# IT'S ELECTRIC: DEVELOPING THE POSTAL SERVICE FLEET OF THE FUTURE

## HEARING

BEFORE THE

## COMMITTEE ON OVERSIGHT AND REFORM HOUSE OF REPRESENTATIVES

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# IT'S ELECTRIC: DEVELOPING THE POSTAL SERVICE FLEET OF THE FUTURE

**Tuesday, April 5, 2022**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND REFORM,
*Washington, D.C.*

The committee met, pursuant to notice, at 10:04 a.m., in room 2154, Rayburn House Office Building, and via Zoom; Hon. Carolyn B. Maloney [chairwoman of the committee] presiding.

Present: Representatives Maloney, Norton, Lynch, Cooper, Connolly, Krishnamoorthi, Raskin, Khanna, Mfume, Ocasio-Cortez, Tlaib, Porter, Bush, Brown, Davis, Wasserman Schultz, Welch, Johnson, Sarbanes, Speier, Kelly, Lawrence, DeSaulnier, Pressley, Comer, Jordan, Foxx, Hice, Grothman, Cloud, Gibbs, Higgins, Norman, Sessions, Keller, Biggs, Clyde, Franklin, Fallon, Herrell, and Donalds.

Also present: Representative Jarod Huffman.

Chairwoman MALONEY. The committee will come to order.

And without objection, the chair is authorized to declare a recess of the committee at any time.

I now recognize myself for my opening statement.

I would like to start by acknowledging the important bipartisan work that the members of this committee did on the Postal Service Reform Act—and thank Mr. Comer and the Republicans on this committee—and this will be signed into law tomorrow by the President of the United States.

Today, I hope we can come together on another common sense step, cutting our reliance on fossil fuel and saving money in the long-run by transitioning to an electric postal fleet. Just yesterday, the United Nations issued a major scientific new report warning that without immediate action shifting from fossil fuels, we will not be able to keep global warming to acceptable levels. This Congress must help the world avert a climate disaster by moving from gas guzzlers to electric vehicles now.

The Postal Service operates an aging fleet of roughly 230,000 vehicles, many of which need to be replaced. These old postal trucks are often unsafe, have high maintenance costs, and get terrible gas mileage at a time when we cannot afford to continue polluting our environment.

The Postal Service began the process of acquiring a new and improved fleet more than seven years ago. Last year, they finally selected a contractor, Oshkosh Defense, to build the New Generation

Delivery Vehicle. The Postal Service signed a 10-year contract to order up to 165,000 vehicles. Under the contract, Oshkosh must provide either internal combustion engine or battery electric vehicles, in whatever amounts the Postal Service orders.

Unfortunately, the Postal Service has stated that only 10 percent of the vehicles it purchases under the contract will be electric, while the remaining 90 percent, up to 148,000 vehicles, will be gas guzzlers. This is simply unacceptable.

Nineteen of the hottest years on record have occurred since 2000. Extreme weather events are getting more frequent. One of the most important steps we can take is to reduce the amount of carbon we put into the atmosphere by burning less oil and gas.

Cutting our dependence on fossil fuels is also a national security imperative. With Russia using oil sales to fund its brutal war in Ukraine and Putin's price hikes hurting Americans at the pump, there has never been a better or more important time to invest in clean energy.

This is why the Biden administration is working to move the country beyond fossil fuels and meet our obligations under the Paris Agreement. Transitioning to electric vehicles, using proven technology that is already on the road today, is a key part of that effort, and the Postal Service should lead the way.

Electrifying its fleet would also keep the Postal Service competitive. EVs cost less to fuel up and to maintain over the life of the vehicle. So, buying electric vehicles could save the Postal Service money over time, even if the upfront price is a little higher.

Major companies, from UPS to Amazon, have announced plans to adopt all-electric fleets, not mostly electric fleets. They are not talking about partly. GM says that they are moving to an all-electric fleet. And car companies from Volkswagen to Ford have committed to ramping up production of electric vehicles in the coming years.

For months, the Postal Service claimed that it could buy no more than 5,000 electric vehicles with its current funds, a tiny fraction of its overall purchase. But after this committee raised questions about the Postal Service's environmental review, they changed their position and announced they were doubling the initial order of EVs to 10,000.

But it is not enough. This is progress, but these EVs still are only 20 percent of the initial order. And according to the nonpartisan Government Accountability Office, which is here today—they currently are reviewing this matter—the Postal Service may be basing its estimates about the costs of EVs on faulty assumptions. In their written submission to the committee, GAO states that their preliminary analysis "raises questions" about these estimates.

In particular, GAO found that the Postal Service used a gas price of $2.19 per gallon that bears no relationship to the reality of current prices, which are well over $4 and much higher in some states. And they predicted that maintenance would be more expensive for an electric vehicle than a gas vehicle, even though the evidence shows just the opposite is true. And if you talk to anyone who owns an electric car, they say there is practically no maintenance cost.

Clearly, the Postal Service needs to reevaluate its assumptions, and the Postal Service should also be doing more to buy more EVs now, including both next-generation vehicles and commercially available, off-the-shelf models.

The Postal Service currently has $23 billion of cash on hand, the most in years. And the bipartisan bill I led with my friend Ranking Member Comer provided $50 billion in financial relief over the next 10 years. A small portion of those funds can be used responsibly to buy more EVs.

I also believe Congress should provide additional funding to ensure an all-electric postal fleet and be a good example to the country, and this committee approved that funding last year in the Build Back Better bill. We are now looking at a smaller, scaled-down Build Back Better bill, and the funding for the additional postal EVs could be in that bill.

Finally, the Postal Service can reduce upfront costs for charging infrastructure by exploring partnership with private companies as well as public-facing charging stations that could increase Postal Service revenue. President Biden's bipartisan infrastructure bill also includes funding for a national network of charging stations, some of which could be located at the Postal Service's over 31,000 post offices across this country, many near highways, many in rural areas that would need these charging stations. This should be looked at and explored.

Electric vehicles are the vehicles of the future. To continue purchasing gas-guzzling vehicles is not only bad for the environment, it is bad for the Postal Service, it is bad for its customers, and it is bad for America. It is bad for national security policy. It is a bad policy decision.

I now recognize the distinguished Ranking Member, Mr. Comer. I thank him for the leadership he provided in passing the postal reform bill, and he is now recognized for as much time as he may consume.

Mr. COMER. Well, thank you, Chairwoman Maloney, for holding a hearing today.

Madam Chair, you and I just spent a year doing what everyone thought was impossible in crafting a postal reform bill that would actually become law. And we succeeded.

The agreement worked, in large part, because for once we had a Postmaster General who actually had a plan for reform, a plan to do what Congress could never do, fix the Postal Service's broken business model. And my support, and the support of many Republicans—in fact, over half of our Republican conference—depended on Congress giving that plan a chance to succeed.

But the bill isn't even the law yet, and Democrats are going back on the deal. They want to mandate the Postal Service buy at least 75 percent electric vehicles, to be a guinea pig for their radical Green New Deal agenda.

In keeping with the majority's pattern this Congress, today's hearing is about how to spend more money instead of saving more money. That is going to change next January. Mark my word.

While Republicans are not against the Postal Service acquiring electric vehicles, we are against mandates that ignore the business needs and the financial situation of the Postal Service. Republicans

believe the Postal Service must be self-funded. This means the Postal Service should pay for its own capital needs, like purchasing new vehicles.

Meanwhile, Americans can't afford to fill up their gas tanks, let alone buy an electric vehicle. But that isn't stopping Democrats from demanding your mailman has one. There are many problems with the Democrats' plan, but one could be to access the critical element needed to produce electric vehicle batteries. And the President's own son has made it more difficult to do that, Hunter Biden.

In 2016, Hunter Biden orchestrated the transfer of an African cobalt mine from an American company to a Chinese company, CEFC China Energy, dealing a severe blow to America's access to cobalt. Cobalt is one of the most important components of electric car batteries, solar panels, and other forms of renewable energy, and the United States is losing to China in a contest to secure cobalt.

This is a national security threat and a blow to America's ability to lead in green technology. In fact, CEFC China Energy thought so much of Hunter Biden's expertise that it paid entities controlled by Mr. Biden and his uncle $4.8 million for 14 months of work.

What did China get for nearly $5 million? The American people deserve to know. Since Mr. Biden is an expert in cobalt mining operations, committee Republicans asked Chairwoman Maloney to invite him here today to shine a light on the importance of cobalt in electric vehicle production. Yet Hunter Biden is not here today.

It is no wonder the Democrats didn't want to invite him and he didn't want to appear today. Hunter Biden has profited in the short term directly from America's long-term loss, and he doesn't want to explain it to Congress and the American people. We need him to provide answers about the sale of an African cobalt mine that has greatly harmed our access to this critical element, an element we need if we are going to convert to electric vehicles.

Oversight Republicans have repeatedly called for answers about Hunter's suspicious foreign business dealings, including the sale of this mine, but we still haven't gotten any answers. The American people deserve answers and accountability.

Since Hunter Biden didn't show up today, we are going to hear from the Republican witness, Kenny Stein, who is the policy director at the Institute for Energy Research, and thank you for being here today.

With that, Madam Chair, I yield back.

Chairwoman MALONEY. The gentleman yields back.

And I do want to note that recently you wrote to me saying that you were interested in legitimate oversight instead of playing "political games." But bringing up Hunter Biden is nothing but political theater, plain and simple, and you obviously agree because you wrote to me yesterday, and less than one business day after your original request to have Mr. Biden, the ranking member's staff contacted me and others on staff and asked for a different minority witness. And that witness is appearing today.

So, even Fox News called it, your interview, "a little tongue-in-cheek" with this approach of playing political theater. This is important public policy. We just had a U.N. scientific report that came out yesterday, saying that we are in danger of losing life. We have a chance of combatting it by lowering the amount of fossil fuel

emissions in our country. Converting to electric cars is one way to do it.

Seventy percent of the pollution comes from the fossil fuel emissions, and we have to get off of it in order to save our planet. This is serious, serious challenges for our life, for our environment.

We now have a national security challenge. We need to get off of Russian oil. We have to stop consuming so much oil. We have to move to alternatives, and one great alternative is moving to electric vehicles.

The private sector is doing that. They are way ahead of us, and the largest fleet in the Federal Government is the Postal Service. We should be setting an example.

We have expert witnesses that can go over the costs, the accessibility, and other challenges that we confront that could help saves lives, help our national security, help our dependence on Russian oil, help us get off of it, and to move us forward with a healthier, better environment. I would say let us stop playing games and political theater, as you so requested, and get back to the importance of this hearing.

I now recognize——

Mr. COMER. Madam Chair, Hunter Biden is an expert on Russian oil as well. But with all due respect, when we talk about converting to electric vehicles, rare earth minerals are a huge component of that, and China has the competitive advantage over us. And we need to talk about rare earth minerals. So, Hunter Biden is obviously——

Chairwoman MALONEY. Mr. Comer, you are not recognized.

Mr. COMER [continuing]. A rare earth mineral expert. If you are going to pay millions of dollars to broker——

Chairwoman MALONEY. If you are concerned about competing with China, we have a bill on that we will be passing.

Mr. COMER [continuing]. The sale of a rare earth mine in Africa to China.

Chairwoman MALONEY. You are not recognized. I now recognize Mr. Connolly.

Mr. COMER. So, it is not political gamesmanship. It is clearly an expert witness.

Mr. CONNOLLY. Thank you, Madam——

Chairwoman MALONEY. Let us get serious. Let us face these problems and solve them.

OK, Mr. Connolly is now recognized for two minutes.

Mr. CONNOLLY. I thank the chair for holding today's hearing on the U.S. Postal Service's future vehicle fleet. I think that is our topic.

Among the first bills I introduced when I came to Congress with the Oversight and Reform Committee was the Postal Service Electric Motor Vehicle Act of May 2010, 12 years ago. Unfortunately, we are only slightly closer to a green Postal Service fleet today, 12 years later.

As co-chair of the Sustainable Energy and Environmental Coalition, I remain committed to partnering with President Biden to realize his long-term goal of running a Federal fleet on 100 percent clean power. This moment is a once in a generation opportunity to take electric vehicle technology, which is hardly new, hardly guinea

pig technology, to the next level with the second-largest vehicle fleet in America and to do so through union labor.

My own investigation and oversight work on green fleet includes letters to Oshkosh, House leadership, and to Postmaster General DeJoy, demanding investment in union-built electric vehicles. I requested that the U.S. Postal Service Office of Inspector General investigate whether the Postal Service complied with the National Environmental Policy Act in the generation of the Economic Impact statement for the purchase of its vehicle fleet.

I have repeatedly supported legislation to both fund and require the purchase of an electric vehicle fleet, including in the Build Back Better Act, the Postal Service Improvement Act, and my own bill, the Green Postal Service Fleet Act of 2022, which would require the Postal Service to procure at least 75 percent EVs in each purchase made against the Oshkosh contract.

Mr. DeJoy's investment in a fleet that is only 20 percent EV is simply not enough. His decisions are antediluvian and anachronistic. And we have reason to believe that the assumptions Mr. DeJoy is using to justify his investments in internal combustion technology fail to factor in fluctuations in gas prices and the lower upkeep and maintenance/repair costs for EVs.

In short, the Postmaster General appears to have cooked the Postal Service books to justify a multibillion dollar investment in outdated technologies that contribute to the environmental degradation of our planet. We cannot and will not go along with that. Let us move the Green Postal Fleet Service Act and find additional ways to foster a robust electrified Postal Service vehicle fleet of the 21st century that serves this Nation and that serves postal customers.

I yield back. Thank you.

Chairwoman MALONEY. The gentleman yields back.

I now recognize Mr. Lynch, who is the chairman of the National Security Subcommittee, for one minute.

Mr. LYNCH. Thank you, Madam Chair.

