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# Harris CapRock Eyes Hosted Payload Opportunities

By Paul Dykewicz

A “paradigm shift” is occurring in which hosted payloads will be viewed as an option for companies such as Harris CapRock, as much as they are for the public sector, said David Cavossa, executive vice president and general manager of government solutions at the Melbourne, Fla.-based communications and information technology company.

Cavossa, who spent six years as executive director of the Satellite Industry Association (SIA) before joining Harris CapRock, has been an avowed champion of using hosted payloads and he is looking at ways that his company can tap the capabilities directly.

Hosted payloads could be a way for Harris CapRock to enhance its competitiveness in a marketplace in which certain satellite fleet operators and equipment manufacturers are expanding their businesses into those offered by his company. Harris CapRock currently leases roughly 4 GHz of capacity on more than 60 satellites through 20-plus satellite fleet operators that use roughly 250 transponders, Cavossa said.

“That could end up being consolidated down into a handful of hosted payloads for the right opportunity,” Cavossa said. Harris CapRock is in a position to use its significant buying power to benefit its customers, Cavossa said. The company has not been directly involved in hosted payloads but that situation could change, Cavossa said. “We spend more than \$14 million a month on space segment, which serves as our single-largest cost item,” Cavossa said.

“Every bit of efficiency we can gain from that 4 GHz portfolio helps our customers complete their missions and improves our bottom line. As the largest purchaser of satellite capacity, besides the combined purchases of the U.S. government, the concept of ownership-like economics of hosted payloads is an interesting one.” As a facilities-based satellite service provider, Harris CapRock focuses exclusively on the energy, maritime and government sectors, Cavossa said.

“Today, we face competition in these three sectors from businesses small and large,” Cavossa said. “We face competition from satellite operators trying to move down the value chain, and equipment vendors trying to move up the value chain.” Specifically, satellite operators are moving down the value chain to provide teleport services, remote user equipment and field services, Cavossa said. Meanwhile, equipment manufacturers are moving up the value chain to offer bandwidth, field services and teleport backhaul services, he explained. “They are all starting to provide everything from upstream to downstream services,” Cavossa said.

Harris CapRock officials are feeling a competitive squeeze. “We’re right in the middle,” Cavossa said. “We’re not a satellite operator and we’re not a terminal manufacturer.” Satellite fleet operators many years ago began starting up government services business entities to move down the value chain and compete directly with satellite service providers, Cavossa said. Similar activities have taken place in the maritime sector, as well, he added.

“It’s difficult to determine if they consider the service provider community as partners or competitors,” Cavossa said. Additional competition is coming from several non-value added resellers that try to undercut others on pricing and “figure out how to perform” afterward, Cavossa said. Plus, several large defense systems integrators are attempting to expand their offerings to include end-to-end communications solutions, he added.

There also is price competition from new small business entrants who are “not invested in the customer’s mission,” as well as from large businesses that can afford to make “huge investments” aimed at reaping the benefits of ownership economics, Cavossa said.

“Harris CapRock recognizes that we must continue to evolve to meet this changing market environment,” Cavossa said. “We must procure space segment, terrestrial, teleport and field services with a more strategic and long-term focus. We have remained focused on investing in and offering new and innovative products and services that beat our competitors to market and offer our customers the best technology available at the best value.

To that end, we are exploring opportunities for strategic partnership, which will also help us achieve three strategic objectives: to grow revenue, grow margin and further expand our customer-service capabilities.” Those strategic partnerships may well include hosted payloads. “Harris CapRock is a global communications provider with the capabilities to provide service to sites located anywhere in the world,” Cavossa said.

“We’ve invested in assets, people and infrastructure around the globe, so we can provide communications regardless of where clients’ operations may take them. We’re looking for ideas and partners who can help us leapfrog the competition and drastically improve our competitive position in the marketplace. Hosted payloads would certainly be one option for achieving those goals.”

Harris CapRock customers in the energy, maritime and government sectors share common requirements that include operating in some of the world’s harshest and most remote environments, Cavossa said. The needs of those customers often move quickly from one region to another with little notice, he added. The customers require converged communications that can support high-bandwidth video and data applications, as well as low-bandwidth voice requirements, Cavossa said.

Since the customers’ communications needs are mission-critical, the services provided to them have to be highly reliable, secure, flexible and survivable. They need 24x7 service and support for their networks and user equipment, requiring Harris CapRock to dispatch field service technicians on helicopters to assist within minutes of a service-affecting outage.

Harris CapRock delivers communications solutions that include hardened remote terminal equipment, high-bandwidth satellite and terrestrial communications, managed network services, and global field support, Cavossa said. Cavossa oversees all of Harris CapRock’s government sales, business development, strategic planning and space segment management. He also is responsible for leading customer-program teams and coordinating government affairs activities.

Find out how another company, XTAR, is utilizing hosted payloads in this [video](#) <sup>[1]</sup>.

*Paul Dykewicz is a seasoned journalist who has covered the development of satellite television, satellite radio, satellite broadband and hosted payloads.*

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