



**PUBLIC NOTICE OF APPLICATION FOR FOREIGN TRADE SUBZONE,
TESLA MOTORS INC., SAN JOSE FOREIGN TRADE ZONE**

The City of San Jose, Grantee of Foreign Trade Zone #18, has applied to the U.S. Foreign Trade Zones Board for a special-purpose foreign trade subzone for Tesla Motors Inc. in the San Jose area. The application was filed on January 10, 2012 pursuant to the provisions of the Foreign-Trade Zones Act and the regulations of the Board.

The proposed subzone is located at two sites. Site 1 is located on 25.2 acres at 3500 Deer Creek Road in Palo Alto, California and is the corporate headquarters, research and development and manufacturing facilities; Site 2 is a manufacturing facility located on 210 acres at 45550 Fremont Boulevard in Fremont, California.

The facilities are used for the manufacture of electric passenger vehicles and related components, including battery packs, powertrain systems and electronic modules. Foreign Trade Zone procedures would exempt Tesla Motors from customs duty payments on the foreign components used in export production and allow the company to choose the duty rates on customs entry procedures that apply to finalized electronic vehicles for the foreign inputs. The Foreign Trade Zone designation would also allow Tesla Motors to realize logistical benefits through the use of weekly customs entry procedures and to possibly defer or reduce customs duties on foreign status production equipment.

Public comment is invited from interested parties. The closing period for public comment is March 19, 2012. Submissions (original and three copies) shall be addressed to the Board's Executive Secretary at the following address:

Office of the Executive Secretary, Foreign-Trade Zones Board, U.S. Department of
Commerce, 1401 Constitution Avenue, NW, Room 2111, Washington, D.C. 20230

A copy of the application is available in the "Reading Room" section of the Board's website, www.trade.gov/ftz.