As the sponsor of H.R. 3521, the Postal Service Electric Fleet Authorization Act, I do welcome today's hearing to examine how we can work with the Postal Service to facilitate its transition to a modern electric vehicle fleet. I would like to thank Chairwoman Maloney for her steadfast focus on this issue, and I would also like to thank and recognize the gentleman from Virginia, Mr. Connolly, and the gentlewoman from Michigan, Mrs. Brenda Lawrence, for their continued leadership on postal fleet modernization.

According to a recent request that I made to the United States Postal Service, our current postal vehicle inventory consists of about 216,105 delivery vehicles. That is only second to the Defense Department in volume of vehicles.

Over 136,000 of those vehicles, about 63 percent of them, are so-called "long-life vehicles" that have been on the road for an average of 29 years, which is about five years beyond their expected service life. So, currently, there are no electric vehicle—delivery vehicles in the existing postal fleet, which is unbelievable, which accounts for about, like I said, one-third of the entire Federal Government fleet.

To its credit, now the Postal Service is taking steps to electrify a small percentage of its delivery truck fleet. However, our interest

in promoting the environmental sustainability of our Federal agencies and reducing carbon pollution in our communities demand that we energize and greatly accelerate the agency's transition to electric vehicles. So, we must—as the chairwoman says, we must lead by example.

And with that, Madam Chair, I yield back. Thank you.

Chairwoman MALONEY. The gentleman yields back.

I now recognize Mrs. Lawrence for one minute for an opening statement, and thank her and Mr. Lynch and Mr. Connolly for their leadership—and Mr. Comer—for their leadership on this issue.

Mrs. LAWRENCE. I want to thank the chair for holding this important meeting.

As a 30-year veteran of the United States Postal Service and a representative of the Motor City—Detroit, the city who put the world on wheels—this hearing is particularly meaningful to me. As the big three automakers led the way in expanding access to electric vehicles, the United States Postal Service, which owns, as we heard, the largest civilian fleet in the Federal Government, they have an opportunity to champion the leadership of President Biden and our auto industry to push to electrify the Federal fleet.

Fortunately, the Postal Service is well positioned to not only invest in a robust vehicle fleet, but their existing nationwide footprint provides the perfect opportunity to strength our companies' growing EV network.

I want you to know I am disappointed by the Postal Service's initial purchase of the Next Generation Delivery Vehicles. I believe, though, that there is still an opportunity for the agency to substantially invest in electric vehicles in subsequent orders.

I want to commend my colleagues on this committee for fighting for the inclusion of dedicated funding—there is no excuse—to purchase electric vehicles in the Build Back Better Act, and I look forward to looking for additional avenues to make this investment a reality.

If the Postal Service is going to invest in new vehicles to be used for the foreseeable future, we must ensure that they are doing so in a way that makes sense, both financially and in a way that is a meaningful effort to protect the environment. As we all know, the motto of the Postal Service is "Rain, sleet, or snow will not stop us from our appointed rounds." Well, we should not let the carbon footprint of the Postal Service be one that would be harmful not only to America, but to the world.

I want to recognize and thank the witnesses who are testifying today, and I look forward to discussing how the Postal Service can truly lead the way with electric vehicles.

I yield back.

Chairwoman MALONEY. The gentlelady yields back.

But before we continue, I ask unanimous consent that Congressman Huffman be allowed to participate in today's hearing.

Without objection, so ordered.

Mr. COMER. Madam Chair, I also have a unanimous consent request to enter into the record two articles from two, I believe, credible liberal publications, the *New York Times* and the *Washington Post*. the *New York Times* article, "How Hunter Biden's Firm

Helped Secure Cobalt for the Chinese," and the *Washington Post* article, "The Hunter Biden Story Is an Opportunity for a Reckoning," into the record.

Chairwoman MALONEY. Without objection.

Mr. NORMAN. Madam Chair?

Chairwoman MALONEY. Yes.

Mr. NORMAN. I ask for unanimous consent to enter into the record a letter sent to Louis DeJoy on the great company that is now operating in South Carolina and goes into detail on the EVs.

Chairwoman MALONEY. Without objection.

Chairwoman MALONEY. Now I would like to introduce our witnesses for today. Our first witness is Tammy Whitcomb, who is the IG, Inspector General, for the Postal Service.

Then we will hear from Victoria Stephen, who is the executive director of the Next Generation Delivery Vehicle at the Postal Service.

Next we will hear from Kenny Stein, who is the policy director at the Institute for Energy Research.

Next we will hear from Jill Naamane, who is the Acting Director of the Physical Infrastructure Team at the Government Accountability Office.

Finally, we will hear from Joe Britton, who is the executive director of the Zero Emission Transportation Association.

The witnesses will be unmuted so we may swear them in. Please raise your right hand.

Do you swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Response.]

Chairwoman MALONEY. Let the record show that the witnesses answered in the affirmative.

Thank you. Without objection, your written statements will be made part of the record.

And with that, Ms. Whitcomb, you are now recognized for your testimony.

## STATEMENT OF TAMMY L. WHITCOMB, INSPECTOR GENERAL, UNITED STATES POSTAL SERVICE OFFICE OF THE INSPECTOR GENERAL

Ms. WHITCOMB. 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 these

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 reliable and stable energy costs.

However, there are challenges associated with adopting an electric vehicle fleet. The upfront costs are significantly higher than 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.

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. 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.

Chairwoman MALONEY. Thank you.

Ms. Stephen, you are now recognized for your testimony. Can you turn on your mic?

Ms. STEPHEN. Apologies. Is that better?

Chairwoman MALONEY. Yes.

**STATEMENT OF VICTORIA K. STEPHEN, EXECUTIVE DIRECTOR, NEXT GENERATION DELIVERY VEHICLE, UNITED STATES POSTAL SERVICE**

Ms. STEPHEN. OK. Good morning, Chairwoman Maloney, Ranking Member Comer, and members of the committee. Thank you for calling this hearing to examine the benefits, opportunities, and challenges of electrifying the postal fleet.

My name is Vicki Stephen, and I am the executive director of the Postal Service's Next Generation Delivery Vehicle Program, which is a key component in our Delivering for America Strategic Plan.

Replacing our aged fleet is a critical part of our organizational transformation, but is by no means the only critical part. We have many competing operational objectives to address in the immediate term. The higher purchase and infrastructure cost of the vehicle electrification adds tension to that competition, especially considering it's not mission critical.

Nevertheless, we understand the national interest in moving toward an energy efficient and environmentally sensitive future and are committed to doing our part. On March 24, we placed an order for 50,000 vehicles of which 10,019 will be battery electric, or BEVs, and assigned to the routes that present the best initial application for such vehicles. This action demonstrates our commitment to including BEVs as a significant part of our delivery fleet and was carefully evaluated in the context of our unique delivery mission, our policy mandates, and organizational and financial constraints.

Under our universal service obligation, we deliver to 163 million addresses in all climates and landscapes six days a week, and we must do so in a financially self-sufficient manner. It is vital that we provide our carriers with appropriate vehicles to support this specific and robust delivery mission.

The urgent need to replace our vehicles is not in dispute. Many of our 190,000 delivery vehicles are inefficient, and they lack basic safety features and ergonomic features, including air conditioning, airbags, antilock breaks.

I must stress that our vehicles cannot be compared to other private delivery or Government fleets in nature, use case, or scope. Understandably, there is interest in the vehicle cost, and I look for-

ward to articulating the factors that contribute to cost today and note that the differential between the two versions is comfortably within the range of commercially available internal combustion, or ICE, and battery electric vehicles.

As my written testimony describes in detail, we have very specific vehicle requirements, including right-hand drive and ergonomic features necessary to perform delivery to curbside mailboxes, as well as ruggedized components built to support the wear and tear of our postal delivery operations.

The NGDV program is just one part of our mixed delivery fleet strategy. We will continue to purchase the types of vehicles that best align with our routes. Any mix of replacement vehicles will deliver significant reduction in emissions and improvements in fuel economy over our existing long-life vehicles.

I would note, however, that we have 12,500 routes over 70 miles in length that are not candidates for electrification today, and another 5,000 that require all-wheel drive vehicles due to extreme climate conditions. Electrification also comes with the challenge of installing infrastructure at a multitude of postal facilities. Our search for replacement vehicles began in January 2015 after several years of industry outreach, study, evaluation, and prototyping, we conducted a robust and open production competition and awarded Oshkosh Defense a manufacturing contract in February 2021.

The contract provides us with the ongoing ability to purchase between 50,000 and 165,000 NGDVs that will be equipped with either ICE or BEV power trains. NGDVs can be purchased in any proportion throughout the contract life. However, our total cost of ownership model points to a substantially ICE fleet due to the higher acquisition and infrastructure cost for the BEVs.

Our procurement was deliberative. We considered the characteristics of more than 200,000 carrier routes to assess the appropriate vehicle for each and analyzed fuel and maintenance savings. We found that the benefits are not enough to overcome the higher costs over the 20-year life of the vehicle.

We also followed all of the requirements of the National Environmental Policy Act, including consultations with the EPA and the Council on Environmental Quality and responding to thousands of public comments. Our ultimate decision was designed with enough flexibility to allow us to increase the proportion of BEVs if financial circumstances change, and if the use case continues to improve, as evidenced by our recent purchase order.

The recent NGDV purchase contract was the culmination of years of careful needs analysis and procurement discipline, all linked to our unique operational imperatives. The opportunity to electrify at least 10,019 delivery vehicles is a meaningful step in the direction of broader electrification that is a priority for many of our stakeholders.

So, thank you for the opportunity to address these matters, and I welcome any questions that you may have.

Chairwoman MALONEY. Thank you very much.

Mr. Stein, you are now recognized for your testimony.

**STATEMENT OF KENNY STEIN, DIRECTOR, POLICY, INSTITUTE FOR ENERGY RESEARCH**

Mr. STEIN. Thank you for the opportunity to participate in this hearing. My name is Kenny Stein, and I am the policy director for the Institute for Energy Research. We're a free-market organization that conducts research and analysis on the function, operation, and regulation of energy markets.

At the outset, I'll say the Postal Service is correct and prudent in taking a gradual approach to introducing electric vehicles into its fleet. As both the Service's record of decision as well as the Inspector General's report make clear, EVs are substantially more expensive than the internal combustion alternative, due not just to the higher cost of the vehicle itself, but the large expense needed to install charging facilities for the new vehicles.

The same two documents make clear that this cost differential is so great that the expected lower operating costs of EVs over their lifetime does not make up for the higher upfront cost, except in certain locations and certain routes. And even those exceptions are based on certain assumptions, and if those assumptions have proved overly optimistic, EVs could actually end up being a long-term financial drag on the Postal Service.

But beyond pure cost considerations, there's a number of questionable assumptions that are underlying this predicted EV transition. The cost of battery modules, which are the most expensive part of an EV, have, indeed, been falling for many years. But this price decrease cannot and will not continue indefinitely.

Once manufacturing is optimized, companies are left with the underlying cost of the mineral inputs of the battery. So, nickel, cobalt, lithium, various rare earth minerals have seen prices rise in recent years, and EV prices have had to increase in tandem.

While there are research efforts underway to find alternatives for some of these elements, fundamentally, you always need a bulky battery to power an EV. Basic physics limits how small an EV battery can get, and the fact that the NGDV will need to have its batteries replaced within 10 years increases the significance of this battery assumption because it's not guaranteed that replacement batteries will be less expensive than the many thousands of dollars that they cost today.

It is also assumed that electricity prices will not increase in the future. This is much of the basis for claiming fuel cost savings over internal combustion engines. But over the last several decades, electricity prices have been flat to increasing in the United States.

There is no evidence for the often-asserted claim that more renewable electricity generation will end up lowering electricity prices. The evidence we have actually more often suggests the opposite, that the higher the share of generation from wind and solar, the higher electricity prices.

On top of those existing trends, forced and voluntary transitions to EVs, as well as political pressure to increase electrification, stands to increase demand for electricity in the coming years. The infrastructure to supply this additional demand is subject to delay and limitations due to environmental objections or simple land use opposition.

So, all these factors—higher demand, costlier supply, expensive transmission—mean that the expectation for the future electricity prices must be higher prices, not lower. The supply chain for electric vehicles also needs to be part of the Postal Service's decision-making process. The supply availability of many of the inputs for EVs is in doubt. Even at the end of last year, nickel supplies were forecast to be short by 128,000 tons in 2021, with a cobalt shortage of 1,800 tons.

Supplies are further forecast to be tight all the way through 2025. Russia's invasion of Ukraine puts nickel supplies on an even more uncertain footing, given that Russia produces about 20 percent of the global supply of nickel.

A deficit in lithium is also expected by 2025. These shortages cannot be quickly remedied. It takes many years to bring a new mine into production. With prices of mineral inputs high, there is a high likelihood of EVs being more expensive in the near term. It's even possible that there will simply not be enough minerals to meet the demand for electric vehicles.

While a Ford or GM can wait a few years to hit its EV sales goal, the Postal Service needs their replacement vehicles today. There is a very real prospect of EVs being delayed due to supply shortages.

The source of the mineral inputs should also be a concern, especially for this committee, given the discussion earlier. While U.S. mines do produce some of the minerals which go into EVs, the raw minerals are overwhelmingly processed outside the United States. This is especially true for the components of EV batteries, the supply chain of which is dominated by China.

China processes the majority of the world's cobalt, nickel, lithium, manganese, and graphite as well as many rare earth minerals. China also dominates finished battery production, producing around 80 percent of the world's lithium ion batteries.

Now there are currently companies building battery plants in the United States and working on permitting mines, but alternative supplies will take many years to come to market. And again, the Postal Service needs their vehicles now. We can hope that 5 to 10 years from now more of the supply and processing needed for EVs will take place in the United States or its close allies, but today, any increase in EV procurement by the Postal Service will be enriching China.

The uncertainty around the utility of EVs for the Postal Service, the high cost of EVs, and EV supply chain concerns all point in the same direction for the Postal Service—caution. These factors strongly support the service's decision to slowly introduce EVs into their fleet.

