

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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May 11, 2022

Mr. Louis DeJoy
Postmaster General
United States Postal Service
475 L'Enfant Plaza, S.W., Room 10300
Washington, D.C. 20260-1000

Dear Postmaster General DeJoy:

I write to seek additional information about the Postal Service's acquisition of its Next Generation Delivery Vehicle (NGDV) and to urge the Postal Service to take steps to rapidly transition to an electric fleet rather than moving ahead with plans to buy tens of thousands of gas-guzzling trucks. Based on testimony at the Committee's recent hearing on this topic and information obtained from the contractor building these vehicles, I am concerned that the Postal Service relied on flawed assumptions to justify the purchase of gas-powered trucks while underestimating the cost savings and environmental benefits from electric vehicles.

The Postal Service operates the largest vehicle fleet in the United States, with over 200,000 delivery and collection vehicles—nearly all of which are gas-powered, and some of which are over 30 years old.¹ The NGDV contract represents a substantial investment and could lead to the Postal Service's acquisition of up to 165,000 vehicles over ten years.

The Postal Service has ordered only 10,019 electric vehicles out of an initial order for 50,000 vehicles, and it has stated that only 10% of the vehicles purchased over the life of the contract will be electric, while the remaining 90%, which could amount to 148,000 vehicles, will be gas-powered.²

Oshkosh, the company that is building the NGDV, recently informed the Committee that it is prepared to produce electric and gas vehicles "in any mix of quantities the USPS orders." Oshkosh specified that the Postal Service can still increase its initial order for electric vehicles,

¹ U.S. Postal Service, Office of Inspector General, *Delivery Vehicle Acquisition Strategy* (Aug. 12, 2020) (19-002-R20) (online at www.uspsoig.gov/document/delivery-vehicle-acquisition-strategy).

² *USPS Has Placed Its First Order for New Vehicles, and It's Going More Electric Than Anticipated*, Government Executive (Mar. 24, 2022) (online at www.govexec.com/management/2022/03/usps-has-placed-its-first-order-new-vehicles-and-its-going-more-electric-anticipated/363572/).

and that the electric delivery vehicle is built “on the same vehicle platform” as the gas-powered vehicle and uses 90% of the same parts.³

Witnesses at the Committee’s April 5, 2022, hearing raised concerns that the Postal Service used flawed assumptions in its environmental and cost analyses to justify the purchase of gas-guzzling delivery trucks rather than electric vehicles. Jill Naamane from the Government Accountability Office (GAO) testified that her office’s analysis “raises questions regarding the way in which USPS’s assumptions estimate the costs and benefits of the gas and electric NGDV.”⁴

Ms. Naamane’s testimony explained that GAO not only found the Postal Service underestimated the environmental benefits of electric vehicles, but that it used outdated estimates of gas prices, assuming that between 2020 and 2030 gas would cost \$2.21 to \$2.36 per gallon—approximately two dollars less than the current cost of gas. In addition, GAO found that the Postal Service miscalculated maintenance costs for electric vehicles. GAO explained:

The [Postal Service’s] model we reviewed appears to use maintenance cost data showing that NGDV electric vehicles would be more expensive to maintain than NGDV gas vehicles. This data is contrary to the expected maintenance cost data we have identified in research, interviews with private delivery companies, and USPS’s documents which showed that the NGDV electric vehicles are expected to achieve maintenance cost savings compared to NGDV gas vehicles.⁵

Similarly, Joe Britton, Executive Director of the Zero Emission Transportation Association, testified that the Postal Service’s assumptions about the cost of gasoline, the cost of electric vehicle (EV) chargers, and the range of EVs were all inaccurate, obscuring the potential savings from EVs.⁶

The Committee’s April 5 hearing also raised troubling questions about whether the NGDV was designed to avoid emissions limits. At the hearing, the Executive Director of the NGDV at the Postal Service, Victoria Stephen, conceded that the weight of the NGDV had been set at exactly one pound higher than the weight that would subject the vehicle to strict emissions standards. Ms. Stephens explained, “I am aware that it changes the vehicle classification and it is aligned with a different level of greenhouse gas emissions.”⁷ However, Ms. Stephen asserted that Oshkosh, not the Postal Service, was responsible for determining the vehicle’s weight.

