

Tesla parking lot nearly full, indicating factory is running

May 11 2020, by Tom Krisher and Ben Margot



Vehicles are seen parked at the Tesla car plant Monday, May 11, 2020, in Fremont, Calif. The parking lot was nearly full at Tesla's California electric car factory Monday, an indication that the company could be resuming production in defiance of an order from county health authorities. (AP Photo/Ben Margot)

The parking lot was nearly full at Tesla's California electric car factory Monday, a likely indication the company was resuming production in defiance of an order from county health authorities.

The lot at the massive plant in Fremont, which employs 10,000 workers, appeared to have a similar number of vehicles as it does when the factory is fully operating. A normal complement of workers would violate orders from the Alameda County Health Department, which has deemed Tesla's Fremont factory a nonessential business that can't open under restrictions intended to help stop the spread of the coronavirus.

Semis were leaving the plant loaded with vehicles that were probably built before the plant was shut down on March 23.

A statement posted by Tesla on its website Saturday night said the company "has started the process of resuming operations" but didn't say when manufacturing would begin. A message was left Monday seeking comment from the company.

The full parking lot came two days after Tesla sued the Alameda County health department seeking to overturn its order, and CEO Elon Musk threatened to move Tesla's manufacturing operations and headquarters from the state.

"Our employees are excited to get back to work, and we're doing so with their health and safety in mind," Tesla's Saturday statement said.



A truck hauling new Tesla vehicles leaves the Tesla factory plant on Monday, May 11, 2020, in Fremont, Calif. The parking lot was nearly full at Tesla's California electric car factory Monday, an indication that the company could be resuming production in defiance of an order from county health authorities. (AP Photo/Ben Margot)

Tesla contends in the lawsuit that Alameda County can't be more restrictive than orders from California Gov. Gavin Newsom. The lawsuit says the governor's coronavirus restrictions refer to federal guidelines classifying vehicle manufacturing as essential businesses that are allowed to continue operating.

"Frankly, this is the final straw," Musk wrote in a now-deleted tweet. "Tesla will now move its HQ and future programs to Texas/Nevada immediately."

He wrote that whether the company keeps any manufacturing in Fremont depends on how Tesla is treated in the future.

On Monday, Newsom professed not to know if Tesla had reopened. "Not aware (of) the details of that," he said.

"I have great expectations that we can work through at the county levels," the governor said about conflicts involving the Fremont plant. He said county health directors are in charge of restrictions and the timing of any resumption of manufacturing.



Men don masks as they guard new Tesla vehicles at the Tesla plant Monday, May 11, 2020, in Fremont, Calif. The parking lot was nearly full at Tesla's California electric car factory Monday, an indication that the company could be resuming production in defiance of an order from county health authorities. (AP Photo/Ben Margot)

The Bay Area order currently calls for limited return of business and manufacturing, with health restrictions, starting May 18.

"We look forward to many, many decades of that relationship" with Tesla, Newsom said.

The governor has repeatedly said that counties can impose restrictions that are more stringent than state orders. Alameda County was among six San Francisco Bay Area counties that were the first in the nation to impose stay-at-home orders in mid-March.

Early in the coronavirus crisis, Newsom praised Musk as the "perfect example" of the private sector assisting the state in the pandemic. His comments came after Musk pledged to provide more than 1,000 ventilators to California hospitals, a fact Newsom repeated often and called a "heroic effort."

But whether Musk made good on the promise remains in dispute. Several weeks after Newsom was touting the ventilators, the state said it hadn't heard of any being delivered. Musk responded, demanding on Twitter that Newsom correct the record and sharing tweets and screenshots from hospitals and Los Angeles County thanking him for sending supplies.



This June 22, 2012, file photo, shows an exterior view of the Tesla factory in Fremont, Calif. The parking lot was full at Tesla's California electric car factory Monday, May 11, 2020, an indication that the company was resuming production in defiance of an order from county health authorities. (AP Photo/Paul Sakuma, File)

Musk has been ranting about the stay-home order since the company's April 29 first-quarter earnings were released. He called the restrictions fascist and urged governments to stop taking people's freedom.

The Bay Area order forced Tesla to close the plant starting March 23 to help prevent the virus' spread, and it was extended until the end of May. Public health experts say the orders have reduced the number of new coronavirus cases nationwide.

The coronavirus causes mild or moderate symptoms for most people. But it has killed nearly 80,000 people in the U.S., with the death toll rising.

Alameda County Sheriff Sgt. Ray Kelly said Monday he didn't know if Tesla has reopened and that this is in the "attorney phase." Any enforcement would come from Fremont police, he said. Fremont police did not immediately respond to a request for comment. Mayor Lily Mei, who has expressed support for Tesla, also did not immediately return messages seeking comment.

State law allows a fine of up to \$1,000 a day or up to 90 days in jail for operating in violation of health orders.



In this May 14, 2015, file photo, Tesla employees work on a Model S cars in the Tesla factory in Fremont, Calif. The parking lot was full at Tesla's California electric car factory Monday, May 11, 2020, an indication that the company was resuming production in defiance of an order from county health authorities. (AP Photo/Jeff Chiu, File)

On Monday, the county Health Department referred to a statement it made Saturday saying it was working with Tesla to develop a safety plan allowing the Fremont plant to reopen.

The department said it looks forward to reaching agreement on a plan to reopen "very soon," but noted that given the sacrifices made to protect public health, "it is our collective responsibility to move through the phases of reopening and loosening the restrictions" in the safest way possible.

Tesla says it has safety procedures to protect workers including increased cleaning, enforcement of social distancing, providing face coverings and gloves where needed, installing barriers between workers when necessary and worker temperature checks at "some locations."

Despite Musk's threat, it would be costly and difficult to quickly shift production from Fremont to Texas or Nevada. The Fremont facility is Tesla's only U.S. vehicle assembly plant, and the company would lose critical production if it shut down the plant to move equipment.

Musk plans another U.S. factory to increase output, possibly in Texas, and could move production once that plant is up and running.



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The lack of production in Fremont has cut off Tesla's revenue and is a big financial strain. On a conference call last month, Musk called the closure of Fremont a "serious risk."

Tesla's moves come as competing automakers are starting to reopen factories in the U.S. Toyota also planned to restart production Monday, while General Motors, Ford and Fiat Chrysler all plan to restart their plants gradually on May 18. Tesla is the only major automaker with a factory in California.

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