These factors may change in the future, but as of today, with the Postal Service having immediate need to replace its aging delivery fleet, EVs are an unnecessary risk to the true mission of the Post Office, which is to deliver the mail, not to support larger micromanaging of the national motor vehicles market.

Thank you very much, and I look forward to your questions.

Chairwoman MALONEY. Thank you.

Ms. Naamane, you are now recognized for your testimony.

**STATEMENT OF JILL M. NAAMANE, ACTING DIRECTOR, PHYSICAL INFRASTRUCTURE TEAM, GENERAL SERVICES ADMINISTRATION**

Ms. NAAMANE. Chairwoman Maloney, Ranking Member Comer, and members of the committee, thank you for the opportunity to discuss the Postal Service's efforts to acquire electric vehicles in its delivery fleet.

The Postal Service and the Federal Government rely largely on gas vehicles to carry out a variety of Government missions. In 2020, over 600,000 vehicles in the Federal fleet, including the postal delivery fleet, traveled over 4 billion miles and used an estimated 360 million gallons of gas and diesel.

Transitioning Federal fleets to electric vehicles will represent a significant transformation for the Federal Government. It will also require agencies to conduct sound analysis to support their decision-making.

My testimony today will focus on preliminary observations from ongoing work. Specifically, I will discuss tools the Postal Service used to determine the number of gas and electric delivery vehicles to purchase and factors affecting the Federal fleet's transition to electric vehicles.

Last month, the Postal Service ordered 50,000 new delivery vehicles, including about 10,000 that will be electric. To inform its decision, USPS conducted a total cost of ownership analysis of a range of types of vehicles. Information in this analysis included the maintenance and fuel costs of each vehicle.

It also developed a model that recommends the lowest-cost vehicle for each delivery route and a mix of vehicles to purchase each year. The model is based on a set of assumptions, including information from the total cost of ownership analysis and details on individual delivery routes. USPS told us the model was one aspect of their decision-making, and although it recommended purchasing zero electric vehicles this year, the initial order included 20 percent electric vehicles.

Our preliminary analysis of the model raises questions about the way in which certain assumptions estimate the costs and benefits of the gas and electric vehicles. I'll highlight a few examples.

First, the model we reviewed used a 2020 gas price that is almost $2 per gallon less than the current national average. USPS told us they continue to update their model, and we will further evaluate how changing the price per gallon would change the recommended vehicle mix.

Second, the model appears to assume maintenance would be more expensive for electric vehicles than gas. This is inconsistent with research we have identified, our interviews with private delivery companies, and Postal Service documents that show electric vehicles are expected to be less expensive to maintain.

Third, the total cost of ownership analysis does not include a reduction in emissions as a benefit of electric vehicles. A separate USPS Environmental Impact statement found that with no tailpipe emissions, electric vehicles would have this benefit. In our ongoing work, we will test assumptions in the models to understand how they affect the recommended vehicle mix.

I'll turn now to factors that have so far affected the widespread acquisition of electric vehicles in Federal fleets. We have previously reported that these factors include the higher upfront costs of electric vehicles and uncertainties around the cost and installation of charging infrastructure. Our ongoing work indicates that these factors remain relevant.

For example, USPS officials said the higher upfront cost was a key factor in their decision-making. They estimate that the new electric and gas delivery vehicles will not cost the same until 2031. In addition, USPS estimates a range in the cost of installing chargers depending on the site, and it is uncertain whether older facilities have sufficient power capacity to support the charging infrastructure.

In closing, some aspects of the transition to electric vehicles may become easier to manage as the market evolves. Other aspects will take some work to address. All aspects of this transition, however, will require agencies to use reasonable and current data and transparent analysis of costs and benefits to support their decisions. We will continue to assess these issues in our ongoing work.

This concludes my statement, and I'm happy to answer any questions.

Thank you.

Chairwoman MALONEY. Thank you so much.

Mr. Britton, you are now recognized for your testimony.

**STATEMENT OF JOE BRITTON, EXECUTIVE DIRECTOR, ZERO EMISSION TRANSPORTATION ASSOCIATION**

Mr. BRITTON. Chair Maloney and Ranking Member Comer and members of the committee, thank you for the opportunity to speak with you today about the benefits of electrifying the U.S. Postal Service.

My name is Joe Britton, and I'm the executive director of the Zero Emission Transportation Association, a coalition spanning the entire EV supply chain from vehicle to battery manufacturers, to charging companies, to critical material developers, to utilities.

We believe firmly in Postal Service electrification. With set daily routes, routine idling, and overnight depots that are ideal for charging, we believe these vehicles are the ideal use case in the entire Federal fleet. Electrifying this vehicle segment will deliver vast economic, environmental, and public health benefits.

Independent studies show that electrifying these vehicles could save the Postal Service $4.3 billion and that 97 percent of these vehicles could be transitioned at a lower total cost of ownership. This should be an enormous opportunity for the Postal Service, but somehow this contract has veered off track.

The Postal Service initially announced it was going to procure a swappable gas vehicle that could later be made electric. After months of asking for detail about this prototype, USPS acknowledged that a swappable drive train was no longer part of their plans. Instead, they are now relying on estimates that do not reflect the market for performance nor pricing in comparing gas to electric vehicles.

For example, in deciding whether to go electric or remain reliant on gasoline, USPS, as the chair has noted and GAO has noted,

they're relying on $2.19 per gallon gasoline, when Americans today are paying twice that amount.

Even harder to believe is their assumption that gas prices will be $2.55 in the year 2040. I don't think anybody in the room today believes that gas prices are going to be 50 percent cheaper 20 years from now.

And that's a real problem for the Postal Service because the vehicles that they're proposing to procure only get 8 to 14 miles per gallon, which is lower than the 17 miles per gallon of the 1988 Grumman they're replacing. After years and years, decades, of technological innovation, it is indefensible that these vehicles are not more fuel efficient.

USPS is also dramatically underestimating the capabilities of electric vehicles. For example, in their benchmark EV, they state that it should have a 94 kilowatt hour battery pack, but that it would only get 70 miles of range per charge. The standard in the marketplace is double that today.

We've only seen this poor a range to battery pack estimate for extraordinarily heavy vehicles like Class A tractor-trailers and semi trucks. It's unbelievable that this vehicle would only get 70 miles of range.

The Postal Service is also claiming exorbitantly high charging costs. And the Inspector General here today called attention to their estimate that it would cost $18,000 per charger, which is far more than the current Federal blanket purchase agreement already negotiated to install these very same chargers today.

And they project that a dedicated charger is needed for every single vehicle. But with accurate route and range estimates, we suggest two to three vehicles could effectively share the same charger.

Ultimately, the Postal Service is relying on information that is creating a skewed comparative cost projection. It doesn't need to be this way. I think Mr. Stein and I would agree that we could maybe look to the marketplace to see what others are doing. They have already recognized the opportunity of electrification and are locking in years of strategic advantages over the Postal Service with their own fleets.

This includes bulk EV purchases from UPS and Amazon, 70 percent electrification goals from DHL, and 100 percent commitment to electrification from FedEx. These companies estimate 60 to 75 percent fuel cost savings and 50 to 80 percent savings on maintenance and service.

The Postal Service EIS is opaque and limited, but from the little they have disclosed, it shows their assumptions are not grounded in fact. Unless they reverse course, they will continue to bear these unnecessary costs for both gasoline and service and maintenance, whereas their competitors will not.

We urge the Congress to require the Postal Service to rethink this contract and start with a transparent fleet transition plan like states and other recipients of Federal money are required to do today. This would not require the disclosure of proprietary information. Rather, it would allow USPS to produce a market analysis using transparent third-party engineering and modeling to assess the feasibility of electrification.

We think the answers will be clear and more closely reflect the decisions being made by others in the free market.

Thank you for your time, and I look forward to your questions.

Mr. COMER. Madam Chair, before we get into questions, if I may, I ask unanimous consent to enter two letters into the record.

The first is a letter from me to the National Archives, asking for information about the sale of the cobalt mine from the White House while Hunter Biden's father was Vice President, and the Archivist's response, saying he could only provide to the chair of the committee.

Chairwoman MALONEY. Without objection.

Chairwoman MALONEY. We will now recognize Congresswoman Kelly.

[No response.]

Chairwoman MALONEY. OK, Congresswoman Kelly, you are now recognized.

[No response.]

Chairwoman MALONEY. OK. All right. Well, I will just recognize myself for five minutes for questions.

On March 24, the Postal Service placed its first——

Ms. KELLY [continuing]. Be able to——

Chairwoman MALONEY. We will just continue right now.

On March 24, the Postal Service placed its first purchase order of 50,000 vehicles with Oshkosh, and although the Postal Service initially insisted it could buy only 5,000 electric vehicles in this first order, it doubled that amount to 10,000 after this committee and others began to ask questions.

So, I would first like to ask Ms. Stephen, can you briefly explain what changed the Postal Service's analysis to allow for the increase of EVs in this purchase order?

Ms. STEPHEN. Yes. Am I on? Thank you for the question.

The first thing that is important to note is that the Postal Service has committed to continuing to reassess changes in the market. And so the point that you and some of the other speakers have made today about changing fuel prices, $2.19 was the price at the time that we prepared the analysis. We have continued to do ongoing analysis on changing fuel prices and sensitivity analysis to determine if that changes our mix.

It certainly does. Gas prices are higher today than they were when we prepared the initial analysis. So, that's one factor.

The other key factor is that through the efforts of you and your colleagues, postal reform is making a big difference for the Postal Service. It allows us the flexibility to consider our capital position differently than prior to the passage of postal reform.

So, between those two key variables, we were able to go back and assess our ability to increase the proportion of electric vehicles within our financial resources and within our means, and we're happy to do that.

Chairwoman MALONEY. Well, I am glad to hear that you are going to reassess and see if we can move more to electric vehicles, given the testimony really, actually, we received today, and I am glad to hear that the postal reform bill is making changes that are helping you reassess.

Yes or no, will the Postal Service provide the committee with a copy of the analysis that you used to determine how many electric vehicles to purchase? Yes or no, will you provide us with that information, please?

Ms. STEPHEN. If it's specifically requested and protected, yes.

Chairwoman MALONEY. Thank you.

OK. The Postal Service now has roughly $23 billion on hand, including $13 billion that is not allocated to pay down debt. And this committee's bipartisan work will save the Postal Service roughly $50 billion over the next 10 years. And we are proud of that achievement, and we know that EVs are a good investment for the future, for the environment, for our country, for national security. We are asking you to go back and look again and see if we can increase the purchase of the EVs even more.

So, Ms. Stephen, given all of this, will the Postal Service commit to conducting a new analysis of the EV costs and develop a more aggressive proposal to buy more EVs? We heard several criticisms from many of the panelists today of the analysis and ways that it was possibly not accurate. So, could you go back and develop a new analysis for us, given the changing environment, given the changing environmental environment, given the report from the United Nations, given the war in Ukraine, which means we have to get off of oil faster and more effectively?

Could you go back and please try a new analysis, given the information we learned today and the changing world economy?

Ms. STEPHEN. So, we've committed to doing ongoing updates as conditions change in the market. So, I don't think a new analysis is required. I think the analysis that we prepared is well designed to look at those variables and assess relative impact. And I think it's also important to note that the $13 billion cash on hand that you referred to is also designated for key fundamental investments that are part of our Delivering for America Strategic Plan.

There have been many things that have gone underinvested over the last many, many years, and so there are other financial priorities that are competing for our resources to make sure that we're addressing all of those needs in addition to the delivery vehicles.

Chairwoman MALONEY. Well, GAO in their testimony said they had analyzed the Postal Service's estimates and the cost of buying and maintaining electric vehicles. So, I would like to get their view on it now.

So, Ms. Whitcomb—no, Ms. Naamane, based on GAO's analysis, did the Postal Service make assumptions that you believe are unreasonable and need to be corrected?

Could you use the mic?

Ms. NAAMANE. Our work is still ongoing, and so, from our preliminary observations, what we've seen in the documentation the Postal Service has provided us so far, we have some questions. We have questions about how current some of the data is. We have questions about how reasonable some of the estimates are. We have questions about how consistent it is with other information that we've seen in the market and from the Postal Service.

And so, as we continue our work, we will test these assumptions. We'll gather additional insight from the Postal Service and other

sources and assess that against some objective criteria to make our final conclusions.

Chairwoman MALONEY. Well, thank you. I want to thank all of the panelists.

I personally believe that the leadership of the Postal Service relied on faulty assumptions and needs to go back to the drawing board and come up with a much more aggressive plan to electrify the fleet. Otherwise, they risk saddling the Postal Service with an antiquated, gas-guzzling fleet for the next 20 years.

I now recognize the gentleman from Kentucky. Mr. Comer, you are now recognized.

Thank you all for your excellent testimony.

Mr. COMER. Thank you, Madam Chair, and again, thank the witnesses for being here today.

Mr. Stein, I was somewhat criticized by my very good friend, the chairwoman, for politicizing the importance of cobalt and the need to have a witness talk about how important cobalt is in the production of batteries for electric vehicles.

Can you kind of explain the importance of that rare mineral cobalt in the production of electric vehicles?

Mr. STEIN. Sure. So, cobalt is a crucial element in the battery production process, which, among other elements, and the key about cobalt, especially, among minerals is that it is not found in all that many places.

It is—the largest mines, the largest production is in the Congo, but the majority of the mines in the Congo are actually owned by the Chinese state-owned companies and about 80 percent of the cobalt processing happens in China itself.

So, if we are talking about national security issues, there has been discussion of national security regarding oil, but there is national security issues with the EV supply chain and with renewables more generally, too.

Mr. COMER. So, let me get straight. Eighty percent of the world cobalt market is now owned by China?

Mr. STEIN. Well, the processing. We need to make a distinction between the mining and the processing.

Mr. COMER. Right.

