
**Hearing before the
Committee on Oversight and Reform
United States House of Representatives**



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**It's Electric: Developing the Postal Service Fleet of the Future
April 5, 2022**

Good morning, Chairwoman Maloney, Ranking Member Comer, and members of the Committee. Thank you for inviting me here today to discuss our work related to the Postal Service's adoption of electric vehicles. Our mission — to ensure the efficiency, accountability, and integrity of our nation's Postal Service — is something we take very seriously.

Last February, the Postal Service awarded a contract to produce and deploy up to 165,000 new delivery vehicles over the next 10 years. While the contract allows for both electric and gasoline-powered vehicles, the Postal Service's current plan is for most of the new vehicles to be gasoline-powered. We have two recent reports related to this purchasing decision.

One of our reports was a research paper that identified the opportunities and challenges for the Postal Service in adopting electric vehicles. We found electric vehicles are well suited for most postal routes, and there are clear benefits to their adoption. For example, a large fleet of electric vehicles would help the Postal Service decrease its greenhouse gas emissions and encourage the growth of the electric vehicle market in the United States. Additionally, electric vehicles are more mechanically reliable than gas-powered vehicles and require less scheduled maintenance. They would also result in the Postal Service incurring lower and more stable energy costs.¹

However, there are challenges associated with adopting an electric vehicle fleet. The upfront costs are significantly higher than with gasoline-powered vehicles. The Postal Service would need to pay a higher per-vehicle price and incur the cost of installing the charging infrastructure. The Postal Service has over 17,000 delivery units that may host electric vehicles, and the cost and issues associated with installing charging infrastructure will vary by each, depending on the parking layout, power availability, and required upgrades. Good planning, along with early and consistent communication with local governments and utility companies, could help overcome these challenges.

We found the Postal Service could save money in the long term by deploying electric vehicles on certain routes, for example, on longer routes and in areas of the country where gas prices are traditionally higher. The Postal Service might also be able to lower the costs associated with electric vehicles by exploring different mixes of the type and number of chargers. Because many delivery routes are short, it is unlikely that every vehicle would need to plug into a charger every night.

¹ United States Postal Service Office of Inspector General (USPS OIG), *Electric Delivery Vehicles and the Postal Service*, Report Number RISC-WP-22-003, March 17, 2022, <https://www.uspsoig.gov/sites/default/files/document-library-files/2022/RISC-WP-22-003.pdf>.

There are two other factors that could significantly change the cost-benefit analysis of purchasing electric vehicles — federal funding and local incentives. The Postal Service has stated it could achieve full electrification of its delivery fleet if Congress provided \$6.9 billion. Incentive programs by local utility companies might also help offset costs.

The Postal Service would not be the only logistics organization using electric vehicles. As part of our report, we looked at how other federal agencies, foreign posts, and companies in the logistics and shipping sector have deployed electric vehicles. While their fleets are different in many ways, their experiences may be informative. We found that they used a wide variety of electric vehicles and charging infrastructures. And they emphasized the importance of working closely with local utilities and other stakeholders as early as possible in the planning process.

Another report related to the purchase of new delivery vehicles was an audit of the contract clauses. While we found the contract was designed to mitigate fraud, waste, and abuse, it could have been stronger. We recommended additional language to encourage self-reporting by the contractor of potentially inappropriate or illegal activity during the development and production of these vehicles.² Management agreed to make these changes.

In response to a recently received Congressional request, we have initiated an audit focusing on the Postal Service's vehicle acquisition process and its compliance with the National Environmental Policy Act. We will also examine the reliability and reasonableness of the Postal Service's Environmental Impact Statement and its supporting analysis.

Another ongoing report focuses on whether the Postal Service's vehicle maintenance facilities are ready for both the electric and gasoline-powered next generation delivery vehicles. We plan to release both of these reports later this year.

Thank you for giving me the opportunity to speak to you today about this very important topic. We appreciate the opportunity to discuss our work, and I am happy to answer your questions.

² USPS OIG, *Next Generation Delivery Vehicles – Contract Clauses*, Report Number 21-215-R22, January 12, 2022, <https://www.uspsoidg.gov/sites/default/files/document-library-files/2022/21-215-R22.pdf>.