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DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-49-2018)

Foreign-Trade Zone (FTZ) 18 – San Jose, California
Notification of Proposed Production Activity
Tesla, Inc.
(Electric Passenger Vehicles and Components)
Fremont and Palo Alto, California

Tesla, Inc. (Tesla) submitted a notification of proposed production activity to the FTZ Board for its facilities in Palo Alto and Fremont, California. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on August 1, 2018.

Tesla already has authority to produce electric vehicles and components of electric vehicles within Subzone 18G. The current request would add one foreign status material/component to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status material/component described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Tesla from customs duty payments on the foreign-status material/component used in export production. On its domestic sales, for the foreign-status material/component noted below, Tesla would be able to choose the duty rates during customs entry procedures that apply to electric passenger vehicles and related components (duty-free to 3.4%). Tesla would be able to

avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The material/component sourced from abroad is an automotive navigation apparatus (electronic control unit) (duty-free).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: August 8, 2018

Elizabeth Whiteman
Acting Executive Secretary

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