

80. Robotaxi

In 2022, Elon Musk and his top executives at Tesla dedicated themselves completely to the development of the Robotaxi, an ambitious vision for a future filled with autonomous vehicles. During a casual brainstorming session at the house of Omead Afshar in Austin, Musk, alongside Franz von Holzhausen, Drew Baglino, Lars Moravy, and Zach Kirkhorn, conceptualized the Robotaxi as a compact, affordable, and somewhat slower alternative to the Model 3. Musk's goal was to produce such vehicles in massive volumes to meet an annual target of twenty million units.

A key challenge they faced was the design of a vehicle devoid of traditional control features like steering wheels and pedals while still complying with existing safety regulations and addressing practical concerns, such as door operation and access to restricted areas. Throughout the summer, Musk was heavily involved in every minute detail, aiming for a design that epitomized full autonomy.

However, concerns arose regarding the timeframe for achieving complete self-driving technology (Full Self-Driving or FSD) readiness. During a tense meeting on August 18, discussions revolved around whether to include a steering wheel and pedals to adhere to regulatory standards or proceed with a fully autonomous design. Musk, after a period of debate, decisively opted for the latter, emphasizing his commitment to full autonomy without compromise.

Despite Musk's firm stance on a fully autonomous Robotaxi with no conventional controls, he demonstrated flexibility later that summer. Influenced by von Holzhausen and Moravy, he reconsidered incorporating a steering wheel and pedals into the design. This shift was motivated by the realization that regulatory approval for fully autonomous vehicles might be imminent in the U.S. but could take much longer on a global scale.

Parallel to the focus on the Robotaxi, there was an ongoing discreet project led by von Holzhausen—the development of an affordable, mass-market Tesla car priced at around \$25,000. Initially paused by Musk in favor of advancing the Robotaxi, the concept of this smaller, inexpensive vehicle was revived amidst discussions, acknowledging its potential to support Tesla's ambitious growth goals and cater to a significant market segment. This pivot highlighted both the assertive vision for Tesla's autonomous future and the pragmatic approach towards market expansion and product diversity.