

# Apple buys self-driving startup Drive.ai

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In this Saturday June 15, 2019 photo customers leave an Apple store on the 3rd Street Promenade in Santa Monica, Calif. Apple has bought a struggling self-driving car startup as the iPhone maker continues to explore the potential market for robotic vehicles, despite recently curtailing its work on the technology. The Cupertino, Calif., company confirmed its acquisition of Drive.ai Wednesday, June 26, without disclosing the price. (AP Photo/Richard Vogel)

Apple has bought Mountain View startup Drive.ai in a move that renews questions about the tech giant's secretive self-driving car project.

The acquisition, confirmed by an Apple spokeswoman Wednesday, comes after the autonomous vehicle startup laid off 90 California employees in a permanent closure. The layoff notices were received last week and effective June 28, according to a filing with the state Employment Development Department.

Apple would not provide other details, including purchase price. Drive.ai, which according to Crunchbase had raised \$77 million since its founding in 2015, was reportedly worth \$200 million at one time.

Drive.ai, founded by former members of Stanford University's Artificial Intelligence Lab, had been testing a free ride-hailing service in two Texas cities. The Frisco test ended in March, per the company's contract with that city, according to Automotive News. The Arlington test ended last month, a city spokeswoman told the San Francisco Chronicle. Both tests involved orange self-driving Nissan vans that could be hailed with an app and operated on limited routes, such as around the Dallas Cowboys headquarters and the University of Texas at Arlington. It is unclear how many employees Drive.ai had in Texas.

Axios reported that Apple—which earlier this year reportedly cut 190 employees in its self-driving division known as Project Titan—has hired "dozens" of Drive.ai engineers.

Drive.ai's letter to California's EDD about its layoffs, dated June 12, showed at least a couple dozen employees had "engineer" in their job titles. Also included on the list of layoffs was the CEO position. It is unclear whether Bijit Halder, whose LinkedIn profile still shows him as chief executive of Drive.ai, will be joining Apple.

One analyst predicted that Apple's move could be a start of more consolidation within the autonomous vehicle industry, with bigger companies gobbling up smaller ones.

"Self-driving is five to seven years away from monetization," said Dan Ives of Wedbush Securities. "And regulatory will be a big issue."

Drive.ai did not return a request for comment.

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