

Silicon Valley / San Jose Business Journal - May 29, 2008

<http://sanjose.bizjournals.com/sanjose/stories/2008/05/26/daily55.html>



Thursday, May 29, 2008 - 2:27 PM PDT

San Jose airport offers free Wi-Fi

Silicon Valley / San Jose Business Journal - by [Emma Ritch](#)

In true Silicon Valley fashion, Mineta San Jose International Airport is letting its passengers surf the Web for free.

The airport officially began offering free Wi-Fi on May 29, although free Web access has been available in parts of the airport for several weeks. The San Jose airport, which serves 10.9 million passengers annually, is the only Bay Area airport to offer free Wi-Fi.

The airport spent \$90,000 for the hardware, folding the Wi-Fi installation into the current airport renovation. The annual cost for broadband will be \$41,000.

The airport gets about 30,000 passengers each day, so communications director David Vossbrink said a conservative estimate is that at least 1,000 people a day will use the free Wi-Fi. The network has a 15-megabyte bandwidth, airport technology director Diane Mack-Williams said.

"We probably didn't need that much bandwidth, but we wanted to make sure all our passengers have a good experience," she said.

The network will not block access to any Web sites, Mack-Williams said.

The network -- called SJCfreewifi -- will compete with fee-based Wi-Fi networks **T-Mobile** and Wayport. The airport's cut of the profits from those networks is \$139,000 a year, Vossbrink said, and that sum will decline if passengers opt to use the free service, which will include ads instead of the \$8-per-day Wi-Fi without ads.

Vossbrink added that having paid and free Wi-Fi service in one location is "uncharted territory." The airport is uncertain how much money will be generated, but officials were willing to take a chance because their first objective is to satisfy customers and then generate revenue, Vossbrink said.

Still, the airport demographic is so desirable to advertisers that the ads probably will generate enough money to cover all the airport's costs and possibly create a revenue stream, said W. Scott Holmes, executive vice president of strategic development for Airport Marketing Income.

Mineta San Jose officials are working with **Clear Channel** as well as Beaverton, Ore.-based Airport Marketing Income and Sunnyvale-based **AnchorFree Inc.** to subsidize the Wi-Fi with ads. The ads are likely to start in about six weeks and could generate enough money within a couple of years to pay the annual cost and cover the initial investment, Vossbrink said.

"This is a way to deliver free Wi-Fi to the nation's airports without a fee-based solution," Holmes said. "Consumers complain when they have to pay because they expect free Wi-Fi now. It's a huge challenge for airports, but we think we've found a solution."

The only area in the airport without free Wi-Fi is the Terminal A baggage claim because its distance from the other terminals requires additional, expensive equipment. But eventually the service is planned for the entire airport.

Denver International Airport is an example of how well ad-supported Wi-Fi can work. The airport switched to a free service in the fall and is already earning more from ads than it did from the \$8 daily user fee.

There are a handful of other U.S. airports that have started offering free Wi-Fi. Mineta San Jose could give AnchorFree and Airport Marketing Income the data to persuade half a dozen other airports to launch similar ad-based programs, said Mark Smith, chief operating officer of AnchorFree.

"The project is being closely watched -- not only by personnel of other airports, but also by municipalities considering free Wi-Fi," Smith said.

The airport's landing page also is promoting AnchorFree's signature product, a free download called the HotSpot Shield, which can block others from viewing users' online activity on the unsecure Wi-Fi network, a problem known as side-jacking.

"Having an entity like the airport recognize the inherent risks of connecting to free Wi-Fi and promoting our tool for safe browsing is an enormous validation point for our company," Smith said.

EMMA RITCH can be reached at (408) 299-1830 or eritch@bizjournals.com.

All contents of this site © American City Business Journals Inc. All rights reserved.