

Press Release



Dark Clouds Ahead: Analysis of Increasing Regulatory Scrutiny of the Cloud Computing Market

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Driven by concerns of market concentration and anticompetitive conduct, the Federal Trade Commission (FTC) and its European counterparts have begun examining cloud computing markets and exploring options such as breaking up large cloud computing firms. In a new insight, Technology and Innovation Policy Analyst Joshua Levine and John Belton walk through the current regulatory scrutiny of cloud computing, examine the harmful consequences of the proposed regulations, and explore potential alternatives to address specific anticompetitive practices.

Levine and Belton conclude:

As the FTC, Competitive Markets Agency, and European Union regulators examine the cloud computing industry, they should understand the potential costs that poorly targeted regulation could impose on firms and consumers. Currently, cloud computing is the bedrock of information technology infrastructure, and its importance in global markets is projected to grow significantly. Its benefits can be best observed for small businesses, allowing efficient scaling of their operations. Overly aggressive regulation would substantially reduce the benefits of the service enjoyed by consumers. Instead, regulators should consider a targeted approach focused on implementing changes that would promote cost savings for firms as well as competition, both contributing to benefits for consumers.

[Read the analysis](#)