



December 31, 2017

California Department of Motor Vehicles
Occupational Licensing Compliance Section
P.O. Box 932342 (MS S441)
Sacramento, CA 94232-3420

Re: Autonomous Mode Disengagements for Reporting Year 2017

To Whom It May Concern:

On behalf of Tesla, Inc. ("Tesla" or the "Company"), and pursuant to California Code of Regulations, Title 13, Article 3.7, § 227.46, this submission reports, from November 30, 2016 to December 1, 2017 (the "Reporting Year 2017"), Tesla's data related to the disengagement of autonomous mode in Tesla's autonomous vehicles that participate in the Autonomous Vehicle Tester Program administered by the California Department of Motor Vehicles (the "DMV").

Tesla conducts testing to develop autonomous vehicles via simulation, in laboratories, on test tracks, and on public roads in various locations around the world. Additionally, because Tesla is the only participant in the program that has a fleet of hundreds of thousands of customer-owned vehicles that test autonomous technology in "shadow-mode" during their normal operation (these are not autonomous vehicles nor have they been driven in autonomous mode as defined by California law), Tesla is able to use billions of miles of real-world driving data to develop its autonomous technology. In "shadow mode," features run in the background without actuating vehicle controls in order to provide data on how the features would perform in real world and real time conditions. This data allows Tesla to safely compare self-driving features not only to our existing Autopilot advanced driver assistance system, but also to how drivers actually drive in a wide variety of road conditions and situations.

For Reporting Year 2017, Tesla did not test any vehicles on public roads in California in autonomous mode, as defined by California law. As such, the Company did not experience any autonomous mode disengagements as part of the Autonomous Vehicle Tester Program in California.

As described above, Tesla analyzes data from billions of miles of driving received from our customer fleet via over-the-air ("OTA") transmissions. We supplement this with data collected from testing of our engineering fleet in non-autonomous mode, and from autonomous testing that is done in other settings, including on public roads in various other locations around the world. Through all of this data,

we are able to develop our self-driving system more efficiently than only by accumulating data from a limited number of autonomous vehicles tested in limited locations.

Should the DMV have any questions or comments regarding this submission, please feel free to contact me at aprescott@tesla.com.

Sincerely,

A handwritten signature in black ink that reads "Al Prescott". The signature is written in a cursive, slightly slanted style.

Al Prescott

Associate General Counsel