



March 11, 2025

Ambassador Jamieson Greer  
United States Trade Representative  
Office of the United States Trade Representative  
600 17th Street NW  
Washington, DC 20508

### **Comments from Tesla on Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions To Investigate Harm From Non-Reciprocal Trade Arrangements**

Dear Ambassador Greer:

Tesla, Inc. (“Tesla”) appreciates the opportunity to comment in response to the Office of the United States Trade Representative (“USTR”) review of unfair trade practices. Tesla supports a robust and thorough process to gather information to ensure appropriate actions are taken to address unfair trade practices and which, in the process, do not inadvertently harm U.S. companies.

#### **Tesla Background**

Tesla’s mission is to accelerate the world’s transition to sustainable energy.<sup>1</sup> Tesla is a U.S. company, headquartered in Austin, Texas, and publicly traded under the ticker symbol “TSLA”.<sup>2</sup>

To accomplish its mission, Tesla designs, develops, manufactures, and sells high-performance fully electric vehicles (“EVs”) and energy generation and storage systems, installs, and maintains such systems, and sells solar electricity.<sup>3</sup> Consistent with this effort, recently, Tesla was ranked as the world leader in the transition to vehicle electrification.<sup>4</sup> Tesla also develops and deploys autonomy and artificial intelligence at scale, in vehicles and robots, through the development of chips (Full Self-Driving and Dojo), neural networks, and the Tesla Optimus robot.<sup>5</sup> Tesla currently produces and sells five fully electric, zero emissions light-duty vehicles (“ZEVs”): including the best-selling car in the world (EV or otherwise), the

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<sup>1</sup> See, Tesla, About, available at <https://www.tesla.com/about>.

<sup>2</sup> See, U.S. Securities and Exchange Commission (“SEC”), <https://www.sec.gov/edgar/browse/?CIK=0001318605>. See also Tesla’s most recent Form 10-Q filed with the SEC, available at <https://www.sec.gov/Archives/edgar/data/1318605/000162828024032662/tsla-20240630.htm>.

<sup>3</sup> See, Tesla, Impact Report 2023 (May 23, 2024) available at [https://www.tesla.com/ns\\_videos/2023-tesla-impact-report-highlights.pdf](https://www.tesla.com/ns_videos/2023-tesla-impact-report-highlights.pdf).

<sup>4</sup> See, ICCT, The Global Automaker Rating 2022: Who Is Leading the Transition to Electric Vehicles? (May 31, 2023) available at <https://theicct.org/publication/the-global-automaker-rating-2022-may23/>.

<sup>5</sup> See, Tesla, AI & Robotics, available at <https://www.tesla.com/AI>.



Model Y compact sport utility vehicle.<sup>6</sup> Along with the Model Y, Tesla manufactures the Model 3 mid-sized sedan, Model S sedan, the Model X SUV, and Cybertruck full-sized pickup. In 2023, Tesla had by far the lowest carbon dioxide emissions (0 grams per mile) and highest fuel economy (120 miles per gallon) of all large vehicle manufacturers in model year 2022.<sup>7</sup>

In the United States, Tesla conducts manufacturing operations across multiple facilities. **Collectively, Tesla's U.S. facilities support over 70,000 employees and are responsible for billions of dollars of U.S. investment and economic activity each year.** Specifically, in its facilities in Fremont, California, Tesla conducts vehicle manufacturing and assembly operations, as well as manufacturing of lithium-ion battery cells, battery packs, vehicle seats, stampings, and castings. At Megafactory 1 in Lathrop, California, Tesla produces Megapack, a utility-scale grid storage battery.<sup>8</sup> At Gigafactory Texas in Austin, Texas, Tesla produces the Model Y and Cybertruck as well as cathode active materials, lithium-ion battery cells, battery packs, drive units, vehicle seats, stampings, and castings. In Sparks, Nevada, Tesla produces drive units, battery packs, and energy storage products (Powerwall) at Gigafactory Nevada, and the Semi, a commercial vehicle, at a nearby facility. At Gigafactory New York in Buffalo, New York, Tesla produces its DC-fast charging equipment for the Tesla Supercharger network, solar energy products, and power electronics. Additionally, Tesla manufactures, builds, and services highly automated, high-volume manufacturing machinery at its facility in Brooklyn Park, Minnesota, and operates a tool and die facility in Grand Rapids, Michigan.

