Amazon is acquiring self-driving car startup Zoox

Amazon is acquiring self-driving car startup Zoox in a deal estimated to be worth over $1 billion. The deal will give Amazon control of the nearly 1,000-person startup that has been developing an electric self-driving vehicle. Rumors of the acquisition first emerged last month, when it was reported that Amazon would acquire Zoox for less than the $3.2 billion it was valued at back in July 2018.

The Information and *The Financial Times* initially reported the acquisition, which was later officially confirmed by Amazon.

“Zoox is working to imagine, invent, and design a world-class autonomous ride-hailing experience,” said Amazon CEO of Global Consumer Jeff Wilke, “Like Amazon, Zoox is passionate about innovation and about its customers, and we’re excited to help the talented Zoox team to bring their vision to reality in the years ahead.”

Although Amazon did not confirm the amount it’s paying for Zoox, reports suggest this is the company’s biggest investment yet in self-driving car technology, and one of its biggest purchases ever. Prior to the announcement *The Information* speculated that Amazon could use the technology for autonomous deliveries, similar to its existing robot and drone delivery projects, while the *Financial Times* said that Amazon will use the acquisition to produce an autonomous ride-hailing fleet to compete with the likes of Alphabet’s Waymo.

Zoox has been testing its technology in San Francisco and Las Vegas
Zoox has been developing a bi-directional vehicle with no

steering wheel or discernible front or back end, allowing it to comfortably travel in either direction, which the company said would enter testing in 2020. Zoox has been testing its self-driving technology in a fleet of retrofitted Toyota SUVs in San Francisco and Las Vegas. However, these tests have been impacted by COVID-19 shutdowns, and in April Zoox laid off almost all of its contract workers, including its backup drivers. At the time it said it planned to re-hire them once the shelter-in-place orders were lifted.

Zoox recently admitted that four of its new hires from Tesla were in possession of confidential documents from their previous employer when they joined Zoox's logistics team. The disclosure came after Zoox settled a lawsuit over the matter, in which it agreed to pay Tesla an undisclosed amount of money and perform an audit to make sure no other employees had confidential Tesla information.

Amazon says the Zoox team will continue to be lead by its current CEO Aicha Evans and CTO Jesse Levinson. *The Financial Times* previously reported that Amazon will let Zoox run as an independent subsidiary after the acquisition, similar to how Twitch currently operates. Amazon is expected to have to invest billions to bring Zoox's vehicles to market.

This will not be the first investment Amazon has made in self-driving car technology. Last year the eCommerce giant took part in a funding round for Aurora Innovation, an autonomous tech startup helmed by the former head of Google's self-driving car project. Amazon has also invested in electric vehicle startup Rivian.

Update June 26th, 9:40AM ET: *Updated with confirmation from Amazon that it is acquiring Zoox.*

https://www.theverge.com/2020/6/26/21304111/amazon-zoox-acquisition-self-driving-car-autonomous-vehicles-startup-robotaxi-bi-directional-vehicle