



"We Want to Bring America Back" – Canoo's CEO Tony Aquila on American Pride in Electrification

By Lynn Walford - September 27, 2021



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Tony Aquila wants to do right in the world and has the data, skills, experience and investments to lead to a better-electrified future. Named CEO of U.S. electric utility, truck and mobility vehicle maker Canoo in April of this year, Aquila talked with Auto Futures from his Wyoming ranch.

He reveals his vision to instill pride in American-made electric vehicles.

Today, Aquila is best known for being an entrepreneur and investor. He worked his way up from the auto body shop floor into building and running a multi-billion-dollar international company.

"I have always been entrepreneurial. I was attracted to mathematics. However, when I was a kid, I was in too much trouble so I wound up in the military. It helped me to get a better perspective on the world," says Aquila. He was raised internationally in an Italian and Lebanese immigrant family in Richmond, California.

He worked year-round in his uncle and cousin's body shops, learning about automotive parts and repairs.

"What happened in these communities is that the Leonardo da Vincis became mechanics or ended up in the crafts," says Aquila.



Learning About Automotive Parts From The Inside Out

Working at automotive body shops and founding the tech company Solera Holding enabled Aquila to learn about the automotive business from the inside out. He saw what was happening and the flaws in the automotive world and the repair industry while creating software and analytics for insurance, repair providers, logistics and automotive companies.

"First, the big automakers laughed at me," says Aquila about his early days at Solera.

At the time, there were different repair manuals and different part numbers throughout the automotive industry. Using Solera software, repair shops could see where a part came from. All that was needed was to type in the VIN, says Aquila.

"For example, we found that maybe part for a Nissan was almost the same as the part for a Toyota except for one plate, but the Toyota part could cost three times more," he explains.

What he learned from Solera data is that most automakers in the U.S. are assemblers of parts. Therefore, the second-life of vehicles have a low value. Automakers were becoming parts assemblers that he likens to Dr Frankenstein's monster made from various parts.

"When we cross-referenced the part numbers, we found that a lot of the OEMs and tier ones were just creating a Franken-platform to make Franken-bots," muses Aquila.

Like many others in the automotive space, Aquila collects vintage cars and owns a 1976 Cadillac Eldorado, which he calls a 'dreamboat'.

In the 1970's, Cadillacs were uniquely designed and had their own engines. In the 80's, Cadillac started using other parts. By the 90's Cadillacs lost residual value because a Cadillac was virtually a Chevy, he says.

Another problem in vehicles is the number of microchips used. He says, because of all the different microchips in the vehicles, there will be security problems with ADAS. There could be remote hacking that somebody could hack into a vehicle and then cause the vehicle to drive off the road.



Investing in The Future of Canoo

In 2016, when Aquila was CEO of Solera Holdings, after being on the stock market the company was privatised in a \$6.5 billion transaction. He left the company in 2019. He saw that electric vehicles would be the future, and was only looking to invest in an EV company.

“When we have a success, we get a blessing. I wanted to do some great things and find the right EV company,” says Aquila. “I wanted to invest in something that would make the world a better place.”

He says he invested in Canoo because the company makes its own engine, its own chassis, and offers articulation with brake by wire and drive by wire. He also likes that Canoo vehicles do not have steering columns.

“A steering column kills a lot of space and requires hundreds of parts while an articulated steering wheel needs much less space and parts,” says Aquila.

“Cars in the past were 80% mechanical and 20% technology. With Canoo it is 20% mechanical and 80% technology.”

Then he saw that his background in technology would be helpful to Canoo. Aquila officially joined Canoo's Board of Directors as the Executive Chairman in October 2020 before the merger with Hennessy Capital Acquisition Corp. IV as part of a special purpose acquisition company (SPAC).



Becoming Part of Canoo And its Parts

Canoo first announced its Lifestyle Vehicle in fall 2019, the Multi-Purpose Delivery Vehicle (MPDV) in December 2020 and Pickup Truck in March 2021.

"I want to build vehicles for people for good. Build vehicles that retain their value. The technology platform for Canoo uses half the microchips. Less than 10% of the parts are sourced from outside the U.S. and allied nations," says Aquila.

When asked where the batteries for Canoo vehicles will be sourced, Aquila was 'mum' and said the company has not revealed its U.S. source for batteries, yet...

At first, the Lifestyle Vehicles will be made by VDL Nedcar in the Netherlands, where BMWs are made. Then vehicles will be made at Canoo's 400-acre factory in Oklahoma. The factory location is well situated near transportation hubs in the middle of the states.



Locating the Right Location

"The location is in the centre of the country with the best weather below freezing, connections by water rail and road," says Aquila. Plus, Oklahoma has the best cost of living, where 98% of the people there can own their own homes.

Oklahoma Governor Kevin Stitt said to Aquila "We're going to make you the Henry Ford of electric vehicles."

The Canoo factory will be built on the Cherokee Nation's reservation in MidAmerica Industrial Park.

"If you look at a prison and a GM plant they look the same from overhead. History has taught us a lesson we need to honour the land," says Aquila.

When asked about the House Ways and Means proposal to give a higher incentive rate for union-made EVs, Aquila responded.

"I work from a principle of just doing the right thing. When you see the factory, it is spectacularly ecologically built. The factory will integrate automation and workers. Workers will be making a liveable wage of \$25 an hour. I believe it is really important that people be paid well and then they will work with pride."

"We are focused on making a difference. I believe that it is important to make a difference. We just have to do things right. We are going to be part of the community. We are offering vocational technology, day-care and education," adds Aquila.

"We will be working in the Steel Belt and we want the people who build our cars to have a connection to nature and also drive the vehicles," says Aquila.

Canoo plans to create 2,000 jobs. The factory is expected to be completed sometime in 2023.



"We are creating respect. We want people to respect the work we do – while we all take pride in doing it better."

Aquila imagines a future of Canoo vehicles as holding their value and providing service for tough jobs.

"The vehicles will have residual values and an average owner will save \$50,000 to \$80,000 over its life in service and maintenance and repair," says Aquila.

"The reason why Ford's and Chevy's trucks are still doing well is that they were built to last and they were built tough. We want to bring back that kind of build to the U.S. by using U.S. and allied nations parts," says Aquila.

He pointed out many advantages of the vehicles. Canoo vehicles can be driven on all kinds of roads such as an open road or a cobblestone Roman road in Europe. Canoos are articulated with technology, meaning the trucks can be adjusted without mechanical adjustment.

Canoos have the wheelbase the size of Prius, the body size of a Ford Ranger and can carry the payload of a Ford F-150 expounds Aquila.

"We are an engineering-minded company because we want to bring America back. We want to make our country proud. When you ride in our vehicles on the road – that's sovereignty. That's creating pride in who we are and what we are doing. We are creating respect. We want people to respect the work we do – while we all take pride in doing it better," he concludes.

Lynn Walford

NEXT STORY

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By Kia Corporation - September 25, 2021



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