



FILE PHOTO - The logo of Tesla is seen in Taipei, Taiwan on August 11, 2017. REUTERS/Tyrone Siu/File Photo

Tesla Fires Nearly 700 Employees As The Company Struggles To Produce Model 3



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Tesla fired between 400 and 700 people after completing an employee evaluation review earlier this month, according to a report Friday evening from The San Jose Mercury News.

The Silicon Valley company confirmed the cuts Saturday in a statement, but neglected to disclose how many employees were release. But current and former Tesla employees [estimate 400 to 700 people](#) have lost their jobs – administrative workers, sales jobs, and manufacturers are among those jettisoned.

Tesla's job cuts have come as the company attempts to stamp down claims employees who are working to produce the Model 3 are being overworked and underpaid.

The company [managed to build](#) a mere 260 Model 3s between July and September, a number well below the 1,500 Tesla promised before the end of the fourth quarter. Total orders for the supposedly wallet-friendly vehicle tumbled to 455,000 from a high of 518,000.

Production on the highly touted vehicle [was expected to expand](#) from 100 cars in August to 1,500 in September, and plateau to 20,000 per month in December. CEO Elon Musk promised to eventually produce 20,000 cars per month. But Tesla's decision to fire scores of employees could complicate that agenda, as well as ignite more calls for the company to unionize.

One employee, Jose Moran, a production assistant with the company, [wrote in an editorial](#) in February that Tesla's primary California factory's "machinery is often not ergonomically compatible with our bodies," and requires "too much twisting and turning and extra physical movement to do jobs that could be simplified if workers' input were welcomed."

He also claimed that his colleagues were often faced with "excessive mandatory overtime" and earned paltry wages compared to the national average of \$25.58 hourly for most autoworkers in the U.S. Tesla offers a \$21-an-hour wage.

Musk, who claims Tesla is "union neutral," accused Moran earlier this year of being a union stooge paid to "agitate for a union." The United Autoworkers (UAW) would later refute Musk's claims, with officials telling reporters that Moran "is not and has not been paid by the UAW."

Democratic legislators in California, meanwhile, chose to throw their lot in with the UAW in September and tossed electric vehicle behemoth Tesla to the wolves.

They recently [created a program](#) requiring manufacturers verify that they are "fair and responsible in their treatment of workers" before they can take advantage of a \$2,500 rebate encouraging citizens to buy Tesla vehicles.

The legislation was a shot across the bow of Tesla, which relies heavily on a \$82.5 million subsidy from the Clean Vehicle Rebate Project.

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Has Tesla lost its shine?



- [Thomas Gnau](#) Staff Writer

Business



A Tesla car recharges at a charging station at Cochran Commons shopping center in Charlotte, N.C. AP Photo/Chuck Burton

Tesla fired an estimated 400 to 700 workers late last week.

Accounts and estimates vary, but the maker of electrically-powered automobiles let go of hundreds of workers during an employee review process — and at a time when the storied company is trying to boost production of its Model 3, the car hailed as its “mass production” vehicle.

“As with any company, especially one of over 33,000 employees, performance reviews also occasionally result in employee departures,” a Tesla spokesman told the Mercury News, which first reported the story. “Tesla is continuing to grow and hire new employees around the world.”

Former and current employees told the News that the firings came with little warning. Impacted were engineers working on vehicle design and production, a supervisor and factory employees.

Earlier this month, the Palo Alto, Calif.-based company reported it had delivered 26,150 vehicles in the third quarter of the year, of which 14,065 were Model S, 11,865 were Model X, and only 220 were Model 3.

The automaker has blamed a “manufacturing bottleneck” for falling well short of its goal to produce 1,500 Model 3s in the quarter.

“We understand what needs to be fixed and we are confident of addressing the manufacturing bottleneck issues in the near-term,” Tesla said in its quarterly statement earlier this month.

Meanwhile, shareholders are watching. The company's shares (Nasdaq: TSLA) were down, but only by 11 cents as of the close of trading Friday to \$355.57.

“Tesla Chief Executive Elon Musk is known as a risk-taker, which has endeared him to Wall Street analysts and investors alike,” Charley Grant wrote in the Wall Street Journal this month. “There is a fine line, however, between setting aggressive goals and ***misleading shareholders.***”

Tesla is a criminally corrupt Ponzi scam based off of ill-gotten taxpayer cash acquired by bribing Dianne Feinstein and Nancy Pelosi and using the equally corrupt Goldman Sachs and Google to rig the stock market