



November 1, 2022

VIA EMAIL

Dinna Eskin, Acting General Counsel
Tesla Inc.
13100 Harold Green Rd.
Austin, TX 78725
deskin@tesla.com

Re: Tesla's Deceptive Built in USA Marketing

Dear Ms. Eskin:

I am writing to you on behalf of Truth in Advertising, Inc. ("TINA.org"), a nonprofit consumer advocacy organization dedicated to protecting consumers from deceptive advertising. An investigation of Tesla Inc. has revealed that it is deceptively marketing certain vehicles as "built" and "made" in the United States when, in reality, the vehicles are assembled in the U.S. using imported parts. As you may be aware, according to the Federal Trade Commission, "built" is synonymous with "made" in the U.S.¹ and therefore requires that any vehicle being marketed as such must be "all or virtually all" made domestically and contain "no – or negligible – foreign content."²

For example, Tesla is claiming in social media promotional posts that "100% of our cars sold in the US are built in the US," "10,000 Model Ys built at Giga Texas to date," and "Tesla Fremont + Giga Nevada made their 2 millionth car."³





In reality, however, all Tesla vehicles assembled in the U.S. are made using a substantial amount of imported parts.⁴ As such, Tesla’s “built” and “made” in the USA claims are deceptive and in violation of Section 5 of the FTC Act, 15 U.S.C. § 45. To the extent similar deceptive claims are repeated in physical or digital labels, they would also be in violation of the FTC’s Made in USA Labeling Rule, 16 CFR Part 323.

Tesla has every right to boast of its assembly plants in the United States that create American jobs and strengthen the U.S. economy, but it cannot illegally embellish the amount of manufacturing that takes place domestically. Tesla must ensure that its marketing messages are truthful, nondeceptive, and in compliance with the law.

We trust Tesla will take immediate action to rectify this deceptive marketing.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.

¹ See *United States v. iSpring Water Systems, LLC, et al.*, Stipulated Order for Civil Penalties, Permanent Injunction, and Other Relief, Apr. 19, 2019, https://www.ftc.gov/system/files/documents/cases/172_3033_ispring_water_systems_-_stipulated_order.pdf (“Made in the United States’ means any representation, express or implied, that a product or service, or a specified component thereof, is of U.S.-origin, including, but not limited to, a representation that such product or service is ‘made,’ ‘manufactured,’ ‘built,’ ‘produced,’ or ‘crafted’ in the United States or in America, or any other U.S.-origin claim.”). See also Made in USA Labeling Rule, 16 CFR Part 323 (“The term *Made in the United States* means any unqualified representation, express or implied, that a product or service, or a specified component thereof, is of U.S. origin, including, but not limited to, a representation that such product or service is ‘made,’ ‘manufactured,’ ‘built,’ ‘produced,’ ‘created,’ or ‘crafted’ in the United States or in America, or any other unqualified U.S.-origin claim.”)

² FTC, Complying with the Made in USA Standard, <https://www.ftc.gov/business-guidance/resources/complying-made-usa-standard>.

³ September 17, 2022 Tesla Instagram post, <https://www.instagram.com/p/CincDcvNLYE/>; July 20, 2022 Tesla Instagram post, <https://www.instagram.com/p/CgPKmvLtvLH/>; June 21, 2022 Tesla Tweet, <https://twitter.com/Tesla/status/1539376293778694145>.

⁴ See U.S. Department of Transportation, NHTSA, Part 583 American Automobile Labeling Act Reports, <https://www.nhtsa.gov/part-583-american-automobile-labeling-act-reports>; U.S. Department of Transportation, NHTSA, Part 583 American Automobile Labeling Act Report for 2022 makes and models, <https://www.nhtsa.gov/sites/nhtsa.gov/files/2022-09/MY2022-AALA-Alphabetical-8-30-22.pdf> (showing that, at most, 35 to 65 percent of 2022 Tesla vehicles are of U.S. content); U.S. Department of Transportation, NHTSA, Part 583 American Automobile Labeling Act Report for 2023 makes and models, <https://www.nhtsa.gov/sites/nhtsa.gov/files/2022-10/MY2023-AALA-Alphabetical-10-6-22.pdf> (showing that, at most, 40 to 75 percent of 2023 Tesla vehicles are of U.S. content).