

November 23, 2021

By Electronic Submission

The Honorable Rostin Behnam
Acting Chair
U.S. Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

The Honorable Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

The Honorable Todd M. Harper
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Michael Hsu
Acting Comptroller
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

The Honorable Jelena McWilliams
Chair
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-9990

The Honorable Jerome Powell
Chair
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Sandra L. Thompson
Acting Director
Constitution Center
400 7th Street, SW
Washington, D.C. 20219

Thomas E. Workman
Independent Member with Insurance Expertise
Financial Stability Oversight Council
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Members of the Financial Stability Oversight Council:

The recent hours-long outage of Facebook, WhatsApp, and Instagram has exposed the risks monopolistic corporations pose to our communications infrastructure. A similar outage of Amazon Web Services (AWS), the dominant cloud computing platform used by industry and

financial institutions, has the potential to upend global financial markets. To address these grave concerns and ongoing risks to the financial system, the 14 undersigned organizations urge you to exercise your authority under Title VIII of the Dodd-Frank Act to designate AWS and other dominant cloud computing platforms as Systemically Important Financial Market Utilities (“SIFMUs”).

The FSOC considers financial market utilities as institutions that function as the “plumbing of the financial system.” The financial system is increasingly reliant on AWS for basic infrastructure. AWS held 41 percent of the cloud computing market in 2020, more than double the second-largest competitor. Two years ago, a former AWS engineer allegedly stole personal data from Capital One customers [housed in the AWS cloud](#). 100 million customer records, 140,000 Social Security numbers and the details of 80,000 linked bank accounts were stolen in the breach. In early October, hackers breached Amazon’s Twitch streaming service, revealing source code for Twitch’s applications as well as data on payouts to the [platform’s most popular streamers](#). These exploits show the dangers of Amazon’s failures to address operational risk even as it amasses larger and larger portions of the market. It also shows the potential negative consequences for even minor disruptions to AWS.

In 2019, Reps. Katie Porter and Nydia Velázquez called on the FSOC to consider SIFMU designations for [Amazon AWS, along with Microsoft Azure and Google Cloud](#). The Trump administration discussed the issue at a November 2019 FSOC meeting, but failed to act.¹ Amazon’s infrastructure as a service (“IaaS”) market share [grew by 28.7 percent](#) the following year. In 2020, academic research documented how the dominant cloud service providers now function as core infrastructures in financial markets, enable transaction processing, provide network linkages between financial institutions, and represent single points of failure. These combined risks to financial stability warrant their [designation as SIFMUs](#). The undersigned civil society organizations amplify these calls.

Financial market utilities become systemically important and deserving of SIFMU designation when their failure or disruption could create the risk of significant liquidity or credit problems spreading among financial institutions or markets, threatening the stability of the financial system. As with securities and currency exchanges currently designated as SIFMUs, a failure of AWS would threaten financial stability. Disruption at a cloud service provider like AWS could devastate banks that use its services, with consequences for the entire financial system. Designating major cloud providers as SIFMUs would merely acknowledge these realities.

¹ During the Trump administration, the FSOC discussed financial institutions’ use of cloud service providers at the Nov 7, 2019 meeting. The minutes state that Brian Callanan, General Counsel at Treasury concluded that “while new cloud service provider business models could emerge over time, no cloud service provider had been identified that would currently qualify as an FMU.” <https://home.treasury.gov/system/files/261/November072019-minutes.pdf>

We therefore strongly urge you as members of the FSOC to take action to protect the stability of the financial system and use your authority under Title VIII of the Dodd-Frank Act to designate dominant cloud services providers as SIFMUs.

Sincerely,

National/International:

Action Center on Race & the Economy (ACRE)

Americans for Financial Reform

Consumer Action

Demand Progress Education Fund

Demos

Institute for Local Self-Reliance

International Brotherhood of Teamsters

Liberation in a Generation

Main Street Alliance

Open Markets Institute

Public Citizen

Revolving Door Project

Strategic Organizing Center

State/Local:

Warehouse workers for justice