As a U.S. manufacturer and exporter, Tesla encourages USTR to consider the downstream impacts of certain proposed actions taken to address unfair trade practices.

While Tesla recognizes and supports the importance of fair trade, the assessment undertaken by USTR of potential actions to rectify unfair trade should also take into account exports from the United States. U.S. exporters are inherently exposed to disproportionate impacts when other countries respond to U.S. trade actions. For example, past trade actions by the United States have resulted in immediate reactions by the targeted countries, including increased tariffs on EVs imported into those countries. Past U.S. special tariff actions have thus (1) increased costs to Tesla for vehicles manufactured in the United States, and (2) increased costs for those same vehicles when exported from the United States, resulting in less competitive international marketplace for U.S. manufacturers. USTR should investigate ways to avoid these pitfalls in future actions.

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<sup>6</sup> See, Green Car Reports, The Bestselling Vehicle on the Planet is an EV (Jan. 25, 2024) available at [https://www.greencarreports.com/news/1142104\\_tesla-the-bestselling-vehicle-on-the-planet-is-an-ev](https://www.greencarreports.com/news/1142104_tesla-the-bestselling-vehicle-on-the-planet-is-an-ev).

<sup>7</sup> See, EPA, [The 2023 EPA Automotive Trends Report, Greenhouse Gas Emissions, Fuel Economy, and Technology Since 1975](https://www.epa.gov/automotive-trends/download-automotive-trends-report#Full%20Report) (Dec. 2023) at 11-14, available at <https://www.epa.gov/automotive-trends/download-automotive-trends-report#Full%20Report>.

<sup>8</sup> See, Tesla, Megapack, available at <https://www.tesla.com/megapack>.



Additionally, future trade policy actions should take into consideration existing limitations in the domestic supply chain. While certain past initiatives have encouraged the growth of industries in the United States, certain supply chains remain nascent. Specifically, as it pertains to EVs and lithium-ion batteries, Tesla has continuously aimed for a strong domestic supply chain, including the introduction of first-of-its-kind operations in the United States in battery manufacturing (Reno, Nevada) and lithium processing (Corpus Christi, Texas).<sup>9</sup> In fact, three of Tesla's U.S.-manufactured vehicles are in the top ten of Cars.com's American-Made Index for 2024<sup>10</sup>, and in previous years, Tesla's EVs have consistently ranked in the top ten.<sup>11</sup> Nonetheless, even with aggressive localization of the supply chain, certain parts and components are difficult or impossible to source within the United States. Tesla supports a process by USTR to further evaluate domestic supply chain limitations to ensure that U.S. manufacturers are not unduly burdened by trade actions that could result in the imposition of cost-prohibitive tariffs on necessary components, or other import restrictions on items essential to support U.S. manufacturing jobs. Trade actions should not (and need not) conflict with objectives to further increase and support domestic manufacturing.

As USTR continues to evaluate possible trade actions to rectify unfair trade practices, consideration should also be given to the timeline of implementation. U.S. companies will benefit from a phased approach that enables them to prepare accordingly and ensure appropriate supply chain and compliance measures are taken.

We thank you for the opportunity to provide comments on this important matter as USTR analyzes next steps.

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<sup>9</sup> See, Tesla, Tesla Lithium Refinery Groundbreaking (May 8, 2023) available at <https://www.tesla.com/blog/tesla-lithium-refinery-groundbreaking>.

<sup>10</sup> See, Cars.com, American-Made Index 2024 (June 18, 2024) available at <https://www.cars.com/american-made-index/>.

<sup>11</sup> See, Cars.com, American-Made Index 2023 available at <https://www.cars.com/articles/2023-cars-com-american-made-index-which-cars-are-the-most-american-467465/>, American-Made Index 2022 available at <https://www.cars.com/articles/2022-cars-com-american-made-index-which-cars-are-the-most-american-451057/>, American-Made Index 2021 available at <https://www.cars.com/articles/2021-cars-com-american-made-index-which-cars-are-the-most-american-437020/>, American-Made Index 2020 available at <https://www.cars.com/articles/the-cars-com-2020-american-made-index-which-cars-are-most-american-422711/>.