

TESLA GOES BEHIND ENEMY LINES AT ALEC

By Jon Decker

Today, we can expect some head-scratching from the free market activists attending the ALEC event for Tesla Motors. The irony is unmissable — the America Legislative Exchange Council (ALEC), one of the most renowned and effective organizations fighting big government — will be joined by Tesla motors, an organization founded by the [\\$5 billion welfare king Elon Musk](#).

It is dangerous to allow Tesla to portray itself as a free-market champion, because the company is one of the most prodigious harvesters of government favors and handouts. Tesla's flagship automobile, the Model S, would not only fail to make money in a free market, but it would likely bankrupt any company that tried. As the Los Angeles Times reported, Tesla's "cars themselves aren't making the company any money."

So how does Tesla stay afloat? By gaming the government.

Tesla is a recipient of numerous "green energy" subsidies that allow it to lower its costs, while increasing the costs borne by purchasers of other cars. These subsidies include a \$7,500 tax credit for purchasers, along with zero emission vehicle (or ZEV) credits for manufacturers.

And Tesla isn't shy about their dependence on your tax dollars to stay afloat, in its 2014 annual report Tesla stated "our growth depends in part on the availability and amounts of government subsidies and economic incentives."

Despite the fact that Tesla receives costly government handouts for its "green" vehicles, the actual environmental impact of these cars is highly debatable. Since Tesla vehicles run on electricity, the energy powering these cars is only as clean as its electricity source, such as coal.

Hopefully the paradox of a free market organization hosting a Tesla event doesn't escape the attendees, and the company will be challenged for its wasteful taxpayer-funded existence.