



May 22, 2009

VIA Federal Express

Mr. Daniel C. Smith
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590

RECEIVED
2009 MAY 26 P 12:56
OFFICE OF DEFECTS
INVESTIGATION

Re: Defect Information Report; Tesla Motors, Inc.

Dear Mr. Smith:

Through the undersigned, Tesla Motors, Inc. ("Tesla") is submitting the enclosed Defect Information Report pursuant to 49 CFR Part 573.

Tesla has determined that model year 2008 Roadster vehicles that it manufactured between March 2008 and April 2009 may contain a defect that relates to motor vehicle safety. On some of the subject vehicles, the rear hub flange bolts that attach the rear wheel hubs to the suspension uprights were not torqued to the proper specification.

As described in the attached Defect Information Report, Tesla intends to conduct a safety recall to address this defect. Tesla also has enclosed a draft customer notification letter and envelope, as well as the associated service bulletin and dealer notification.

If you have any questions, please do not hesitate to contact me at 650-413-6223 or by e-mail at gzanghi@teslamotors.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Zanghi'.

Greg Zanghi
Director of Service & Parts Operations

cc: Kenneth Weinstein, Esq.
Mayer Brown LLP
Enclosure



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Greg Zanghi
Director of Service & Parts Operations

cc: Kenneth Weinstein, Esq.
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DEFECT INFORMATION REPORT

1. Manufacturer's name/address:

The manufacturer of the vehicles covered by this Report is:
Tesla Motors, Inc.
1050 Bing Street
San Carlos, CA 94070

2. Vehicles involved:

The vehicles covered by this Report are Model Year 2008 Tesla Roadster vehicles manufactured between March 2008 and April 2009.

3. Total number of vehicles that potentially contain the defect:

345 Roadster vehicles.

4. Approximate percentage of vehicles estimated to actually contain the defect:

Based on audits completed on a number of production vehicles, Tesla estimates that approximately five (5) percent of the vehicles actually contain the defect.

5. Description of the defect:

Each of the rear wheel hubs on the subject vehicles is attached to the suspension uprights by three bolts. Tesla has found that in some cases, these hub flange bolts have not been adequately torqued. If a bolt is not adequately torqued during production, it can loosen further during vehicle operation. When hub flange bolts are properly torqued, there is little or no likelihood of loosening.

If more than one of the three bolts on a hub becomes loose, it can lead to instability in the handling of the vehicle. Although it has not occurred, there is a danger that an insecure hub could result in loss of vehicle control. Prior to such an occurrence, the driver likely would be aware that there is a problem. The driver would likely first perceive loose vehicle handling and/or a rubbing noise from the rear of the car. If not addressed, this could lead to greater handling instability. Note that the drive shaft and brake disc/caliper are likely to prevent complete loss of the hub and wheel assembly.

6. Chronological summary of events leading to this determination:

On April 3, 2009, the owner of a Roadster vehicle brought his vehicle to a Tesla dealer complaining of "wobbly" steering around wide, sweeping turns. The service technicians found that the right rear hub was loose, with one of the three bolts missing and the remaining two bolts rotated 60 to 90 degrees from the initial production torque marks.

The three bolts on the left rear hub also were found to be torqued substantially below the factory specification of 90 N-m; however, no break-off torque measurements were taken. The front two hubs were not loose.

Thereafter, Tesla employees began an audit of the front and rear hub flange bolt break-off torques on production vehicles (before their delivery to customers). Tesla has identified several additional Roadsters with under-torqued rear hub flange bolts. Tesla has concluded that these bolts were inadequately torqued in production. No front hub flange bolts have been found to be loose.

In an abundance of caution, Tesla will include all of the Roadsters manufactured before April 22, 2009 in this recall.

7. Program for remedying the defect:

Tesla intends to conduct a safety recall to remedy this defect at no charge to owners. The remedy for the defect will involve removing the rear hub flange bolts and the ABS harness bracket. The ABS harness bracket will be discarded. The ABS speed sensor cable will be rerouted using an appropriate retention clip. The hub flange bolts will be cleaned, bonding agent will be applied, and the bolts will be retorqued to factory specification.

Tesla anticipates that it will notify the owners of the subject vehicles of the defect in May 2009. Tesla owns and operates its own store network, and thus there are no independent dealers or franchisees to be notified. However, Tesla plans to notify its service personnel of the issue through a "Recall Bulletin" in May; a copy of this bulletin has been provided to NHTSA with this Defect Information Report.

Pursuant to 49 CFR 573.13(d)(1), Tesla does not plan to advise owners of a right to reimbursement for cost of repairs associated with this defect, because all of the affected vehicles are covered under Tesla's warranty program.

Tesla's proposed owner notification letter and its envelope also have been provided to NHTSA with this Defect Information Report.


Greg Zanghi
Director of Service & Parts Operations