

April 21, 2025

VIA EMAIL

Brandon Ehrhart General Counsel Tesla Inc. behrhart@tesla.com legal@tesla.com

Re: Tesla's Deceptive Made in USA Marketing

Dear Mr. Ehrhart:

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. In 2022, we notified Tesla of our investigation findings that the company was 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. A follow-up investigation of Tesla has revealed that it is continuing to engage in the same type of deceptive conduct.

Specifically, Tesla is making unqualified Made in USA claims in social media promotional posts, as the examples below illustrate.²









As Tesla is aware, the Federal Trade Commission requires that products marketed as made in America be "all or virtually all" made domestically and contain "no – or negligible – foreign content."³

Tesla vehicles, however, are assembled in the U.S. with as much as 25% of the vehicles' content coming from Mexico and other countries.⁴ (Tesla even admits that its vehicles are not entirely made in the United States.⁵) As such, Tesla's 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.

While Tesla has every right to boast of its assembly work in the United States and may be making efforts to bring more of its manufacturing work here,⁶ until and unless it has met the "all of virtually all" standard, it must refrain from making unqualified U.S.-origin claims. Such deception is especially harmful when, as here, it is disseminated during a particularly vulnerable time for U.S. consumers shopping for cars.

We trust Tesla will take immediate action to rectify this deceptive marketing.⁷

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

Sincerely,

Laura Smith, Esq.

Legal Director

Truth in Advertising, Inc.

Mar. 31, 2025 Tesla North America X post, https://x.com/tesla_na/status/1906719881195622874; Mar. 14, 2025 Tesla North America X post, https://x.com/tesla_na/status/1900407009285136857; Apr. 11, 2025 Tesla North America X post, https://x.com/tesla_na/status/1910698949033230438.

See also Apr. 10, 2025 Elon Musk X post, https://x.com/elonmusk/status/1910235917500940540.



³ FTC, Complying with the Made in USA Standard, https://www.ftc.gov/business-guidance/resources/complying-made-usa-standard. Of note, the FTC treats the terms "made," "built," "produced" and "manufactured" in the United States synonymously. *Id. See also 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, or any other U.S.-origin claim."); 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.").

¹ Nov. 1, 2022 letter from TINA.org to Tesla, https://truthinadvertising.org/wp-content/uploads/2022/10/11_1_22-TINA-ltr-to-Tesla-re-MUSA-claims.pdf.

² Mar. 20, 2025 Tesla North America X post, https://x.com/tesla_na/status/1902813969355595801;

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 2025 makes and models, https://www.nhtsa.gov/sites/nhtsa.gov/files/2025-04/MY2025-AALA-Alphabetical%204 7 2025.pdf.

Tesla Mar. 31 2025 USTR Exclusion Request regarding equipment to manufacture battery modules for use in EVs from lithium-ion battery cells, USTR-2024-0020-00112830, https://comments.ustr.gov/s/requestdetails?rid=TH2PT3CTF2;

Tesla Mar. 31 2025 USTR Exclusion Request regarding manufacturing equipment to build drive axles for domestically produced EVs, USTR-2024-0020-00112839, https://comments.ustr.gov/s/requestdetails?rid=TC2YRYHTH2;

Tesla Mar. 31 2025 USTR Exclusion Request regarding Power Conversion System (PCS2) to manufacture inverters for installation in electric vehicles (EVs), USTR-2024-0020-00112841, https://comments.ustr.gov/s/requestdetails?rid=6PW8TWX7VF.

⁵ See, e.g., March 11, 20205 Tesla letter to the Office of the United States Trade Representative, https://truthinadvertising.org/wp-content/uploads/2025/04/MadeinUSA_TeslaLetter.pdf ("even with aggressive localization of the supply chain, certain parts and components are difficult or impossible to source within the United States."); Tesla Mar. 31, 2025 USTR Exclusion Request regarding manufacturing equipment for assembling semiconductor devices or electronic integrated circuits, USTR-2024-0020-00112823, https://comments.ustr.gov/s/requestdetails?rid=4VPMRFF2QH ("Please address whether the manufacturing equipment of concern, or comparable manufacturing equipment, is available from sources in the United States? No, because there are no domestic manufacturers of this equipment in the United States."). See also April 8, 2025 X post, https://x.com/tesla_na/status/1909679856150782181 ("Tesla is the most vertically integrated auto manufacturer in America with the highest percentage of US content").

⁶ Tesla Mar. 31, 2025 USTR Exclusion Request regarding manufacturing equipment for assembling semiconductor devices or electronic integrated circuits, USTR-2024-0020-00112823, https://comments.ustr.gov/s/requestdetails?rid=4VPMRFF2QH;

⁷ Several other automotive companies have ceased making deceptive made and built in USA claims following TINA.org investigations. *See* Jeep, Dodge and Ram Pump the Brakes on Built in USA Claims Following TINA.org Inquiry, Apr. 9, 2025, https://truthinadvertising.org/articles/jeep-dodge-and-ram-pump-the-brakes-on-built-in-usa-claims-following-tina-org-inquiry/; The Marketing Myth of the 'Made in USA' Car, Apr. 7, 2025, https://truthinadvertising.org/articles/the-marketing-myth-of-the-made-in-usa-car/.