

Tesla under investigation by US government for defect that caused over 100 crashes

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Electric car maker Tesla is facing a potential government investigation into consumer complaints of a defect which causes the sudden unintended acceleration of all three of its available vehicle models, the years 2012-19 Model S and 2018-19 Model 3 sedans, and the 2016-19 Model X SUV.

The National Highway Traffic Safety Administration (NHTSA), a government organization under the US Department of Transportation (DOT), said Friday that it is currently reviewing the allegations brought forth by a petition that cites 127 complaints against Tesla with claims of 110 crashes and 52 injuries. The petition was received by the NHTSA Office of Defects Investigation (ODI) by email on December 19.

If granted, the NHTSA will investigate about 500,000 Tesla vehicles over the alleged defect. The NHTSA is already investigating three December crashes involving Tesla vehicles which killed three people in California, Connecticut and Indiana, which may or may not be related to the acceleration defect.

The December 29 crash in Indiana is the 14th crash that the NHTSA's crash investigation team is investigating in relation to what it suspects to be the use of Tesla's Autopilot driverless technology. According to Tesla, Autopilot "enables your car to steer, accelerate and brake automatically within its lane," although "features require active driver supervision and do not make the vehicle autonomous."

According the *Reuters* and *Fox News*, the complaints made to the agency allege that the sudden acceleration occurred in a number of situations which could potentially cause serious harm to drivers, passengers and property, including while in traffic and while attempting to park in a garage or at a curb.

Tesla is also reportedly under investigation by the agency for its decision to issue a software update for

2,000 vehicles rather than to recall them after reports that the vehicles had a possible battery defect that could start fires.

Shares of Tesla's stock (NASDAQ: TSLA) reached an all-time high of over \$537 per share on January 14 and have continued to hover above \$500 per share in spite of the safety allegations. Elon Musk, the billionaire owner of the auto company, has a personal net worth of nearly \$30 billion and is currently the 40th richest person on earth according to Forbes' 2019 billionaires list.

Tesla is the world's largest producer of electric vehicles by units sold and is a major investor in autonomous vehicle technology. Industry-wide, billions have been invested in electric and autonomous vehicles, which require less labor to produce and which are expected to dominate the world auto market by mid-century. Daimler's chief executive recently called electric vehicles the greatest revolution in the industry since Henry Ford's introduction of the assembly line a century ago.

In spite of its "independent" status, Tesla has become something of the standard-bearer for electric vehicle technology in the United States. The major US-based automakers are in danger of falling behind foreign rivals in the emerging electric vehicle market because they have predominantly relied upon sales from high-priced, low gas mileage trucks and SUVs. By far the largest market for electric vehicles at present is China, where they are heavily subsidized.

Tesla's financial growth is based, in large part, on its low labor and production costs in comparison to its competitors across the automotive industry worldwide. Tesla was ranked, along with fellow high-tech giant Amazon, among the 12 most dangerous workplaces in the US according to the National Council for

Occupational Health and Safety (OSHA) 2018 annual report, “The Dirty Dozen 2018: Employers Who Put Workers and Communities at Risk.” OSHA reported that recorded injuries for workers at Tesla, Inc. were 31 percent higher than the rest of the auto manufacturing industry in 2015 and 2016.

Severe injuries are a normal part of a day’s work at a Tesla plant, and workers often work 60 to 70 hours per week with mandatory overtime. Workers are paid as little as \$16-\$21 per hour, while the cars they create sell for between \$35,000 and \$81,000, depending on the model.

Across the automotive industry, the relentless drive for increasing profit as demand dips in spite of stagnant or falling sales has increased the pressure on manufacturers to lower production costs and cut corners, resulting in defective products but also unsafe conditions for workers and attacks on wages and jobs.

Ford Motors recently came under fire for covering up a defect with its DPS6 transmission, which it introduced in an attempt to meet new federal gas economy standards. The defect caused unexpected acceleration and sometimes loss of power in its Focus and Fiesta models, leading to numerous crashes and injuries. Engineers were aware of the problems before the new transmission was launched, but company management decided to cover up the problems and put the transmission on the market.

In 2014, General Motors was revealed to have covered up an ignition switch defect which led to the recall of 2.6 million vehicles, which could have accidentally jarred out of the “run” position, shutting off the engine, power steering and power brakes, and disabling the airbag system, putting drivers and passengers at serious risk for death and injury.

The subordination of the health and safety of humans and the environment is international in scope. From 2015 to 2018, German-based automaker Volkswagen was engulfed in an emissions scandal stemming from its sale of 1.2 million vehicles with software which cheated laboratory emissions tests on several of its models, including its luxury Audi and Porsche lines.

Inevitably, such scandals involve the complicity of the government, which subordinates public safety and the environment to corporate profits. The US Department of Transportation is currently headed by Elaine Chao, a right-wing Republican appointed by US

President Donald Trump who is currently overseeing Trump’s plan to cut the agency’s vehicle safety budget by 40 percent. Before serving as the Secretary of Transportation under Trump, Chao was appointed as US Secretary of Labor under Republican President George W. Bush from 2001-2009 and oversaw the attacks on jobs which paved the way for the Obama administration’s restructuring of the US economy and mass layoffs in the years following the Wall Street crash of 2008.



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