

# AWS, Google Cloud, Microsoft Azure, and Oracle win \$9B defense cloud contract

Article

**The news:** The Pentagon has awarded the contracts for the \$9 billion **Joint Warfighting Cloud Capability (JWCC)** to **Amazon Web Services (AWS), Google Cloud, Microsoft Azure,**

and **Oracle**, per [The Register](#).

**The background:** The **US Department of Defense** announced last year that it would [solicit bids from the four cloud competitors](#), which is in line with a distributed, multi-vendor approach. JWCC is the successor to the long delayed **JEDI** deal which had been awarded solely to Microsoft before the deal was rescinded.

- The DoD initially struggled to sift through four sets of proposals and [delayed its announcement of the winners](#)—from March 2022 to Wednesday.
- The [contract notice](#) states the deals are for provision of "enterprise-wide, globally available cloud services across all security domains and classification levels, from the strategic level to the tactical edge."
- In terms of funding, a **\$1.6 billion yearly budget will be split four ways**—a drop in the bucket for some cloud giants that generate annual cloud revenue over \$20 billion.
- However, **the prestige of being the Pentagon's defense cloud provider could be priceless as these companies expand** services to businesses and countries.

**The bigger picture:** A multi-cloud, multi-vendor approach to a large defense project ensures that various stakeholders are kept in check, with **no one company pulling all the strings. It guarantees competition over price and the extent of each provider's involvement.**

- The DoD can pick and choose services and expertise from a variety of sources, while competition among the vendors could result in innovation for the cloud space.
- Of all the competitors, AWS and Microsoft "appeared to be capable of meeting all of the DOD's requirements from the outset, including providing cloud services at all levels of national security classification," the DOD said.
- Google and Oracle redoubled efforts to secure parts of the contract after negotiations.

**The big takeaway:** Confirming the DoD's JWCC contract is another big win for the Biden administration and comes just days after the [groundbreaking at TSMC's Phoenix chip factory](#), revealing that long-term technology initiatives are falling into place.

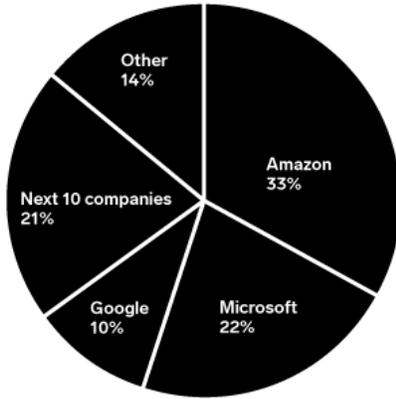
- The JWCC contract, which is likely four contracts—one for each vendor—will have a ceiling of \$9 billion, with three base years and two option years.

- Stakeholders can now get to work to better define the government’s defense cloud, which will likely lay the foundation for the DoD for the next decade.

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**Cloud Services Market Share Worldwide, by Brand, Q1 2022**

% of total



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Note: Q1 2022 revenues=\$52.7 billion  
Source: Synergy Research Group, May 2, 2022

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