

September 3, 2020

Jeffrey Giuseppe Associate Administrator for Enforcement National Highway Traffic Safety Administration 1200 New Jersey Avenue, S.E. Washington, D.C. 20590

Re: Foreign Safety Recall Campaign Report - Models S/X - Front Suspension Aft Link and Rear Suspension Upper Link

Dear Mr. Giuseppe,

Pursuant to the provisions of 49 C.F.R. § 579.11(a), this letter advises the National Highway Traffic Safety Administration ("NHTSA" or the "Agency") of an action by Tesla, Inc. ("Tesla" or the "Company") to recall certain Tesla Model S and X vehicles. Tesla's identification codes for the two associated recalls are: SB-20-31-007 (for vehicles included in both the Front Suspension Aft Link and Rear Suspension Upper Link recall), SB-20-31-008 (for vehicles included in the Front Suspension Aft Link recall only), and SB-31-009 (for vehicles included the Rear Suspension Upper Link recall only).

As required under 49 C.F.R. § 579.12 and 49 C.F.R. § 573.6(c)(1), (c)(2), (c)(3), and (c)(5), Tesla reports the following information about this foreign recall:

1. Vehicle manufacturer:

Tesla. Inc. 3500 Deer Creek Road Palo Alto, CA 94304 USA

2. Manufacturer of the physical component:

N/A



3. Countries of origin:

N/A

4. Affected vehicles:

Front Suspension Aft Link:

Make / Model: Tesla Model S

Production Dates: 9/17/2013 through 5/16/2017

Total Number of Affected Vehicles: 3,335

Make / Model: Tesla Model X

Production Dates: 2/12/2016 through 5/22/2017

Total Number of Affected Vehicles: 9,436

Rear Suspension Upper Link:

Make / Model: Tesla Model S

Production Dates: 9/17/2013 through 3/31/2016

Total Number of Affected Vehicles: 5,411

5. Party responsible for making the determination to conduct a recall or other safety campaign:

After discussion with representatives of China's State Administration for Market Regulation (SAMR) and Defective Product Administrative Center (DPAC), who opined that a recall of the Front Suspension Aft Link and Rear Suspension Upper Link was required under local regulations, Tesla, Inc. made the determination to conduct a voluntary recall in China.

6. Affected markets or countries and the basis for determining the recall population:

Recalled Model S and X vehicles are registered in China. The recall population was determined through a review of manufacturing and registration records for vehicles equipped with the subject components.

7. Description of how the recall population differs from similar vehicles not included in the recall, including vehicles in the United States:

Due to the opinion of SAMR/DPAC that the topic required a recall in the China market, Tesla was left with the choice of either voluntarily recalling the subject vehicles or carrying a heavy burden through the

Chinese administrative process. While Tesla disagrees with the opinion of SAMR/DPAC, the Company has decided not to dispute a recall for the China market only.

Tesla is not conducting a recall outside of China based upon the Company's determination that there is no defect in the subject components and no associated safety-risk. See section 8 below for further explanation.

8. Description of the defect and risk to motor vehicle safety:

Tesla has not determined that a defect exists in either the Front Suspension Aft Link or the Rear Suspension Upper Link and believes the root cause of the issue is driver abuse, including that driver usage and expectation for damageability is uniquely severe in the China market. If the customer inputs an abuse load (e.g., curb impact, severe pothole strike, etc.), then the parts may be damaged, leading either to immediate failure or delayed failure from the compounding effects of the initial abuse and subsequent load input.

Tesla has also not determined the existence of an unreasonable risk to motor vehicle safety. The occurrence of such failures in China (approx. 0.1%) and elsewhere (less than 0.05%) remains exceedingly rare and if a failure does occur, it is immediately apparent to the driver. For the Front Suspension Aft Link, a full separation typically occurs at low speeds and high steer angles, most often when the vehicle is in reverse. For the Rear Suspension Upper Link, the vehicle remains controllable after the part has completely separated. Finally, Tesla is not aware of any crashes, injuries or deaths, or fires related to this issue.

9. Dates of determination and commencement:

Date of determination: After a meeting with SAMR/DPAC on August 24, 2020, Tesla made the decision on August 27, 2010 to voluntarily conduct a recall. Pursuant to its agreement with SAMR/DPAC, the Company submitted its initial recall notification to DPAC on August 28, 2020.

Date of commencement: to be determined.

10. Description of the program to remedy the defect:

Recalled vehicles in the China market have or will receive newer versions of the subject components, which have improved performance in abuse scenarios.

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Tesla thanks NHTSA for the Agency's time and attention to this matter. If the Agency has any questions, please contact me at emykytiuk@tesla.com.

Sincerely,

Elizabeth H. Mykytiuk

Managing Counsel, Regulatory