

Republicans who once reviled Tesla, now praise it

David R. Baker

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People look at a Tesla Motors vehicle on the showroom floor at the Dadeland Mall on February 19, 2014 in Miami, Florida. Tesla said today it earned \$46 million in the fourth quarter on a non-adjusted basis, or 33 cents a share, causing shares in the company to jump 12 percent.

Photo: Joe Raedle, Getty Images

For years, Tesla Motors could get no love from the GOP.

The electric automaker neatly embodied two things many Republicans hated: green technology and federal stimulus loans. Conservative commentators railed that Tesla used \$465 million in taxpayer money to build novelty cars for the rich. [Sarah Palin](#) cited Tesla as an example of "crony capitalism." Even [Mitt Romney](#), who based his presidential campaign on business smarts, called the company a "loser."

Now, quite suddenly, Republicans, who have been struggling to appeal to a wider swath of voters, are singing the company's praises.

In recent weeks, Tesla has won support from such figures as Florida Sen. [Marco Rubio](#), Texas Gov. [Rick Perry](#) and Fox News commentator [Bill O'Reilly](#).

"Everybody on the planet should be rooting for Tesla," O'Reilly said on his March 31 show. "I mean everybody, even the traditional car companies that will have to compete."

Perry and Rubio want to ditch state laws that prevent Tesla from selling directly to consumers, rather than through traditional franchise dealerships. For Tesla, which has been fighting auto dealers in state after state, no issue is more important.

Way to update party image

Backing the company in its fight with dealerships could offer Republicans a way to update their image as a pro-business party, and possibly make inroads in the Democratic bastion of Silicon Valley, analysts say.

"This is an issue where the libertarian ethos of Silicon Valley may match up well with the libertarian ethos in the [Republican Party](#)," said [Mark Muro](#), a senior fellow at the [Brookings Institution](#). "This could be, for either party, a pillar for a very appealing story on economic change."

Tesla has had prominent Republican backers before.

Based in Palo Alto, Tesla was founded in 2003, a time when green technology was not considered particularly political. Former California Gov. [Arnold Schwarzenegger](#), a Republican, bragged about Tesla as an example of the state's technological leadership and even bought one of the company's low-slung Roadsters. (He reportedly returned the car later on, after finding it too difficult to climb into and out of.)

But Republican support for clean tech started to wane after President Obama made green jobs a key part of his economic stimulus package. It faded further as GOP doubts about the reality of climate change hardened into outright rejection.

Then in 2011, solar startup Solyndra went bankrupt after receiving \$528 million in stimulus loans to build a factory in Fremont. As a result, government loans to green companies became a favorite campaign issue for Republicans nationwide.

Tesla, which won \$465 million in federal loans to reopen a shuttered auto plant a mile away from Solyndra, got dragged into the fight. Hence the "loser" comments from Romney and Palin.

Success changes minds

But success can change people's minds. In 2013, Tesla paid back the loan in full, nine years early. Despite a sell-off during the last two months, the company's stock still regularly trades above \$200 per share, and Model S sedans are selling as fast as Tesla can make them.

Perry wants Tesla to build its planned \$5 billion battery factory in his state. He and Rubio, both considered presidential contenders in 2016, also may want to distinguish themselves from their mutual rival, Republican Gov. [Chris Christie](#) of New Jersey. Christie recently sided with his state's auto dealers against Tesla, drawing public complaints from the company.

"I think it's time for Texans to have an open conversation about this, the pros and the cons," Perry said in a recent interview on [Fox Business](#). "I'm going to think the pros of allowing this to happen outweigh the cons."

More broadly, some conservatives see Tesla's fight against the dealers as a way to illustrate their core beliefs in free markets- that government regulation hampers

innovation. Rubio, speaking on CNBC, cited both Tesla and car service Uber, which is battling regulations that govern taxi companies.

"Innovation - doing something no one else is doing - is the way you can explosively grow an economy," Rubio said. "Regulations are an impediment to innovation. ... Regulations should never be used as a defensive weapon by an established industry or an established company to keep out competition."

Tesla's rock-star image can help broadcast that message to voters beyond the GOP's traditional base, analysts say.

"You have smart politicians on their side who see Tesla as symbolic of what our country should be doing," said Democratic strategist [Chris Lehane](#). "You're attaching yourself to an emerging but already iconic brand that in many ways stands for American entrepreneurship. It was created here, built here, and it's changing the world. And it's consistent with a Republican ethos that says you should have the ability to create a business like that."

GOP base may not be moved

Some [Democrats](#) doubt, however, that the GOP as a whole will embrace Tesla and clean tech anytime soon. Wade Randlett, a Silicon Valley executive and major Democratic fundraiser, noted the Republican Party's deep ties to the oil industry - the companies most threatened by electric cars. It may be easier, he said, for Republicans to support Uber's effort to disrupt the taxi business than Tesla's long-term goal of breaking our dependence on oil.

"Oil does not want to be disrupted," Randlett said. "When Republicans take that disruption principle and apply it to people who are challenging the party's financial backers, I'll be much more impressed than I am today."

[David R. Baker](#) is a [San Francisco Chronicle](#) staff writer. E-mail: dbaker@sfchronicle.com Twitter: [@DavidBakerSF](#)