Pentagon cancels Microsoft JEDI contract, will ask for new cloud computing bids

The US Defense Department has canceled the $10 billion JEDI cloud computing project it awarded to Microsoft in 2019, saying the controversial program's design "no longer meets its needs." The department will replace JEDI with another cloud infrastructure contract and plans to solicit bids from Microsoft as well as Amazon — which sued over losing the original contract.

CNBC reported the news earlier today. "Due to evolving requirements, increased cloud conversancy, and industry advances, the JEDI Cloud contract no longer meets its needs," reads a Defense Department press release sent to *The Verge*. "JEDI was developed at a time when the department's needs were different and both the CSPs technology and our cloud conversancy was less mature," said acting Defense Department chief information officer John Sherman as part of the statement.

The release also announced a multi-vendor contract called the Joint Warfighter Cloud Capability contract to provide many of the services offered by JEDI. CNBC says the Defense Department considers Amazon and Microsoft the only companies capable of providing the necessary infrastructure, although it says it will perform market research to see if other competitors could fit the bill.

JEDI would have seen Microsoft provide cloud services for data storage as well as artificial intelligence tasks and other computing requirements, although some Microsoft employees

protested the decision to submit a bid. Microsoft beat Amazon to secure the contract, and Amazon filed a lawsuit claiming former President Donald Trump’s animus against it had improperly influenced the decision. The suit placed JEDI on pause, and this spring, a judge allowed the case to proceed to trial. Amazon didn’t immediately respond to a request for comment on how and if it plans to continue the suit.

In a statement to Congress in January, the Defense Department had suggested that a protracted dispute with Amazon could jeopardize JEDI’s future, thanks to an “urgent, unmet requirement” for cloud computing. “We remain fully committed to meeting these requirements, we hope through JEDI, but these requirements transcend any one procurement,” said Defense Department press secretary John Kirby in May. “And they’re going to have to be met one way or the other.”

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