Mr. STEIN. And the mining happens in Australia and the Congo.

Mr. COMER. Right. Right.

Mr. STEIN. But yes.

Mr. COMER. OK.

Mr. STEIN. The actual processing.

Mr. COMER. So, in your opinion, it does harm our national security if China has that much of a market share for the production of cobalt?

Mr. STEIN. One hundred percent, because we have just recently have gotten to the point where we produce enough energy domestically in natural gas and oil that we are, largely—we are not truly self-sufficient but we are, largely, able to operate independently from the international conditions.

But when we are talking about renewables, this is—this goes for solar as well as electric vehicles and batteries—all batteries. The production process happens overwhelmingly in China. So, we will be exchanging one dependence on oil for another dependence on

China, and I am not sure as a national security tradeoff that that is an improvement.

Mr. COMER. Well, it seems odd that the son of our commander in chief played a leading role in selling a major cobalt mine in Congo to China. Does the United States have domestic sources for these metals?

Mr. STEIN. There are some potential domestic sources. I believe it is the Twin Peaks Mine in Minnesota has the potential for some cobalt production. But that is actually the mine that several permits were just withdrawn by the Biden administration for it.

So, part of the problem with cobalt is that it is pretty dirty to develop and so environmentalists in the United States don't like it being done here.

Mr. COMER. So, when environmentalists don't like mining for cobalt but environmentalists want to shift American vehicles from fossil fuels to electric vehicles and we need that cobalt mine to produce electric vehicles?

Mr. STEIN. Yes. The mining can be done in Congo by child labor and the processing can be done in China with no environmental standards. So, that way you get cheap electric vehicle batteries.

Mr. COMER. Well, what impact will President Biden's use of the Defense Production Act have on the supply of these metals?

Mr. STEIN. Well, it could have a significant impact. But that would involve using it to encourage domestic mining and that, so far, has not been what he has tried to use the Domestic Production Act for.

Now, he did—the Defense Production Act. Now, they have tried to encourage—provide some funding for some domestic processing of some of these rare earth, particularly the ones that are mined in Mountain Pass, which is really the only mine in the United States that produces a lot of these minerals. But that, of course, is a long-term play. They have to build the processing capacity. It doesn't currently exist.

Mr. COMER. So, the U.S. does currently have the ability to process the minerals and metals needed for electric vehicle manufacturing. But under the Biden administration, what does that look like?

Mr. STEIN. So, there is a mine, Mountain Pass, in California that produces many of these critical minerals. But right now, they have to be sent overseas to be processed. So, the company that owns that mine is actually in the process of trying to build domestic processing capacity but it does not currently exist, and there is a lot of environmental permitting that has to go into that because, again, this is a fairly dirty—processing mining material is a fairly dirty operation.

Mr. COMER. Wow. Well, Madam Chair, it looks to me like China has a competitive advantage in the rare earth mineral market, which is essential for the production and manufacturing of electric vehicles.

So, I think we definitely need to have a rare earth mineral expert testify about how we can change the fact that China controls the market on this. This just gives them a further competitive advantage, and if we are going to do what I think a lot of Democrats want to do in the Green New Deal and shift everything from fossil

fuels to electric vehicles, then we have to have an honest conversation about the rare earth mineral market and the importance to that in the manufacturing of the batteries for electric vehicles.

So, I don't think it is political and, hopefully, we can get to that point to where we can have a productive thorough committee hearing about the rare earth mineral market.

With that, I yield back.

Chairwoman MALONEY. The gentleman yields back.

And from the District of Columbia, Ms. Norton, you are now recognized for five minutes.

Mr. CLYDE. Madam Chair? Madam Chair? Madam Chair?

I request unanimous consent to have the following articles entered into the record.

Chairwoman MALONEY. Without objection.

Mr. CLYDE. Thank you. The first article is from the *New York Post* dated November 20, 2021, "Hunter Biden's firm helped China gain control of the electric car mineral" report.

The second article is from *E&E Daily*. It is from January 21, 2022, "Hunter Biden and the cobalt mine explained."

The third article is from the *New Delhi*, published November the 30, 2021, "Joe Biden's son helped China get control over vast cobalt mine in Africa" report.

The fourth article is from the *Daily Mail* and it is from November the 21, 2021, and it is entitled "Hunter Biden's private equity firm helped Chinese conglomerate buy American-owned cobalt mine in $3.8 billion dollar deal purchase——

Chairwoman MALONEY. OK.

Mr. CLYDE [continuing]. To help China gain the world's largest deposit."

Chairwoman MALONEY. Reclaiming my time.

Mr. CLYDE. I just—I just have two more. I just have two more. That is all.

Chairwoman MALONEY. OK. Quickly. We have got other things to do.

Mr. CLYDE. Very quickly. Very quickly.

And from Fox News, that Hunter Biden's firm helped Chinese company purchase rich cobalt mine for $3.8 billion, and the last one is from Fox News published just a few days ago, April the 2, 2022, "House Republicans invite Hunter Biden to testify on cobalt mine."

Chairwoman MALONEY. Without objection.

Mr. CLYDE. Thank you.

Chairwoman MALONEY. The gentlelady from the District of Columbia, Ms. Norton, you are now recognized.

Ms. NORTON. I appreciate this hearing, Madam Chair. Bear with me. I begin by asking what is one pound worth?

Ms. Naamane, yes or no, do you know what one additional pound on a delivery vehicle is worth in terms of greenhouse gas emissions? Yes or no.

Ms. NAAMANE. I don't have those exact numbers. We did see in the Postal Service's Environmental Impact Statement that there was a benefit for the electric vehicles and that was something that was not included in the total cost of ownership analysis.

So, we don't have the exact figures in how it factored into the Postal Service's decision-making. So, that is something we want to understand better as to what extent and how reduced emissions factored into the decision-making since it was not in the models.

Ms. NORTON. Thank you.

Ms. Whitcomb, yes or no, do you know what one additional pound on a delivery vehicle is worth in terms of greenhouse gas emissions?

Ms. WHITCOMB. No, I don't, and that is not something that we included in this—in the paper that I just briefed.

Ms. NORTON. All right.

How about you, Ms. Stephen? Yes or no, do you know what one additional pound on a delivery vehicle is worth in terms of greenhouse gas emissions?

Ms. STEPHEN. Yes. I am aware that it changes the vehicle classification and it is aligned with a different level of greenhouse gas emissions. But I don't know the specific value.

Ms. NORTON. Well, all of that is understandable. It may come as a shock that in our own research we found that one pound could cost the planet 40 billion pounds of greenhouse gas emissions. That is because one pound may be the difference between a clean postal fleet and decades of deadly pollution.

Oshkosh Defense, who has been contracted to design and manufacture the next generation delivery vehicle fleet, wants us to believe that the truck and payload will have a combined weight of 8,501 pounds on the dot—8,501.

At 8,500 pounds, the NGDV is within statutory requirements for light duty vehicle efficiency standards, which would highly favor an electric fleet. Toss in one more pound and it evades this environmental protection. That is why, based on Postal Services' estimated NGDV emissions, a one pound package adds up to 2 billion pounds of carbon emissions each year and about 40 billion pounds over the life of the vehicle.

Ms. Stephen, was the Postal Service involved in decision strategy calls or other communications either internally or with Oshkosh that led to the 8,501-pound vehicle proposal?

Ms. STEPHEN. Not to my knowledge, although I would say that their engineering development effort and the data that they used to develop those values are very precise.

Ms. NORTON. Did the Postal Service question why Oshkosh submitted a proposal that was one pound above the range for light duty vehicle efficiency standards?

Ms. STEPHEN. I am not aware that we questioned that.

Ms. NORTON. Ms. Stephen, I am glad that more electric vehicles are being purchased. Clearly, the 8,501 pound models, 2,941 pound payload capacity, is not core to operations. So, would you consider shaving off a pound?

Ms. STEPHEN. I would want to see the data that is used to support that analysis. I would prefer to respond when I can see the data.

Ms. NORTON. We will get you the data. But I have to be honest, it looks like the Postal Service, Oshkosh, or both deliberately juked stats, the statistics, to keep polluting and keep dependent on oil.

So, Ms. Whitcomb, I look to getting to the bottom of this with you, and I have to yield back the balance of my time now.

Chairwoman MALONEY. The gentlelady yields back.

The gentleman from Florida, Mr. Donalds, is now recognized for five minutes.

Mr. DONALDS. Thank you, Madam Chair. Witnesses, thanks for being here.

I think, obviously, us dealing with the Post Office trying to electrify, obviously, it is a situation we need to deal in this committee. It is under our purview.

But one thing that has already been clear that has come out of this hearing so far is that we are trading the apparent dependence on some portions of foreign oil at this point and, frankly, because of reckless energy policy from the administration, to a complete reliance on the Chinese with respect to getting electric batteries for the Postal Service.

So, we are asking the American people to, literally, pay billions of dollars for batteries that we are going to get from the Chinese, sources from, under Mr. Stein's testimony, cobalt being mined by kids in Africa, the same cobalt material which is far more harmful to the environment, far more dirty than our own environmentalists in the United States don't want us to mine. They don't want us to mine it here but it is OK for kids to mine it in Africa and for us to buy it from the Chinese.

Mr. Britton, a question for you. Mr. Stein's testimony talked about, frankly, and how dirty it is to mine some of these minerals. What is your group's position on advanced nuclear reactors?

Mr. BRITTON. We don't have a position.

Mr. DONALDS. Mr. Britton, you are from the Zero Emission Transportation Association and your organization, Zero Emission Transportation Association, does not have an opinion on modular nuclear reactors, advanced nuclear reactors, micro reactors that can actually provide the energy output necessary to provide the electric load that an electrified fleet from the Post Office would provide? But your organization doesn't have an opinion on this?

Mr. BRITTON. Well, we focus mostly on what propels the vehicle itself and so it is gasoline, hydrogen, battery, electric. So, that is typically where we focus. But I would be happy to answer some——

Mr. DONALDS. Mr. Britton, a quick question for you. If you are going to plug an electric vehicle in, where are you getting the electricity from to charge the battery?

Mr. BRITTON. From the grid.

Mr. DONALDS. And where does that energy—how does the energy that is on the grid get generated?

Mr. BRITTON. It depends on the region but it is a full blend of whether that is coal, gas, renewables, nuclear.

Mr. DONALDS. So, let me back up. We are talking about trying to have vehicles be zero emission. It is a worthy goal. It is a nice goal.

But the reality is, is that the energy necessary to charge the vehicles still comes from the fossil fuels that the other side of the aisle would want us to completely get away from under the current energy proposals and projections and vision from the Biden administration. Would you say that is correct?

Mr. BRITTON. Well, what I would refer you to which, actually, is a pretty interesting comparison, so if you look at the Union of Concerned Scientists' map for the entire U.S. they actually map out what is the carbon equivalency for a gas-powered car versus an internal combustion engine vehicle or in an EV and what they find is that across the country it is often 100 to 200 miles per gallon equivalency when you look at the carbon content.

So, point being is that in some regions, you might have a cleaner grid. Other areas of the country you might have a dirtier grid.

Mr. DONALDS. Does that study take into account the dirtiness of getting the rare earth minerals to create the battery that goes into the car itself?

Mr. BRITTON. Yes. It is a full well to wheel analysis of scope one, two, and three.

Mr. DONALDS. OK. Thank you.

Ms. Stephen, quick question for you. If the Postal Service was left to its own ability, would you be going down this line of purchasing electric vehicles to the scale that the majority party wants you to purchase electric vehicles?

Ms. STEPHEN. We would be purchasing the 20 percent that we are taking forward in our acquisition today. That is an amount that we can afford. There are benefits, particularly if applied to the routes that have the right conditions where we can actually capitalize on the benefits of an electric vehicle. The more you drive the more you save.

Mr. DONALDS. OK.

Ms. STEPHEN. So, the longer routes, routes that are between 40 and 70 miles in length, are really a sweet spot and the OIG's independent TCO analysis found the same impact. Longer routes give us the better opportunity for savings——

Mr. DONALDS. Quick question because I am—quick question because I am running out of time. I want try to focus this in.

Ms. STEPHEN. Yes.

Mr. DONALDS. You are going to get funded—the Democrats want to fund you to make these purchases more money above what you are currently funded to run operations, or whatever we backfill from the Treasury to keep you guys afloat. Are you taking advantage of any other Federal subsidies in order to make these acquisitions? Does that go into the analysis of being able to buy electric vehicles at the Post Office?

Ms. STEPHEN. It will go into the analysis. We haven't initiated that body of work yet. We just got the vehicle contract signed. That will be in the process while we develop infrastructure. So, we will absolutely consider it and have plans in the works to assess available incentives.

Mr. DONALDS. All right.

Real quick. Mr. Stein, I know we kind of talked about the national security aspects of relying on China for electric batteries. In your opinion, would that put us in a worse position from a national security perspective than we currently are with the oil and gas that we do import from several nations around the world?

Mr. STEIN. Certainly, 100 percent, based on today, because most of our oil imports today actually come from countries like Canada and Mexico. So, even the oil that we are importing isn't necessarily

from hostile nations and that has only been a recent change in the last 10 years.

Mr. DONALDS. Madam Chair, considering the fact that the Chinese literally dominate the electric battery market, it makes no sense at all why the U.S. Government should be giving the Postal Service more billions of dollars to acquire batteries that, literally, come from the Communist Chinese Party and empowering them to put us at a disadvantage here at home.

With that, I yield back.

Chairwoman MALONEY. The gentleman yields back.

The gentleman from Maryland, Mr. Raskin, is recognized for five minutes.

Mr. RASKIN. Madam Chair, I want to thank you for calling this important hearing and for the excellent way in which you are conducting it.

You know, climate change is a civilizational emergency bearing down on us. We are seeing record forest fires throughout the Western part of the United States consuming millions of acres of forests.

We are seeing record drought throughout the Midwest, record flooding on the East Coast, hurricanes at record velocity smashing up against the Southern coast and the East coast of the country.

