

More layoffs come for micromobility, Cruise cuts loom, and what the Cybertruck signals for Elon

The Station is a weekly newsletter dedicated to all things transportation. Sign up here — just click The Station — to receive the newsletter every weekend in your inbox. Subscribe for free. Welcome back to The Station, your central hub for all past, present and future means of moving people and packages from Point A to Point B. Electric vehicles are one of the main characters in this newsletter, so I thought it would be worth noting a less visible — yet fundamental — aspect of the EV storyline here in North America. I'm talking about new guidance from the U.S. Treasury Department (by way of the Energy Department) regarding what it will take for EVs to qualify for the federal tax credit, starting January 1. The long-awaited guidance disqualifies EVs from the tax credit if any of the battery components are made or assembled by a foreign entity of concern such as China, Iran, Russia and North Korea. (China is the country to pay attention to since the nation has been the dominant and primary supplier of components and raw materials for batteries.) The guidance expands in 2025 to cover raw minerals that are extracted, processed or recycled by any of these entities of concern. Importantly, the departments go further to clarify how they determine what is a "foreign entity of concern," or FEOC. There are two ways: if an entity is subject to the jurisdiction of a foreign country that is a covered nation (such as China) or if a company is owned by, controlled by or subject to the direction of a government of a foreign country that is performing the relevant activities in a covered nation. What does owned by or controlled by mean? The two departments have an answer: the entity has a cumulative direct or indirect control greater than 25% of board seats, voting rights, or equity interest by a covered nation or if a non-FEOC has entered into a licensing agreement with an FEOC that gives it "effective control" over business operations. The Zero Emissions Transport Association goes deeper into the guidance for those who want the full analysis. Also, here's an overview of North American battery factories (we update this list and chart periodically). The tl;dr is that it will get more difficult for EVs to qualify for the tax incentive. However, the industry seems to support the rule since it provides much-needed guidelines and a greater level of certainty as automakers plow billions of dollars into domestic EV and battery manufacturing. Want to reach out with a tip, comment or complaint? Email Kirsten at kirsten.korosec@techcrunch.com or Rebecca at rebecca.techcrunch@gmail.com. Reminder that you can drop us a note at tips@techcrunch.com. If you prefer to remain anonymous, click here to contact us, which includes SecureDrop (instructions here) and various encrypted messaging apps. We're hearing there are more layoffs at Bird. We don't have all the details, like how many staffers are now out of a job, but a few employees posted about the latest round of layoffs on LinkedIn. Based on social media posts, the layoffs affect a range of teams, from data to strategy and operations. One laid off employee worked as an electronics engineer, helping to design Bird's consumer scooter. This is Bird's third round in the last two years. Most recently in October, Bird laid off employees, citing redundancies after it acquired Spin for \$19 million. Back in August 2022, Bird also cut 23% of staff and shut down its retail scooter product in an effort to rein in the rampant cash burn of previous leadership. Bird hasn't explained why it downsized, but layoffs usually happen when a company is trying to reach profitability. Just look at Tier, which also issued layoffs (about 140 people) this week. Since Tier is still private, it's hard to say whether it will be able to get out of the red. Bird, however, is so far from profitability, I'm not sure it'll ever get there. In September, Bird was delisted from the stock exchange for failing to maintain a market cap of over \$15 million for 30 consecutive trading days. As of September 30, 2023, Bird is in the hole for \$19.8 million, and it has accumulated a deficit of \$1.6 billion since its inception. Bird's going concern warning is very much still in effect — the company doesn't have enough cash to make it through the year based on its current cash burn. In short, Bird is knocking at bankruptcy's door, and I'm skeptical whether these layoffs will result in enough savings to see Bird through the next 12 months. If you were affected by the recent layoffs and want to speak to me anonymously, please reach out:

