller ISPs seeking ways to compete for lucrative business clients.

"We're very pleased with the results to date," said i-Pass president Chris Moore. "The transaction volume is meeting and in some cases exceeding expectations."

Mountain View, California-based i-Pass is a privately held company and thus does not disclose details of its financial performance. But Moore said i-Pass was launched in January 1996 with about US$5 million in venture-capital funding, mostly from Silicon Valley's Accel Partners and Crosspoint Ventures.

It's such a no-brainer of an idea, you have to wonder why no one thought of it sooner. What i-Pass does is broker transactions between ISPs around the world. If a subscriber to a San Francisco ISP, say, travels to Nepal and wants to check his or her email, i-Pass purchases time on the Nepalese service when a local call is made and then passes the cost to the traveler at a slight mark-up.

When the traveler receives his or her usual flat-rate ISP bill, included will be additional roaming charges ranging from about 5 cents to 25 cents per minute. "We purchase access time as it's used," Moore said. "We're a pay-as-you-go function."

By contrast, i-Pass' main competitor is an outfit called AimQuest, which unites some 60 ISPs and telecom firms with the Global Reach Internet Connection network. This is basically a centralized billing system that allows participating companies to offer a range a services, from roaming Net dialups to faxing to intranet access.

With its $5,000 joining fee, AimQuest targets the high end of the client spectrum. The company landed a particularly large fish at the end of last year when 600,000-member-strong Netcom signed up. Talks are also under way with a major US telecom concern looking to expand its Internet service.

"Major players want to know who their partners are," said AimQuest president Hong Chen, adding that the relatively exclusive nature of his service may be cost-prohibitive for smaller ISPs.

That's where i-Pass comes in. The service now claims more than 100 participating ISPs in its global network, with some 1,000 local access points in more than 150 countries, and approximately 3 million total subscribers. Each ISP provides members with i-Pass software, enabling instant dialup access worldwide.

Joining the fold Thursday were Data Recall in Beaumont, Texas; Digital Advantage in St. Louis Park, Minnesota; LavaNet in Honolulu, Hawaii; Maui Gateway in Maui, Hawaii; MDI Internet in Vancouver, British Columbia; New Wave Communications in South Charleston, West Virginia; Silicon Connections in Moraga, California; Snow Hill Enterprises in Ozark, Alabama; SSI Micro in Fort Providence, Northwest Territories; and Valley InfiNet in Logan, Utah.

Heavyweight converts to the i-Pass network include UUNET Technologies, BBN, and Hong Kong Telecom.

i-Pass expects to welcome another group of new ISPs to the network early next week.

The brainstorm for i-Pass came to Moore and i-Pass communications director Karen Chakmakian while the two were in Hong Kong for a year doing some consulting. They realized that a network of local ISPs would be especially attractive in the Asia-Pacific region, where international business travel is common, and where an entire generation of computer users is emerging.

Kit Grant, marketing director at Hawaii's 5,500-member LavaNet, said i-Pass allows her service to add value and be more competitive against larger rivals. "People in Hawaii tend to travel," she noted. "Our customers have been asking for a way to dial in locally if they go to the mainland."

Grant said having access to one's usual ISP is a good way to ease culture shock when abroad. "Going to a different land, it's nice to have things around that you know," she said. "One of these things is your ISP."

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