We had a warning yesterday from the Intergovernmental Panel on Climate Change that we are not remotely doing enough. This is an emergency that we are in. We need all hands on deck and, instead, we get a bunch of silly propaganda lectures about Hunter Biden.

The climate benefits of electrifying the postal fleet are significant. The Postal Service's 216,000 delivery vehicles burn about 200 million gallons of gasoline each year, pumping up the demand for gasoline and the price of gasoline.

A gallon of gasoline which weighs, roughly, 6.3 pounds produces 20 pounds of carbon dioxide equivalent greenhouse gases which will then linger in the Earth's atmosphere and continue to heat and boil the planet for centuries.

Altogether, the Postal Service's gas-guzzling fleet emits billions of pounds of carbon dioxide equivalent greenhouse gases every year.

Mr. Britton, tell us about what some of the concrete climate benefits are that we will see if the Postal Service does the logical thing now and electrifies its entire fleet.

Mr. BRITTON. Well, you bring up a good point, which is that each and every year, and I think it was Atlas Public Policy that estimated, that there is 12 megatons of carbon savings that would be reduced every year.

And just for comparison, we actually put a fair market price on that as the Federal Government through the tax credit 45Q, which is made available to coal companies, gas processors, fertilizer plants, steam methane reformers, to reduce the emission from those smokestacks.

If we allow, just as a comparison, the same level of emissions reduction to be reimbursed through the 45Q tax credit, we would be cutting a $6 billion check to the Postal Service for the emissions reduction of electrification.

Mr. RASKIN. Well, Ms. Stephen, is fleet electrification now a goal of the Postal Service?

Ms. STEPHEN. I would say that the Postal Service is focused on our core mission and on the strategies that we have outlined within our Delivering for America Plan. The NGDV is a part of that plan. But it is only one piece of the plan. We have many other competing priorities.

Mr. RASKIN. Well, right. We want to get the mail delivered to our people. We want to do it six days a week and we want to—you know, I don't want constituents calling me because the mail is being delivered to the wrong place and all of that.

But within the category of this judgment, would the Postal Service's preference be to have 100 percent fleet electrification if the funding were available?

Ms. STEPHEN. If the funding was made available to us, we would absolutely adjust our plans. Our plans today reflect what we can afford within our own resources.

Mr. RASKIN. Great. Well, look, I think we all share that as a common goal then. You know, there may be a handful of people left, unfortunately, who are still denying the reality of climate change.

There may be some people who are so much in the thrall of the oil and gas industry that they can't admit that the survival of our species is in peril because of the dramatic consequences of climate change all over the world with the glaciers vanishing and the ocean levels rising and the polar bears drowning because they are good swimmers but they are not inexhaustible.

We are seeing dramatic evidence of the way that the climate of the Earth is changing and some people just want to, you know, stick their head under the sand, and it is the wrong way to approach a catastrophe of this proportion.

So, this is a small step. We don't want to overstate it. But it is a very significant one and, symbolically, it is incredibly important and it will make a real difference in terms of reducing the amount of greenhouse gas emissions that we are pumping into our own ecosystem.

So, I think at this point, Madam Chair, we have gotten people who—the vast majority of the people who accept the reality of climate change and the imperative of acting to address it and those people who want to go back to rhetoric that is now aging 10, 15, 20 years ago.

I yield back to you and thank you for this important hearing.

Chairwoman MALONEY. The gentleman yields back. The gentleman from Arizona, Mr. Biggs, is now recognized.

Mr. BIGGS. Thank you, Madam Chair.

And, Madam Chair, pursuant to Clause 2(k)(6) of Rule 11 of the rules of the House, I move that the Committee on Oversight and Reform issue a subpoena to Hunter Biden as an additional witness for this hearing.

Hunter Biden helped sell one of the world's largest cobalt mines to China. Cobalt is a key component in batteries for electric vehicles. It is obvious that Hunter Biden has a valuable expertise which he can share with us today at this hearing on electrifying the Federal fleet of postal vehicles.

So, Madam Chair, we should have him here at this hearing and I urge my motion.

Chairwoman MALONEY. OK. The gentleman has made a motion to subpoena Hunter Biden. His motion is in order.

We have consulted with the parliamentarian and we will be able to place this motion in abeyance and we will deal with it before the end of today's hearing. This will be done out of courtesy to the important witnesses that we have before us who are here, and have to give adequate notice to all members.

We will consult with our members and announce a time to return and dispose of this motion. Now we will move on with the rest of the hearing. We have a serious hearing in front of us. Let us move forward.

I now recognize the gentleman, Mr. Biggs, for your testimony.

Mr. BIGGS. Well, thanks. I am happy to give testimony but I will ask questions instead.

So when—I live in the West. We mine. Arizona is a mining state. An electric vehicle requires elements that come from mines. In fact, the batteries that they rely on come from the ground.

There are so many innovations that have been put in place for mining these critical minerals throughout the world but, particularly, in the United States and in the Southwest.

And yet, we find that this administration, as well as previous administrations, have continued to put speed sticks down to prevent us from getting the mineral resources that we need to actually build electric vehicles, build batteries, build the craziest wind farms that you have, build the materials necessary for solar.

So, you guys just don't want to mine. You don't want to mine. You don't want to extract from the earth the gifts that are necessary to implement your environmental goals and strategies.

Mr. Stein, President Biden announced the use of the Defense Production Act to boost mining of rare earth minerals, which are necessary for electric cars in the U.S. Is that going to do anything to help?

Mr. STEIN. So in the announcement, the information that they gave out, it didn't really say much about mining. There was a lot of discussion of trying to increase processing in the United States, which, of course, is important, too. But there wasn't much action on the actual getting things out of the ground.

Mr. BIGGS. Well, can you discuss some of the issues that will exist with regard to permitting rare earth mines and the timeline for getting those mines up and running should this administration ever decide that, hey, we want to be players in the critical minerals?

Mr. STEIN. Well, yes. It takes—at a minimum, you are talking five to 10 years and that is assuming the permitting goes well.

There are some mines that—I think the Twin Peaks Mine in Minnesota may have had their first permit for 50 years, I think—just had a few of them withdrawn. So, this is a long-term thing. It takes many decades, especially given American environmental standards.

So, if you actually want to do this, it would require a sustained effort by multiple administrations forcing through some of these environmental permits, fighting back against some of the NIMBY-

ism and environmental opposition to building these mines, and I know that is a big problem in Arizona.

Mr. BIGGS. Yes. So, when we think about it, and critical minerals are necessary to build batteries and the vehicles themselves that we are talking about today.

I can think of one country that has a substantial amount of critical minerals and that would be Afghanistan. Can you describe—I don't know if it is in your expertise—describe some of the critical minerals that are available in Afghanistan?

Mr. STEIN. I am not familiar with the full inventory. But I know that the USGS did do an estimate of the resources available in the mountains in Afghanistan and almost all these critical minerals were there and present in large quantities. Of course, the question was how to actually build those mines in the middle of a war zone. But yes.

Mr. BIGGS. Right. And when we evacuated from Afghanistan we turned those over to the Taliban, who is now engaged in contractual relations with China to explore and extract.

Where are some other places around the world, and I am thinking of China and other places around the world, that have critical minerals that we would be reliant upon were we to adopt this policy that we are discussing today?

Mr. STEIN. Well, that is the key is that China processes the majority of all these major minerals that go into EV batteries. Now, not all the resources are in China, but they have gone around the world and they have bought up mines. They have bought off politicians. They work with people like the Taliban, who we won't work with. They are open to all comers as long as the resources get sent to China to be processed.

Mr. BIGGS. Thank you.

Chairwoman MALONEY. The gentleman's time has expired. The gentlelady from Michigan, Ms. Tlaib, is recognized for five minutes.

Ms. TLAIB. Thank you so much, Madam Chair.

Madam Chair, I am extremely alarmed at the anti-union actions that Oshkosh has taken in recent months. Many of my colleagues might not realize this, but Oshkosh's Wisconsin facility has been a union facility for decades.

And for the record, Madam Chair, those unionized workers are the ones who actually did the work to produce the products and maintain the high standards of production that made Oshkosh a competitor for this massive contract in the first place.

When Oshkosh submitted production proposals to USPS, those proposals were based on capabilities demonstrated by the union workers in Wisconsin, who represent countless combined years of experience and expertise in their field.

So, Oshkosh's sudden decision to manufacture these trucks in an unproven newly acquired facility with new hires is nothing more than a bait and switch that betrays the very workers who made Oshkosh the company it is today and have proved that they have the skills to get the job done and get it done right.

So, Madam Chair, I urge Oshkosh to end these blatant anti-union actions and produce these vehicles in their tested and proven Wisconsin facility.

And second, and this is something, Ms. Stephen, I hope you do take back to leadership, we do need to talk about the environmental shortsightedness of Postal Service's current plan.

In February—in a letter in February that we posted to Postmaster General DeJoy, Council on Environmental Quality Chair Brenda Mallory, who has come to my district a number of times, you know, she had warned that if the Postal Service fails to improve its environmental review to meet its legal obligations under NEPA, the National Environmental Policy Act, then, quote, "Congress or the Federal courts may compel USPS to alter course."

Like Ms. Mallory, the EPA, and so many of my colleagues, I seriously doubt the Postal Service Environmental Impact Statement meets its obligation as an independent agency.

Ms. Stephen, is it fair to say the Postal Service followed its policies under NEPA and would, quote, "emphasize environmental issues and alternatives in the consideration of proposed actions," which is a direct quote from USPS' own policy on NEPA implementation?

Ms. STEPHEN. So, I would say that our team followed with rigor the NEPA process. We put tens of thousands of person hours.

Ms. TLAIB. So yes?

Ms. STEPHEN. Yes, we have followed rigors.

Ms. TLAIB. OK. So, if USPS actually lived up to its responsibilities under NEPA, though, the Postal Service would revise its EIS, and let me explain. Getting it right means saving billions in maintenance and fuel costs and slashing toxic pollution that is choking our communities.

I have one of the most polluted zip codes in the state of Michigan. So, this is extremely important to my residents. USPS has repeatedly acknowledged that electric vehicles are, potentially, a better option in its responses to the inspector general and the EPA. So, all we are asking Postmaster DeJoy and USPS leadership to do is to stop intentionally making bad choices, and let me explain, Ms. Stephen.

Right now, what is the maximum number of electric vehicles and the minimum number of gas vehicles the Postal Service can order and meet its contractual obligations right now?

Ms. STEPHEN. Fifty thousand, which is the size of the order that we placed.

Ms. TLAIB. But there is room to buy more vehicles, electric vehicles, way more, correct?

Ms. STEPHEN. Correct. But those would have to be justified and funded.

Ms. TLAIB. I urge the Postal Service to revise its EIS to bring itself back into line with the law and administrative policy.

And what it is is this is a rare opportunity, because right now you could be doing more and one of the things is the future of, you know, I think, of our climate crisis and so forth.

But this is an opportunity I think you guys are short falling, really not doing the maximum you could be doing in that regard.

One of the things that I continue to hear from workers and folks on the ground is that we didn't do our due diligence as a Federal Government with the EIS and what they are saying is that we didn't go farther, as Ms. Mallory, again, working for the Biden ad-

ministration, this is a person, again, that has been on the ground talking to people—that looks like you all might end up in court to compel you to comply with the NEPA standards. Are you all aware of that?

Ms. STEPHEN. What I am aware of is that we have put a lot of rigors into this and we built our alternatives to allow us the flexibility to go from a minimum up to 100 percent battery electric vehicles. We are balancing our financial resources along with the intent to meet these environmental challenges. So, it is a balance for beyond this.

Ms. TLAIB. So, do you think that Council on Environmental Quality Chair Mallory is incorrect here?

Ms. STEPHEN. I do.

Ms. TLAIB. OK. So, you are probably going to end up in court. Were you aware of that?

Ms. STEPHEN. I am aware of what is covered in the media. I am also aware of——

Ms. TLAIB. No, no, this is factual. I don't really care about the media. I have been involved with EIS processes as an attorney, and if you are segmenting, if you are cutting up, if you are doing it in a way and your interpretation of rigor, at the end, if the result is not protecting the public, then you are going to end up in court, ma'am.

Thank you so much. I yield.

Chairwoman MALONEY. The gentlelady yields back.

The gentleman from South Carolina, Mr. Norman, you are now recognized for five minutes.

Mr. NORMAN. Thank you, Madam Chairman.

You know, I think it is interesting that we have politicians who are saying that union workers, I guess, are more qualified than those that choose not to be in the union. I would remind my friends across the aisle that it is the employees that had the choice of going union or nonunion in a right to work state, which is—South Carolina is a right to work state and is where Oshkosh located their new facilities so they can be competitive, and the employees do not have to go there if that is not what they want.

But politicians, for them to be dictating who the Postal Service can buy their vehicles from is laughable, to be honest with you.

Ms. Stephen, let me run some figures by you. You know, we have got my good friends across the aisle wanting to rely on China for a product that is—that you have to have to produce.

Do you realize battery grade cobalt prices are up 119 percent from January 1, 2020, through mid-January 2022? Nickel sulfate has gained 55 percent and lithium carbonate rose 569 percent.

Who pays the price on these increases? Regardless of what the initial cost of the vehicle is, who bears that and is that in the budget, that you know of?

Ms. STEPHEN. So our contract that we have signed stipulates a specific price that we will pay for each vehicle. If there are conditions in the market that are well beyond the negotiated pricing, there is a procedural process through our supply management processes to reassess and renegotiate.

Mr. NORMAN. But you would—you agree that with these increases in prices that China that has sweatshop labor—with China,

that is not our friend—with China then as a communist country, this could be a problem and what is to prevent them from going up 600 percent? Anything?

Ms. STEPHEN. You know, the market is a challenge right now. The availability of these resources is a challenge in many ways.