rebecca.techcrunch@gmail.com. Proterra, you might recall, filed for bankruptcy earlier this year. I dug into “what led to the company’s bankruptcy” back in August. Now one part of Proterra will officially live on under a new owner. Proterra received final approval from the U.S. Bankruptcy Court for the sale of the company’s Proterra Powered business line to Volvo Battery Solutions LLC. The \$210 million transaction is expected to close occur in the first quarter of 2024. Other bits of the business are still hanging out there but will likely be wrapped up shortly. The sale of its transit business to Phoenix Motor Inc. is still pending with a hearing scheduled for December 12. The sale of its energy unit to private funds controlled by Cowen Equity, will be consummated through a Chapter 11 Plan of Reorganization upon exit from bankruptcy. Other deals that got my attention this week ... EMotorad, an Indian startup manufacturing electric bikes, raised \$20 million in a Series B round led by Singapore’s Panthera Growth Partners. Alteria Capital, xto10x Technologies and Green Frontier Capital also participated. The funding round includes a debt of \$2.5 million. GoMetro, a South African tech company that operates in the fleet management space, raised £9 million (\$11.4 million) in a Series A funding round led by Zenobē Energy, a strategic investor renowned for financing and operating electric buses. Other investors in include new backers Futuregrowth, ESquared Ventures, Kalon Venture Partners and angel investor Greg Fury. Existing investors including 4 Decades Capital, Hlayisani Capital and Tritech Global also participated. Monterra, a software company automating the design and planning of EV charging installations, raised \$2.5 million in a pre-seed round led by Base10 Partners. Future Climate Venture Studio, Very Serious Ventures, and a handful of other angel investors, including some of Monterra’s early customers, also participated. Richard Branson won’t investment any more money into Virgin Galactic but says the space tourism company has enough funds to carry it through 2026, according to the FT. ZeroAvia, the hydrogen-electric aviation startup, raised \$116 million in a Series C funding round co-led by Airbus and Barclays Sustainable Impact Capital and NEOM Investment Fund. The UK Infrastructure Bank joined the round as a cornerstone-level investor. Cruise is going to be a lot smaller in 2024, according to parent company GM. GM Chair and CEO Mary Barra and CFO Paul Jacobson said the automaker will slash spending at Cruise “by hundreds of millions of dollars” in 2024, an action that is expected to result in widespread layoffs at the San Francisco-based company that employs about 3,800 people. Nvidia is recruiting to fill two dozen roles for an autonomous driving team spread across Chinese cities Beijing, Shanghai and Shenzhen. The unit, consisting of positions in software, end-to-end platform, system integration, mapping, and product, is led by Xinzhou Wu, who is recognized for bringing smart driving features to mass-produced vehicles in China over the last few years. Yep, the Tesla Cybertruck gets its own section this week. As I wrote earlier this week, the Tesla Cybertruck is loved and loathed. For fans, it’s a symbol for what Tesla and its CEO Elon Musk stand for: creativity, irreverence, rebellion. Others see it as an act of hubris. It could be both. The Cybertruck will test whether customers still trust Elon. For editor Darrell Etherington, the delivery event provided the answer: the end of Elon. Here’s a Cybertruck FAQs to get you started, an overview of everything Elon Musk — and others — revealed about the Cybertruck, a comparison to other EV pickups on the market and when the cheapest version will arrive. Fisker cut its annual production guidance in an effort to free up \$300 million in working capital. This is the fourth time this year that Fisker has reduced its guidance. Our Next Energy, an EV battery startup, laid off a quarter of its staff, Automotive News reports. Polestar’s climate-tweeting bot isn’t actually a bot, for good reason. Rivian launched a limited program that will give customers in 14 U.S. states the option to lease an all-electric R1T pickup truck. The company said it will expand the leasing program to include other models and regions. TC+ reporter Tim de Chant explains why GM and Toyota are shaping up to be the biggest losers in the EV transition. Tesla won a small battle against Swedish union workers when a court that the country’s transport authority has to deliver license plates to the automaker. Those deliveries have been blocked by striking postal workers in an attempt to force Tesla to sign a collective bargaining agreement for mechanics in the country. Uber riders in London will soon be able to hail an iconic black cab in the city. London cabbies can now start signing up for Uber trip referrals, but the service won’t roll out until early 2024. This isn’t the first partnership Uber has struck with a taxi company, and it won’t be the last.

