CPA

Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



Elon Musk unveiled the new Tesla Semi on Thursday night — and surprised everybody with working prototype of a new Roadster sports car whose purpose, he said, is to "give a hard core smackdown to gasoline cars."

Musk claims the car will rocket zero to 60 miles per hour in 1.9 seconds — which he said makes it the first production car to perform the feat in under 2 seconds. He said the sports car has a top speed of 250 mph.

"It's just stupid," he said. He offered no detail on when or even if the car will actually be built.

He was also sketchy about the new electric Tesla Semi. Eyebrows popped up high when he said it would have a range of 500 miles, far more than anyone anticipated.

He provided no detail about the size and weight of the battery, but did claim total

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

other truck makers, from International to Volvo to Nikola to Mercedes-Benz, are also developing electric trucks with self-driving capabilities. Tesla won't have the market to itself.

Before Musk's theatrics, reporters were led down a spotlighted outdoor corridor flanked by boxed hedges and into a large room that contained four big rigs: two Teslas, a Freightliner Cascadia, and an International. The reporters tended to call the Tesla models "impressive" in appearance.

No diesel engine under the hood means plenty of room in the cab. Getting in and out is more like climbing stairs than ascending a step ladder. A tall man can comfortably stand in the Tesla cab. The steering wheel is center mounted, with a touch screen on either side. The dashboard is stark, with few gauges, buttons, stalks, or knobs.

The Freightliner and the International cabs, by contrast, were low-ceilinged, crowded and, by comparison, claustrophobic. Tesla representatives said they did not know the model years, though they did not appear to be the latest and the interiors were certainly not the highest end.

Tesla is touting greater safety. "Jackknifing is prevented due to the Semi's onboard sensors that detect instability and react with positive or negative torque to each wheel while independently actuating all brakes," a company handout said.

Although Tesla set the car industry afire by proving there was a market for coollooking high-performance electric cars, the company is a fast follower in electric trucks.

Surround cameras minimize blind spots, it said. The trucks will be equipped with enhanced autopilot and other self-drive and safety features such as automatic emergency braking, automatic lane keeping and lane departure warning.

Practically all the world's major truck manufacturers are developing electric-drive

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

market, the segment's growth rate will be faster. Still, said Antti Lindstrom of IHS Markit, electric penetration of the big-rig market "isn't going to be very significant until after 2025 or 2030. And even then, it will be very limited compared to the total number of trucks being sold."

Tesla "clearly sees the promise" of electric trucks, said Michelle Krebs, senior analyst at Autotrader. But the company will need to get a lot better at vehicle quality to compete for a customer base that is less forgiving than passenger-car buyers.

Tesla's Model X SUV was recently named least reliable in its class by Consumer Reports, and the rollout of the Model 3 sedan has been delayed by production problems at the company's Fremont auto factory and its Gigafactory battery plant in Nevada.

"The truck is a tool for making money," Krebs said. "When a truck is out of commission, money is lost. In contrast, a Tesla car owner has other vehicles in the household fleet to drive if the vehicle isn't operational."

Musk has promised a long line of new vehicle possibilities, including the big rig, a pickup truck and, probably next up, the Model Y crossover. Tesla will sell about 100,000 vehicles this year, most of them the luxury Model S sedan and Model X sport utility.

That number will include a trickle of Model 3s, a less-expensive sedan. Tesla hopes to build several hundred thousand Model 3s a year, but the car is off to a slow start as Musk grapples with what he calls "production hell" at his factories.

The Tesla Semi will share some components with the Model 3, most notably its four electric motors. Not the battery pack, though. Tesla said the truck will have a different battery setup, more akin to those used in its Powerwall home and industrial storage units than to the batteries for its cars.

Michael Harley of Kelley Blue Book questions Tesla's strategic direction in targeting

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

close enough together to be drawn along by the aerodynamic draft of the vehicle ahead, like cyclists lined up in a bike race. That would extend the range of the batteries in the following truck.

The distance is maintained by sensors attached to a computer. Platooning is legal in eight states including Michigan, Texas and Nevada. Limited testing is allowed in Florida and Utah. Human drivers are required in each truck.

Tesla may have one enthusiastic user locked up: Company watchers would not be surprised if Musk starts using the Tesla Semi to ship batteries 240 miles from Nevada to the Fremont assembly plant. But California law does not allow vehicle platoons.

Small Business

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE

Sponsors.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us