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Cisco Seen Touting Technology Boosting Internet Speeds

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NEW YORK (Dow Jones)--Cisco Systems Inc. (CSCO) may be readying a counterpunch to Google Inc.'s (GOOG) promise of delivering an ultrafast Internet connection to consumers.

The San Jose networking titan has built a large amount of hype around a technology announcement, scheduled for Tuesday, in which the company teased it would give networking "an adrenaline boost" and "forever change the Internet." Speculation has swirled around the company offering up a vision of how it will help telecommunications companies boost their Internet speeds to meet the growing demand by users.

"Cisco is standing by its (service provider) customers and promising higher speeds," said **Rajan Varadarajan, an analyst at Primary Global Research LLC.**

Cisco declined to comment ahead of the announcement.

The company, though, is seen providing a big-picture view of where Cisco wants to take its service provider partners, analysts say. It may include a discussion of the successful test of a 100 gigabit-per-second Internet transport system for the network backbone, which would translate to a faster connection at the home or office.

The news will likely also build on top of a platform it unveiled in February that is designed to manage the flow of mobile data.

The 1 gigabit-per-second mark--which is 100 times faster than what many U.S. consumers are used to seeing for an Internet connection--is an important benchmark because that's what Google is aiming for with its own high-speed Internet tests. The Internet giant last month shook up the service providers with its bid to offer super-fast Internet to select communities.

AT&T Inc. (T) will be a part of the event, but a spokesman declined to comment.

The service providers have long coveted being able to offer a faster Internet connection, which would allow them to charge more for the service and give them an edge over their rivals.

Cablevision Systems Corp. (CVC) offers a 100 megabit-per-second connection to its customers. AT&T has spent billions of dollars to replace copper with faster fiber-optic lines. But for many service providers, the small chunk of the network connecting homes and offices to the larger network still run on slower lines, and are too costly to upgrade to fiber optics, causing a bottleneck.

Verizon Communications Inc. (VZ) has spent \$23 billion to connect its homes directly to fiber optics, and it is testing a 10 gigabit-per-second connection.

Cisco is believed set to release a number of products to help bridge the gap for service providers. The company benefits from higher online usage, because its equipment makes up the underlying guts that bridge the Internet together. It has its eye on cloud services, which are delivered over the Web, as a major growth driver.

A faster connection in the home or office would encourage more extensive use, driving demand for Cisco's products. The service provider business is a crucial part of the company's bid to return to growth; the segment grew more than 20% over the year-earlier period during the fiscal second quarter.

The faster connection could also benefit Cisco's push to establish a consumer brand, says Zeus Kerravala, an analyst at research firm Yankee Group. The company is already in the consumer electronics business with the popular Flip digital video cameras, but Chief Executive John Chambers has aggressively pushed telepresence--a high-end video-conference product--into the home. But such a service would require a fast and dependable Internet connection.

Cisco shares closed up 1% Friday to \$25.21.

For now, technology observers can only wait by the company Web's countdown clock until Cisco makes its announcement.

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