

Amazon.com, Inc.

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Amazon fires back at Pentagon decision to award \$10 billion JEDI cloud contract to Microsoft

Amazon Inc (NASDAQ:AMZN) is going up against the Pentagon in a challenge to the defense department's \$10 billion decision to award a cloud computing deal to rival Microsoft Corp (NASDAQ:MSFT).

The online retail giant filed notice that it would formally protest the Pentagon's decision on its new project, known as the Joint Enterprise Defense Infrastructure Cloud, or JEDI.

Reuters reported that in a company-wide meeting on Thursday, Amazon Web Services' CEO Andy Jassy said it would be challenging for a US agency to award a contract objectively when the president is disparaging one of the contestants, according to an Amazon spokesman.

The Pentagon awarded Microsoft with the contract in late October, surprising many - including Amazon itself, which was widely considered the favorite to win the ten-year agreement.

Amazon Web Services has worked with the Department of Defense in the past and won a \$600 million CIA cloud contract in 2013.

Questions as to whether the Pentagon's decision was in part politically motivated abound. US President Donald Trump has publicly made it known that he is not a fan of Amazon's CEO Jeff Bezos, referring to him as "Jeff Bozo" on Twitter and mocking his very public divorce.

Bezos owns The Washington Post, which has long been critical of the Trump administration.

In a statement to reporters back in July that could bolster Amazon's political argument, Trump questioned whether the bidding process was fair, saying he had heard from other companies in the race that the contract wasn't competitive.

Defense Secretary Mark Esper disputed the notion on Friday, saying the competition was entirely fair to both Amazon and its competitors.

JEDI involves providing cloud services to store sensitive military data and technology to the Department of Defense, part of the Pentagon's efforts to modernize its storage platforms. On the flip side, technology companies are increasingly seeing demand for its services from government business.

For now, contract winner Microsoft has remained silent about its rival's protests.

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Price: 1963.95

Market Cap: \$977.68 billion

1 Year Share Price Graph



Share Information

Code: AMZN

Listing: NASDAQ

52 week High Low
2185.95 1627

Sector: Retail

Website: www.amazon.com

Company Synopsis:

Amazon.com, Inc. offers services to consumers, sellers, and developers through its retail Websites. The Company offers programs that enable sellers to sell their products on its Websites and their own branded Websites.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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