

GM's Cruise robotaxi unit lays off 900 workers with investigation into San Francisco crash ongoing

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In this Jan. 16, 2019, file photo, Cruise AV, General Motor's autonomous electric Bolt EV is displayed in Detroit. Several key leaders are no longer with General Motors' Cruise amid an ongoing investigation into an October accident involving one of its driverless cars, the robotaxi service confirmed late Wednesday, Dec. 13, 2023. Cruise said that nine individuals departed following an initial analysis of the October 2 incident — when a Cruise robotaxi ran over a

pedestrian who had been hit by another human-driven car in San Francisco — and the company's response. Credit: AP Photo/Paul Sancya, File

General Motors' troubled Cruise autonomous vehicle unit is cutting over 900 jobs, about a quarter of its workforce, as it moves to reduce costs and remake itself after a series of safety problems in San Francisco.

The subsidiary announced the cuts Thursday in a letter to Cruise's 3,800 workers from President and Chief Technical Officer Mo ElShenawy, who wrote that the layoffs are not the fault of the workers.

The job cuts come a day after Cruise confirmed that nine key leaders are no longer with the company amid an ongoing investigation into an October crash involving one of its driverless robotaxis that forced it to suspend operations.

"We are simplifying and focusing our efforts to return with an exceptional service in one city to start with," ElShenawy wrote. "As a result of our decision to slow down commercialization, we are restructuring to focus on delivering the improvements to our tech and vehicle performance that will build trust in our AVs (autonomous vehicles)," the letter said.

The employment actions come following an initial analysis of the Oct. 2 crash and the company response after [a Cruise robotaxi ran over and injured a pedestrian](#) who had been hit by another vehicle driven by a human. The Cruise vehicle then dragged the pedestrian to the side of the road.

California regulators have [alleged](#) that Cruise covered up the severity of the October crash—which could result in a potential penalty of roughly

\$1.5 million. The robotaxi service is also being investigated by U.S. auto safety regulators after separately receiving reports of potential risks to pedestrians and passengers.

Employees were to be notified if by email Thursday if they have been let go. The letter said they would stay on the payroll through Feb. 12 and are eligible for another eight weeks of pay. Long term employees will get another two weeks of pay for every year at the company over three years, the letter said.

"This is one of the hardest days we've had so far because so many talented people are leaving," ElShenawy wrote.

The executive departures included leaders in from legal, government affairs, commercial operations and safety and systems teams, Cruise said. The announcements come just weeks after Kyle Vogt resigned as Cruise's CEO.

Cruise has faced significant turmoil over recent months. Weeks following the October mishap, California's Department of Motor Vehicles effectively shut down the robotaxi service by suspending its license to operate in the state.

Cruise announced it would be [pausing driverless operations](#) for a review by independent experts and later [recalled all 950 of its cars](#) to update software.

General Motors has absorbed huge losses during the development of the driverless service that was supposed to generate \$1 billion in revenue by 2025, with plans to expand beyond San Francisco.

GM plans a slowdown in spending at Cruise, which it bought eight years ago. During the first nine months of this year Cruise posted pretax losses

of \$1.9 billion.

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