Mr. NORMAN. They are a challenge because it is the policy of this administration to, basically, sell out to China. Now, you ask about some of the specifics of the product. What kind of—when they gave you the—when they gave Oshkosh the mandate to produce a product, they didn't just say let us just go produce a product. They had specifications, didn't they?

Ms. STEPHEN. Absolutely.

Mr. NORMAN. All right. Would you walk me through the requirements that you went through and the dollars that you put to put prices on a product that was competitively bid and they were the lower, which I would think my Democrat comrades would like—less cost. Walk me through that process that you went through.

Ms. STEPHEN. Yes, thank you. We initiated the process to prepare for this solicitation in 2015. We have been developing prototypes, working with industry, working with producers in this field for many, many years and conducted an open competitive production solicitation to arrive at our decisions.

I can tell you that Oshkosh Defense compellingly won this competition. They had the highest technical scores. Our employees who drove those vehicles rated them far and away more favorably than any of the other models that were in consideration and so their—their pricing was best. This was a compelling example of a clear contract winner when this contract award was made to Oshkosh.

Mr. NORMAN. So, for seven years, you invested your time, your time, your talent to look at a—pricing a vehicle that would be competitive. You didn't know who was going to bid on this, did you?

Ms. STEPHEN. That is correct.

Mr. NORMAN. It was open to any and all comers?

Ms. STEPHEN. Yes, and we encouraged participation.

Mr. NORMAN. Yes. Well, it is an insult for some of the questions you have had to endure and, particularly, the insult about labor employees versus non-labor employees. And I admire you for doing this and have you all—has your company ever—has Oshkosh ever made a statement against a union?

Ms. STEPHEN. Not to my knowledge, sir.

Mr. NORMAN. So, if employees want to gather to—band together and if they think a union is worth the dues that they pay that comes out of their paycheck, they have got the freedom to do it in a right to work state such as South Carolina.

Ms. STEPHEN. Yes, that is correct.

Mr. NORMAN. Well, thank you for your time. I am about out of time so I yield back.

Chairwoman MALONEY. The gentleman yields back.

The gentlewoman from Missouri, Ms. Bush, is recognized for her five minutes.

Ms. BUSH. St. Louis and I thank you, Madam Chair, for convening this timely hearing.

Electrifying the Postal Service fleet is an urgent priority for environment and justice communities, including those in St. Louis. We

have a unique opportunity to reduce tailpipe emissions and decrease cumulative pollution burdens that have disproportionately harmed Black, brown, and indigenous communities on the frontlines of the climate crisis.

The Postal Service's current procurement plan to continue buying gasoline vehicles is in direct conflict with the agency's policy to, quote, "emphasize environmental issues and alternatives and protect, restore, and enhance the quality of the human environment," end quote.

It is also not in line with the policy to, quote, "use the NEPA process to assess reasonable environmental alternatives to propose actions in order to avoid or minimize adverse effects," end quote.

I am extremely troubled by the next generation delivery vehicle proposed plan, which doubles down on decades of pollution.

Ms. Stephen, is it correct that the Postal Service refused to explore specific environmental justice mitigation options in an expanded Environmental Impact Statement?

Ms. STEPHEN. I would say that the Environmental Impact Statement supplement that was requested was not justified. Part of that process demands the introduction of new information that was not considered as part of the formal draft or final environmental impact assessment process.

There were no substantive issues brought forward through that process that had not previously been addressed—considered, introduced, or addressed in the Postal Service's Final Environmental Impact Statement. It just didn't rise to the level that is required to consider a supplemental EIS.

Ms. BUSH. OK. So, the fact that I was quoting the Postal Service's response to the EPA comments in the NGDV Final Environmental Impact Statement—OK.

The environmental racism on display from Postal Service leadership is absolutely alarming. We have heard of no interest in outside experiences and expertise that do not support management's preference. In fact, Postal Service management did not generally consider alternatives to the proposed plan. It dismissed 100 percent, it dismissed 75 percent, and it dismissed even 25 percent battery electric vehicle options.

As a Black woman with asthma from a community littered with brownfields, I am offended, as a Congresswoman representing a district where Black children have made 10 times more emergency room visits for asthma than white children.

I am outraged. The Postal Service has a long history of improving the lives of everyone by providing a critical public service. The rejection of community-informed priorities by Postal Service management is out of line with that history.

Ms. Naamane, is there anything preventing the Postal Service from incorporating environmental justice into its Environmental Impact Statement?

Ms. NAAMANE. That is not really in the scope of what we are looking at. We are focused on the optimal mix model and the total cost of ownership model, and the Environmental Impact Statement is a separate process that is outside of the scope of our current work.

Ms. BUSH. So, left unchecked and without proactive measures to serve the environmental justice community, the Postal Service's sleight of hand will produce tens of millions of metric tons of emissions over the NGDV's lifespan.

Thank you, and I yield back.

Chairwoman MALONEY. The gentlelady yields back.

The gentleman from Louisiana, Mr. Higgins, is recognized for five minutes.

Mr. HIGGINS. I thank the chairwoman and our panelists for appearing today. This is, certainly, a topic that needs to be discussed—electrification of the postal fleet.

We have a constitutional obligation to support the Postal Service and, of course, as part of the American narrative, you know, where do electric vehicles fit.

And I would hope that this body has a reasonable and prudent approach to this topic. But I find troubling though it be it is quite easily observed that my colleagues across the aisle are pushing electric vehicles no matter what.

If it is smart, they want electric vehicles. If it is not smart, they want electric vehicles. They are not receptive to reasonable arguments regarding just how effective and efficient it could be.

But no one can argue the simple fact that we are responsible for the people's treasure and American citizens are watching hearings like this wondering just what is going on in Congress.

We had two and a half million illegal crossings at our southern border last year, 500,000 dedicated criminals. I am not talking about family units that turn themselves in. I am talking about what they call got-aways at the border.

These young men have plugged into the criminal networks. They are coming here to do no good in our country. They had 80,000 last month pouring across our border. America is watching and saying, what is going on in the Oversight Committee? They are talking about electrification of cars.

So, let us talk about it. Rescue vehicles on our highways, if you have been paying attention, are all powered by gasoline.

Mr. Stein, is that generally true? Highway service vehicles, are they electric?

Mr. STEIN. As far as I know, they are—.

Mr. HIGGINS. No, they are not. Of course, they run on gasoline.

Every American has had some experience of running out of fuel, the best of us, the most prepared. You get stuck in traffic you didn't expect, there was a crash, something delays your trip, and you are burning fuel you didn't anticipate. You thought you had filled it up a couple of days before but you did not.

For one reason or another, we have all run out of fuel. What do you do? You get a ride to the nearest service station. You buy a fuel can if you don't already have one. You get back to your vehicle and put fuel in it. What are you going to do with an electric car?

Mr. Stein, what are you going to do with an electric car if you run out of juice on a highway?

Mr. STEIN. You have to get it towed.

Mr. HIGGINS. You have to get it towed. Americans are saying, hold on. We have to have our mail delivered.

Madam, what would the Postal Service do right now if a Postal Service vehicle runs out of fuel on its route?

Ms. STEPHEN. A conventional vehicle today?

Mr. HIGGINS. Yes, ma'am.

Ms. STEPHEN. Yes, we would call our local team and they——

Mr. HIGGINS. Yes. You would bring them gas pretty quick, would you?

Ms. STEPHEN. That is right.

Mr. HIGGINS. What are you going to do if an electric postal service vehicle runs out of juice?

Ms. STEPHEN. It is more challenging.

Mr. HIGGINS. You are going to have to tow it.

Ms. STEPHEN. Yes.

Mr. HIGGINS. So, listen, I say to my colleagues across the aisle, maybe the time has come for this discussion but let us have it honestly. It is not going to work. We are spending billions of dollars of the people's treasure to accomplish some dream, not to mention what my colleague has brought up.

The raw materials for these batteries are being mined by child slave labor overseas. That raw product bought by China is assembled, the finished product, by slave labor in China. Do we support that?

For God's sakes, let us take a step back. As a committee, we owe it to the American people that we serve. Take a hard look at this thing. These patriotic intelligent young men and women have come before us today. They are prepared to give us answers.

The American people deserve the simple task that we accomplish as their congressional servants that we ask the right questions. The answers are before us. We are asking the wrong questions. We have to reassess this—the realities of the electrification of the postal fleet and perhaps my colleagues can accept that simple fact.

Madam Chair, I yield.

Chairwoman MALONEY. The gentleman yields back.

The gentleman from Massachusetts, Mr. Lynch, is recognized.

Mr. LYNCH. Thank you, Madam Chair.

Madam Chair, I have a request that I made to the United States Postal Service just to give me a summary of their vehicle fleet, and I know we have a—I know we have a slide on that. Yes, there we go.

[Slide.]

Mr. LYNCH. So, we do have a dilemma where there are a lot of very, very old vehicles that we have in service that are high maintenance vehicles and on this chart. We are talking about LLVs. Those are long-life vehicles. As I mentioned in my opening statement, these are vehicles that have been on the road for about 29 years, 4 or 5 years beyond their expected service life.

And so what I might suggest to the Postmaster General is there some way that—for those vehicles that are on their last legs, literally, that are presenting a safety or a public safety hazard, really, to—not only to the men and women who drive them but also to the general public?

Is there a way we could phaseout those vehicles, replace them in the short term with combustion engine vehicles, as regrettable as that is, but to there and after? So, in the very immediate term to

take a certain percentage of those vehicles and allow them to be replaced with combustion engines but for the great majority, I would say 80 percent of these vehicles that could be replaced gradually, I would like to see that, you know, as a compromise invested in and acted upon by the United States Postal Service.

Ms. Stephen, is that something that we can work out here because the way this is going right now, to have such a small number of electric vehicles—10 percent of the fleet—and to commit the American people for the next 30 years to be burning diesel and gas-guzzling, you know, vehicles?

You know, I have a high asthma rate in a lot of parts of my district. I got a major postal facility, the general postal facility at South Station. And then if you count up all those individual post offices where they are hubs of transportation in the local neighborhoods, it would be a huge benefit to a lot of these people all over the country, Louisiana to Massachusetts, if we could get clean on our postal fleet and convert, you know, completely to electric vehicles. I just want your thoughts on that.

Ms. STEPHEN. Well, I would say that the internal combustion engine versions of the NGDV have significant improvements in fuel economies and in environmental data versus our existing fleet.

So, any level of investment——

Mr. LYNCH. How do they compare to electric vehicles?

Ms. STEPHEN. Of course, electric vehicles are better. Of course, they are better.

Mr. LYNCH. Yes. I mean, a world better, right? I mean, you know, we are talking zero emissions, right?

Ms. STEPHEN. Two hundred percent was the value. Yes.

Mr. LYNCH. So, what I am suggesting is you are starting—you are real—you are clearing a very low bar here. You know, a vehicle that is burning diesel and has been on the road for 29 years, it is pretty easy to beat that——

Ms. STEPHEN. Certainly.

Mr. LYNCH [continuing]. Is what I am suggesting.

Ms. STEPHEN. Yes. Emission standards have, certainly, moved on.

Mr. LYNCH. So, what about the mix that—the way that we are phasing this in? What is the critical path to get us to all electric? What is the most efficient way?

And I don't want to wait 30 years for this to happen. I would like it to happen tomorrow, if we could.

Ms. STEPHEN. Sure. So, the 10,000 vehicles of that 50,000 purchase that are battery electric vehicles, that is what the Postal Service can fund within our own resources, right.

We have structured our contracts, and beyond the contract itself we have structured the mechanism to allow us to apply additional funding. We can even change the proportion of electric vehicles for the ones that are already on order if additional resources are made available.

We are similarly structuring flexibility in our planned contracts for the infrastructure work. So, the Postal Service stands ready to make these changes as resources are made available either from our coffers, which we have already demonstrated, or from other external sources.

So, we are ready to make those shifts as resources are available.

Mr. LYNCH. Thank you. I know I am running out of time here. But we put $8 billion in the Build Back Better Act. I think $6 billion was for vehicles and $2 billion were for infrastructure. And we have got to move it along here. We are lagging desperately behind where we should be in making this move.

Thank you, Madam Chair, for all your courtesy and for your work on this issue as well. I yield back.

Chairwoman MALONEY. The gentleman yields back.

And the gentlelady from New Mexico, Ms. Herrell, is recognized for five minutes.

Ms. HERRELL. Thank you, Madam Chair.

Ms. Stephen, it was stated earlier that the Postal Service is well positioned then to electrify their fleet. But is that exactly true, the entire fleet?

Ms. STEPHEN. Our focus has been on the replacement of the delivery fleet, not our entire fleet.

Ms. HERRELL. So, the top priority of the Postal Service is still to deliver the mail in a timely fashion?

Ms. STEPHEN. Absolutely. That is mission critical for us.

Ms. HERRELL. But and I just want to kind of go off what was just being said. If you were to raise the number of electric vehicles in your current order, where would you find the money? I mean, because you are saying there is maybe some different silos and so forth. Where would that money come from in terms of your interior—your budget?

Ms. STEPHEN. So, those adjustments have already been made. That was part of what allowed us to support the decision to go from 5,000 electric vehicles to over 10,000. We were able to look at our own resources. We have had some great progress already, early progress, from the execution of our Delivering for America Plan that is helping us find other resources.

And, of course, postal reform has allowed us to make some shifts in resources. That 10,019 does—is the maximum that our resources allow us to support today in light of all of the other organizational priorities that are part of that strategic plan.

Ms. HERRELL. OK. So, if you were mandated to, say, increase the number of electric vehicles, you don't—it would not have an impact on the Delivering for America Plan?

Ms. STEPHEN. I mean, it could potentially. It, certainly, presents a risk, right. Competing resources—you know, we want to make sure that we are making good on all of the commitments in Delivering for America. So, we need to be mindful of those changes. It, certainly, introduces a risk. But it is not something that we believe is insurmountable. We just need to coordinate those initiatives and make sure that we have the facilitated coordination between them.