³ Letter from John J. Bryant, Executive Vice President, Oshkosh Corporation, to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, et al. (Apr. 2, 2022).

⁴ Committee on Oversight and Reform, Hearing on “It’s Electric: Developing the Postal Service Fleet of the Future (Apr. 4, 2022).

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

During the hearing, I requested additional information from the Postal Service, including the analysis that was used to determine how many electric vehicles to purchase. The Postal Service has failed to produce that analysis.

The Oversight Committee strongly supports the purchase of electric vehicles for the Postal Service's fleet, which will position the Postal Service as an environmental leader.⁸ An all-electric Postal Service fleet would reduce costs, increase reliability, and improve the Postal Service's ability to efficiently deliver mail and packages. Electrifying the next generation of Postal Service vehicles is also essential to achieving the nation's goal of reducing greenhouse gas emissions and fighting climate change.

For all these reasons, the Committee requests that the Postal Service immediately take the following steps to advance the transition to an electric fleet:

1. Commence a new total cost of ownership analysis comparing gas and electric vehicles that includes appropriate estimates for the cost and savings associated with the cost of gas, maintenance, and the falling costs of EV batteries;
2. Commence a new environmental impact analysis to comply with the National Environmental Policy Act process;
3. Develop a new proposal to purchase a larger proportion of EVs using existing funds;
4. Initiate a study on alternative options to fund fleet electrification and charging infrastructure; and
5. Commit to working with the Department of Energy and National Laboratories to ensure the Postal Service is availing itself of the latest technical expertise on electrification of vehicle fleets.

Please inform the Committee whether you intend to take these actions by May 25, 2022. In addition, please produce the following documents and information to the Committee by May 25, 2022:

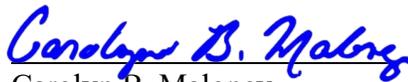
1. The complete, unredacted NGDV total cost-of-ownership analysis;
2. All documents and communications, including all analyses, related to the determination of how many EVs to purchase in the initial purchase order;

⁸ See, e.g., Oversight and Reform Committee, *Press Release: Oversight Committee Approves Legislation to Electrify Government Vehicle Fleets, Tackle Climate Change* (Sept. 2, 2021) (online at <https://oversight.house.gov/news/press-releases/oversight-committee-approves-legislation-to-electrify-government-vehicle-fleets>).

3. All documents and communications, including all analyses, related to the determination of a planned 90/10 split of gas-powered vehicles to electric vehicles;
4. All documents and communications related to determining the weight of the NGDV or its payload capacity, including but not limited to the decision to set the payload capacity at 2,941 pounds or set the weight just outside the range that would have required it to comply with light-vehicle fuel efficiency standards;
5. A detailed description of how the increase in EVs in the initial purchase order will impact the Postal Service's plan to acquire additional EVs throughout its contract with Oshkosh;
6. A detailed plan for how the Postal Service will avail itself of the falling costs of EVs and batteries and improved EV performance, including whether the Postal Service plans to negotiate with Oshkosh for a lower price or improved performance for electric NGDVs;
7. The Postal Service's plan to achieve zero net emissions or a detailed explanation for why the Postal Service does not have such a plan; and
8. All documents related to the gap between the range of the NGDV's EV model and other electric delivery vehicles on the market, and a detailed explanation for this gap.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. In addition, the Committee has jurisdiction over the "Postal service generally, including transportation of the mails."⁹ An attachment to this letter provides additional instructions for responding to this request. If you have any questions, please contact Committee staff at (202) 225-5051.

Sincerely,


Carolyn B. Maloney
Chairwoman

Enclosure

cc: The Honorable James Comer, Ranking Member

⁹ House rule X, clause 1(n)(9).