Ms. HERRELL. Right, because I think—what I think I am seeing is, you know, we have got two different things happening because this is going right at the heart of the Postal Service Reform Act that we just passed, and now we are looking at something that is actually going to compromise what we tried to help the Post Office do. So, it makes no sense.

But what I am concerned about is what about the rising costs in terms of future years? You know, how are you going to subsidize

yourselves to continue an increase in costs for an electric vehicle fleet? Because the demand in terms of energy and rare earth minerals, et cetera, is not going to go away. So, how do you compensate for that?

Ms. STEPHEN. I would say that we are comfortable with the 10,019 that are in our acquisition today. Unless we have other resources, we would not advance beyond that unless we either find resources or they are made available to us. We feel that that 10,019 is a manageable proposition within the scope of all of the other activities that we have underway to support the Delivering for America Plan.

Ms. HERRELL. So—and I understand it. I mean, I get the energy. I get the environment. I understand all that. But do you think it is worth child safe labor to have these cars put into your fleet? Yes or no.

Ms. STEPHEN. No.

Ms. HERRELL. And there you have it, and I have to agree with my colleague, Mr. Higgins. We should have a very honest, transparent conversation for the American people about what this means.

We have resources here at home but an administration that refuses to allow us to tap these natural resources, and yet, we turn the blind eye on child slave labor around the world and somehow make it OK to invest in a fleet of electric vehicles for the Post Office or whatever else the administration wants to do.

Thank you for your honest answer in that question.

And with that, Madam Chair, I yield back.

Chairwoman MALONEY. The gentlelady yields back.

The gentlewoman from Ohio, Ms. Brown, is now recognized for questions.

Ms. BROWN. Thank you, Chairwoman Maloney, for holding this hearing and thank you for all the witnesses for joining us today.

First, I would like to thank Congressman Connolly for introducing the Green Postal Service Fleet Act. I am a proud original co-sponsor of this legislation that would prevent the new purchase of gas-guzzling vehicle fleets for the Postal Service.

President Biden has made a clear and stated goal of electrifying the Federal fleet and I fully support his commitment.

Let us shift our attention to current events. Russia's recent unprovoked and devastating war against Ukraine underscores the urgency of eliminating our reliance on fossil fuels so that no country is forced to bear higher energy costs due to the behavior of an irrational, unpredictable, and brutal war criminal.

Some propose increasing the production of fossil fuels here in the U.S. But that is a very siloed approach that attempts to address one global challenge at the expense of another. Electric vehicle offers an opportunity to address multiple challenges at once.

Not only do they reduce emissions to combat climate change but they also secure America's energy independence while providing the opportunity to create jobs and advance America's competitive edge on the global stage.

Mr. Britton, how are President Biden's made in America policies ensuring that electric vehicles create a win-win scenario for the American people?

Mr. BRITTON. Well, thank you for the question. There is actually a brand new automotive industry corridor that is manufacturing and recreating communities all across not just from Michigan and Ohio but down to Indiana, to Kentucky to Tennessee, the Carolinas, Georgia, Alabama.

We are seeing every single week a new announcement of more jobs and more investments in this space, and it is imperative for us to lean into this because we don't need to look too far back to see what happened when we got caught from behind.

If you look in 2007, Americans, because of a gas price spike like we are seeing today, started to turn to more fuel-efficient foreign imports for their vehicles.

So, this is an opportunity for us to meet consumer demand, create great and good-paying jobs, revitalize communities. So, if you look at Rivian they took over a Mitsubishi plant. Tesla has rejuvenated a plant. You look at Lordstown, they took over a GM plant. These are opportunities for us to not only, you know, look at the American consumer and the driver but create jobs and drive down emissions, which are, obviously, important for both climate change and public health.

Ms. BROWN. Thank you so much. You actually touched on my second question, which was about the jobs being created across the country due to the President's commitment to expanding domestic and industrial base for the EV supply chain. So, thank you for that.

From charging infrastructure to the electric vehicles themselves and the many components they require, the down payments we make now on securing the American vehicle supply chain will provide compounding benefits for the U.S. economy far into the future.

Ms. Stephen, will postal routes change because of the adoption of electric vehicles, and also will it save time on mail delivery?

Ms. STEPHEN. So, I would say that the choice of the vehicle—sorry, I lost where you were on the screen there. The choice of the vehicle—I hate to say it in this way—doesn't matter in terms of the efficiency except for having a right hand drive vehicle that is purpose built for curbside delivery.

That is essential to our mission. The decision about whether it is an internal combustion engine or an electric vehicle doesn't affect the daily activities for the carriers who are using those vehicles as long as it is the right vehicle, that custom built right hand drive vehicle, that is built for curbside mail delivery.

The source of the energy does not necessarily, we don't anticipate, make a significant difference in how they would go about conducting their work or develop any additional efficiencies.

Ms. BROWN. Thank you for that. So, what changes will the Postal Service need to make to ensure the next generation delivery vehicle is part of the solution in securing a win-win electric vehicle future for the American people, Ms. Stephen?

Ms. STEPHEN. We stand ready to support this effort today. We are excited to bring forward a green platform. Even though we understand the desire to go further, we are really proud to take forward a portion of the fleet that we can afford within our resources, within our strategic plans, and be part of building that future. We have done everything we possibly can to create additional flexibili-

ties that allow us to adjust to go further if additional resources are made available.

Ms. BROWN. Thank you so much. I think we all can agree that more can always be done and the Postal Service is no exception. But it is time that the Postal Service go all in on electric vehicles, and I look forward to reviewing your plans to do so.

And with that, I yield back.

Chairwoman MALONEY. The gentlelady yields back.

The gentleman from Wisconsin, Mr. Grothman, is recognized.

Mr. GROTHMAN. First of all, I would like to thank you all for being here today. I know a lot of times in these hearings, a lot of people don't come over here and I really appreciate all you fine folks coming over here.

As I understand it, we have shifted, correct, Ms. Stephen, from shifting away from electric vehicles and more toward, I am sorry, shifted away from gas-powered vehicles and more toward electric vehicles.

Do you think we will be able to, no problem, we will be able to produce that many?

Ms. STEPHEN. I have the utmost confidence in our partner, Oshkosh, to be able to produce whichever quantities of whichever drivetrain we require.

Mr. GROTHMAN. OK. Some of my colleagues proposed requiring 75 percent of the vehicles to be electric.

Do you think that is a reasonable possibility or do you think that is really something that could not be handled right now?

Ms. STEPHEN. I think it is a bit beyond what our estimates say is possible. When we were asked by some of the congressional committee members and staff throughout the last year to assess how far we could go with our electrification, the response we provided was 70 percent of our delivery fleet acquisitions over the course of the decade could be electrified if resources were made available.

Mr. GROTHMAN. OK. Ms. Whitcomb, could you give me your opinion on that?

Ms. WHITCOMB. Yes, I think it is definitely something to consider. Feasibility studies are critical. Some parts of the routes are probably not well-suited. They might be too long for an electric vehicle. So, there are some limitations.

But in our study, we found that there is definitely opportunities for significantly more electrification of the vehicle fleet.

Mr. GROTHMAN. OK. I always care a great deal about the people who put these vehicles together. I am going to ask Mr. Stein a question, do you mind, and it is kind of a followup on what Ms. Herrell said.

We look not just as the companies as building the vehicles, but the components or the materials that are mined or put together in other countries. Could you comment on the difference between the type of people who are working to put together the stuff for the gas-powered vehicles and the electric vehicles.

Mr. STEIN. Well, sure. That gets into the question of where the minerals that come and go into these vehicles. And when we talk about critical minerals, we talk about things like cobalt and we talk about some of the rare earths that are processed in China.

These resources, right now, they come from places where, in the Congo, there is child labor. In China, there is an entire race of people that are being enslaved for this sort of thing: the Uyghur minority.

So, when these supply chains are stretched across the world, which they certainly do, and they do in the part, and to a certain extent in ICE vehicles they also do, as well, but much more of that manufacturing capacity happens in the United States than the——

Mr. GROTHMAN. What was the last country you mentioned there? I missed it.

Mr. STEIN. China.

Mr. GROTHMAN. Yes.

Mr. STEIN. Talking about the Uyghur minority, the Muslim minority.

Mr. GROTHMAN. I thought you mentioned another country, too.

OK. I know other people, they have always been out there and out of side, out of mind, and they don't care how people are being abused, but is that something that, as far as you know, the United States in any area, cares about or do we just buy from companies, whether it is, you know, the full healthcare, you know, good pensions in France or Germany or whether it is the Uyghurs and maybe very young people abroad, is that something that you find here in America, we really don't care who is producing it or do any companies care about that?

Mr. STEIN. Generally, most companies voluntarily make a big effort to ensure that they are sustainably sourced, I guess, like safely sourced. The Government also requires some of those things, too. There are occasional laws, like the Uyghur minority, there has been laws passed about using Uyghur slave labor.

And, of course, that is in direct contrast to the way that China operates, is they truly do not care. They don't care who dies to get the product, as long as it gets to China.

And this is a big problem with buying so much, many of our components that are processed in China. It is very hard to trace the supply chain back to where it actually comes from, to know whether there is slave labor used, to know what the conditions are at mines in the Congo, that are in the middle of war zones. So, you can't send health inspectors in to see what is going on.

Mr. GROTHMAN. For those of us who care about workers in other countries, as well as just this country, then, do you feel gas-powered vehicles would probably the labor that is building them or putting together the components would be a little more what we would expect in America?

Mr. STEIN. Probably yes, just because so much more of that manufacturing and assembly happens in the United States, so we can actually supervise it. Certainly, some of the resources do, that go into even the ICE cars do come from, perhaps, unsafe areas, and areas where workers are abused, but yes.

Mr. GROTHMAN. OK. Thank you, Madam Chairwoman.

Chairwoman MALONEY. The gentleman yields back.

The gentlelady from Florida, Ms. Wasserman Schultz is recognized for five minutes.

Ms. WASSERMAN SCHULTZ. Thank you, Madam Chair.

Madam Chair, the Postal Service has with once "in a generation" chance to replace its aging Grumman mail trucks, which last came out of the assembly line in 1994. But instead of looking to the future, the Postal Service plans for 90 percent of its new fleet to be gas guzzlers.

These trucks, as we have talked about this morning, get only 14 miles per gallon, and less than 9 miles per gallon when the AC runs. And this stands in sharp contrast to the private sector, where major shipping companies are making great efforts to reduce their carbon footprint.

For instance, FedEx and Amazon pledge to have their whole operations be carbon neutral by 2040 and electric fleets are a big part of that. UPS also made robust investments in sustainable vehicles to become carbon neutral by 2050.

Mr. Britton, can you briefly give your experience working with the private sector and give us a sense of whether FedEx and Amazon can meet these goal pledges?

Mr. BRITTON. Well, actually, just last week, I was at the Rivian plant and saw the Amazon vehicles firsthand. They have ordered 100,000 of them. They are in production. And I think that Amazon is going to be quite happy with the fuel savings.

We actually created a report and an analysis of how much it costs to propel your vehicle with gasoline versus electricity, and we did a comparison in 16 different states. We could compare triple-A gas price data to Energy Information Administration electricity data and we found that it is 500 to 600 times more costly to power your vehicle with gasoline. So, I think both Amazon and FedEx will be quite happy with their 100 percent electrification plans.

Ms. WASSERMAN SCHULTZ. Yes, I bet they would.

Ms. Stephen, as your direct competitors electrify their fleets, and we have cities and counties all over America that are electrifying their buses, it blows my mind that the U.S. Postal Service is taking such, you know, infinitesimal steps toward electrification.

As your direct competitors electrify their fleets, how can you justify transitioning just 10 percent of USPS' fleet to electric vehicles?

Ms. STEPHEN. So, first, I would like to clarify that the 10,019 vehicles out of our 50,000 purchase, it is higher than the 10 percent statistic. But the most important point why there is a difference, our use case is different. It is completely different.

The Postal Service drive cycle, as we refer to it, includes hundreds of starts and stops throughout the day. Our carriers are driving house to house, mailbox to mailbox. There is a start and an acceleration, a stop, then the delivery of mail into the mailbox, and then they start over again. And they do that hundreds of times a day.

Typically, our competitors, when they drive down a similar street will stop——

Ms. WASSERMAN SCHULTZ. OK. I just going to reclaim my time now, I am sorry, I am going to reclaim my time because your answer is warranting my asking Ms. Whitcomb, because the USPS OIG noted in its own audit that frequent stopping may allow delivery vehicles to increase efficiency through regenerative braking, which is a standard vehicle in electric vehicles.

So, Ms. Whitcomb, what impact would the frequent stops have on the overall life of an electric vehicle battery and, consequently, the total cost of ownership.

Ms. WHITCOMB. Yes, in some cases, we thought it provided some opportunities and so I am probably, maybe a little less qualified than Mr. Britton to address the regenerative braking issue, but we did address that in our work, that there are some opportunities there in the use case the Postal Service provides to enhance its use of electric vehicles.

Ms. WASSERMAN SCHULTZ. Well, Mr. Britton, do you want to answer that question and then answer, under the same driving conditions, would an electric vehicle perform better or worse than a gas-powered vehicle?

Mr. BRITTON. Well, it would perform better, and actually, in some ways, the inverse of what you would expect with an internal combustion engine vehicle, in an ICE vehicle, you may get better gas mileage on the highway. For many EVs, the starting and stopping, especially if you have strong regenerative braking, will provide you greater range in city driving, especially with use cases where you are starting and stopping every 20 or 30 feet. That is especially important from an emissions standpoint, though.

Your average internal combustion engine postal vehicle is idling that entire time and emitting not only CO2, but other pollution into the community that we do not need to do. And so, the frequent start and stop makes it a perfect use case for electrification.

Ms. WASSERMAN SCHULTZ. And last, Ms. Whitcomb, assuming that the adoption of electric vehicles will save the Postal Service money in the long run, does USPS have the financial resources to increase its percentage of electric vehicles?

Ms. WHITCOMB. The Postal Service has a significant amount of cash set aside for capital investments. Obviously, some of that money is going toward its vehicle fleet, along with other capital investments. And so, I think in our analysis, our model showed that there are some benefits to subsidies to help the Postal Service. It makes the cost-benefit equation better for the Postal Service, but, obviously, the Postal Service is investing its own cash right now in the electric vehicles.

Ms. WASSERMAN SCHULTZ. Thank you, Madam Chair.

I yield back the balance of my time.

Chairwoman MALONEY. I thank the gentlelady.

And now the gentleman from Georgia, Mr. Johnson is now recognized.

Mr. JOHNSON. Thank you, Madam Chair.

There are vehicles in the Postal Service fleet that are 30 years old. When would be a good time to transition to a less, fuel-dependent fleet, if not now? Electric vehicles would release less emissions, reduce our reliance on fossil fuels, and help lead our country in the right direction in combatting the climate crisis, and electric vehicles will also save taxpayers $100 million in costs for gasoline.

Ms. Stephen, based on an average price for gasoline as of January 2021, it would cost $500 million to fuel the Postal Service's internal combustion engine fleet to cover the 1.5 billion vehicle miles traveled annually at $3 a gallon, which was the average price in January 2021; isn't that correct?

Ms. STEPHEN. I will assume that your data is correct.

Mr. JOHNSON. And using the June 2021 average price for electricity and an electric fleet could cover the same number of miles for hundreds of millions of dollars less; isn't that correct?

Ms. STEPHEN. I don't know that it is correct. Part of what the difference is how far you drive and——

Mr. JOHNSON. Just based on current figures——

Ms. STEPHEN. Sure.

Mr. JOHNSON [continuing]. Wouldn't the taxpayers save hundreds of millions of dollars per year in gasoline costs if we were to move to an electric vehicle fleet?

Ms. STEPHEN. The Postal Service funds those fuel costs, not the taxpayers, and so there would be potential for——

Mr. JOHNSON. OK. You are right.

But the people who purchase stamps——

Ms. STEPHEN. Yes——

Mr. JOHNSON [continuing]. Who pay for the Postal Service——

Ms. STEPHEN [continuing]. That is correct, yes, sir.

Mr. JOHNSON [continuing]. They would suffer a cost, well, let's just say the Postal Service can do business with an electric fleet, operating, without having to purchase hundreds of millions of dollars in gasoline per year. That would save the customers of the Post Office, correct?

Ms. STEPHEN. Agreed.

Mr. JOHNSON. And the investment in an electric vehicle fleet would not only insulate the Postal Service from high and variable gasoline prices, but it would also diminish the cost of potential increased miles traveled that were not budgeted; isn't that correct?

Ms. STEPHEN. I would agree with your point.

Mr. JOHNSON. And in 2016, the Postal Service fleet traveled 203 million more miles than originally estimated, correct?

Ms. STEPHEN. I believe that is correct.

Mr. JOHNSON. And that required a purchase of 30 million more gallons of gasoline than initially projected, correct?

Ms. STEPHEN. I believe so.

Mr. JOHNSON. Thank you.

Ms. Naamane, rural communities are sometimes overlooked and I am worried that they may not be able to benefit from the technological advances of the electric vehicles. Have you looked at the infrastructural demands for rural and low-income communities and options for meeting that demand?

Ms. NAAMANE. We haven't looked at that specifically. We do note that installation of charging infrastructure is a significant factor that needs to be considered and can be a challenge in determining the placement of the correct deployment of the vehicles and providing the service that is affected.

Mr. JOHNSON. Thank you.

Ms. Whitcomb, according to the U.S. Postal Service OIG report, a report published in 2021 showed that six electric vehicles acquired in 2017 had reduced fuel consumption by 5,888 gallons and saved approximately $10,000 in fuel costs. Just six vehicles.

Imagine if the entire fleet were to be replaced, what would cost-savings and fuel consumption look like if every postal vehicle were electric.

Ms. WHITCOMB. Yes, when we did our analysis of what would happen if the charging infrastructure and the initial purchase of the vehicles was subsidized, we found that there would be an 11 percent decrease in costs for the Postal Service moving forward with an electric fleet. So, it has a significant impact on the Postal Service's cost moving forward because of the fuel costs reduction, energy-cost reduction, as well as the charging infrastructure and maintenance reductions, as well. So, there is definitely a positive impact moving forward.

The challenge is the upfront costs.

Mr. JOHNSON. Thank you.

My time is expired and I yield back.

Chairwoman MALONEY. The gentleman yields back.

The gentleman from Texas, Mr. Cloud, is now recognized.

Mr. CLOUD. Thank you, Chair.

Ms. Whitcomb, has your office studied the impact of the 75 percent electric vehicle mandate on the Postal Service's ability to implement the Delivering for America Plan?

Ms. WHITCOMB. We have not studied a 75 percent requirement at all as part of our work.

Mr. CLOUD. Do you have plans to study that?

Ms. WHITCOMB. We have not be asked to do that. We have been asked to do some additional work to look at the Postal Service's compliance with NEPA in its Environmental Impact Statement and that is what we are doing, moving forward.

But if that 75 percent request comes our way, we will definitely take a look at it.

Mr. CLOUD. There was a post from the USPS Office of Inspector General's LinkedIn account promoting your testimony today on this hearing. It said: How the agency can acquire more vehicles.

Are you here to promote electric vehicle purchases or are you here as a nonpartisan witness?

Ms. WHITCOMB. I am here as a nonpartisan witness.

Mr. CLOUD. OK. I have a question for Mr. Stein.

What we have seen in the past right now is car prices are going up dramatically. Used car prices are, I think, 40 percent higher. New cars, electric car prices are also going up. We have supply chain issues going on right now. The Biden administration's solution to high gas prices has been to tell everybody to buy an electric car, which for most people, that is out of their price range.

Can you speak to the role that our supply chain's play in obtaining necessary resources, such as lithium, cobalt for battery-operated electric vehicles.

Mr. STEIN. Right. So, all these minerals we have been talking about are the, they go into the electric vehicle batteries and they are the largest component of the cost of an electric vehicle. So, as these prices skyrocket, and they have partly to the war, but they also were rising even before on supply chain issues, so that directly translates into higher costs for electric vehicles.

I think Tesla has raised their prices twice just this year because of these supply chain issues.

Mr. CLOUD. OK. And has the Office of Inspector General, have you looked at kind of a more comprehensive approach of what this would mean as far as markets in general?

Ms. WHITCOMB. We have note looked at that. We looked specifically at the Postal Service and how the opportunities and challenges. It is kind of a hot, the paper that we published was kind of a higher-level look at opportunities and challenges associated with electric vehicles at the Postal Service.

Mr. CLOUD. And what is the average expected lifespan for a battery in an electric vehicle, in these electric vehicles?

Ms. WHITCOMB. In our analysis, the model looked at 10 years.

Mr. CLOUD. At 10 years?

Ms. WHITCOMB. Uh-huh.

Mr. CLOUD. And these need to last 20 years; is that what we are saying?

Ms. WHITCOMB. Yes, our analysis had a 20-year lifespan, uh-huh, so one replacement of the battery.

Mr. CLOUD. OK. And Mr. Stein, when it comes to batteries and when it comes to, I mean, there is debate now on what should the right mix be between electric vehicles, whether there should be 20 percent, 75 percent. A lot of that is going to depend on the region, the routes.

I live in, you know, rural Texas, so the routes are a lot larger and the infrastructure is different, those kinds of things.

Also, there is an extremely—can you speak to battery performance when it comes to regionally, when it comes to climate, when it comes to hot, extreme hot and cold temperatures, seasonal, those kinds of things.

Mr. STEIN. Right. That is an important operational variable and that is actually discussed in both, the Record of Decision and IG's report. And part of the problem is that that is very uncertain. We do know that in very hot and very cold temperatures, battery performance does degrade overtime, but part of the problem is, as has already been discussed, the Postal Service has a very unique way of operating, that Amazon or UPS, they don't do the same thing. So, it is hard to even take from their lesson of how their batteries have worked.

But even in, I think it was in the OIG report, they even found that some of the, a lot of the proposed ranges, the expected ranges actually didn't come through. I think it was the German Deutsche Post had shorter ranges than they expected. Amazon had some shorter ranges and that is because of the actual operational use was different from the theoretical range. So, I think that is part of what my point has been, being very cautious about introducing electric vehicles until we know how they actually perform in the use by the Postal Service.

Mr. CLOUD. So, you would advocate for a more gradual implementation; is that what you are looking at?

Mr. STEIN. I think 20 percent is a little higher than I might go, but certainly for more than that.

Mr. CLOUD. OK. Thank you.

I yield back.

Chairwoman MALONEY. The gentleman yields back.

We will be voting on the motion to subpoena in five minutes, so I now recognize the gentlelady from Illinois, Ms. Kelly for her questions and we will be voting in five minutes.

Ms. KELLY. Thank you, Madam Chair.

The global auto market stands at a crossroads today and companies and countries, alike, are racing to see who will win the EV race.

Mr. Britton, last year you said, and I quote, the choices we face are stark. We either cultivate an advanced vehicle sector or cede this economic opportunity to others. You then explained how China's economy has captured the EV market, but that the U.S. has the opportunity to reclaim its leadership in this important transformation.

Mr. Britton, can you say more about what is at stake in the global race for leadership in the EV market and how are President Biden's policies helping the U.S. seize the opportunity.

Mr. BRITTON. Well, thank you for the question. I think we have heard a lot of talk about what other countries' capabilities are. I don't think it is the American way to look at strategic advantages that others have and then to shy away from that battle. We know how to compete and we have won these fights before, and we know that the consumer is going to be demanding electric vehicles.

So, the opportunity before us is twofold. One is, are we able to meet those consumer demands with domestically manufactured vehicles by cultivated a strong industry, and then, two, are we also able to drive the public benefits of both, emissions reduction for a climate change, but also public health.

And so, those two combinations are ones where we can drive multiple values and do it in a way that makes everybody better off. Even if you never get behind the wheel of an EV, the more electric vehicles on the road benefits workers in those plants, retail outlets in those communities, and then everybody who is breathing in pollution today.

And one of the things that I would mention is we have, many, many Americans, 40 percent of Americans are living in areas with subpar air quality that is hurting their public health and if you are an American of color, you are two to three times likely to be part of that 40 percent that is breathing in pollution. And Black and Brown Americans certainly in the mid-Atlantic, studies have shown, breathe in 66 percent of that pollution.

So, it is really important for us to look at the multitude of values that we can drive down, whether that is economic development and manufacturing or it is emissions reduction for both, climate change and public health. Everybody can be better off.

Ms. KELLY. Thank you.

And how do Federal purchasing decisions impact the domestic EV market and how can we make sure that these purchasing decisions deliver the greatest benefit possible to the American people?

Mr. BRITTON. Well, I think the most important thing that we can do is send the signal that this is an area that the government and the Federal Government, in particular, is moving in, and the Biden administration has already offered an executive order that should be a clear signal to the Postal Service that this is a direction that they ought to be going.

But, really, it is, you know, I don't think you even need to look. You could look past the manufacturing benefits, past the emissions reduction benefits. The Postal Service is set to save $4.3 billion if they electrify. It is more expensive to drive an internal combustion

engine vehicle than an electric vehicle. And their model relies on a 50 percent discount on gasoline for the next 18 years. It then is taking the cost of a charger and inflating it by a magnitude of 10 and tripling the number of chargers that we need, and then they are assuming that the range of these vehicles are half of what they can actually achieve.

And so, if we had a model that reflected reality and was based in fact, it would be an easy answer and a no-brainer that is reflected in what their competitors are doing today; FedEx, Amazon, UPS, everybody is moving in this direction, not from an ESG sensibility, but because it is good for business and it is good for their bottom line.

Ms. KELLY. Thank you.

Ms. Stephen, does the Postal Service take these broader policy goals into consideration when deciding whether to purchase gas or electric versions of its next generation delivery vehicle?

Ms. STEPHEN. Certainly, they are in consideration, but they are also in the context of our Delivering for America Plan and our internal resources and our need to be self-sustaining financially. So, it is a balance of all of those factors.

Ms. KELLY. Did the Postal Service conduct any data-driven studies to determine the optimum number of electric vehicles to purchase, yes or no?

Ms. STEPHEN. Yes.

Ms. KELLY. Well, can you provide the committee with the data and the study?

Ms. STEPHEN. If it is protected and specifically requested through formal channels, we can followup on that, yes.

Ms. KELLY. And as we have heard, Mr. Britton, the purchase of EVs under President Biden's "Made in America" policy would reduce pollution, create jobs, advance U.S. leadership in innovation and help make the U.S. a global leader in EV production.

Ms. Naamane, would you say that purchase of such EVs would be in the national interest of the United States?

Ms. NAAMANE. Well, the purchasing power of the Federal Government is certainly a, can be a driver in the private markets.

Ms. KELLY. I am out of time. Thank you.

I yield back.

Chairwoman MALONEY. The gentlelady yields back.

We will now consider the subpoena motion and I now recognize Mr. Johnson.

Mr. JOHNSON. I move to table.

Chairwoman MALONEY. All those in favor of tabling the motion of the gentleman say aye.

Those opposed say no.

In the opinion of the chair, the ayes have it and the motion is tabled.

OK. I now recognize Mr. DeSaulnier. But he is not up there. Mr. DeSaulnier, you are now recognized.

Mr. DESAULNIER. Thank you, Madam Chair. Thank you for having this hearing.

I wanted to ask all of the panelists, and thank you for being here today, I have spent, I was able to get a bill with $7 billion into the

transportation infrastructure bill for battery charging stations and fuel substations.

So, it strikes me that obviously the Postal Service, as a retail, national sort of real estate asset, that looking at infrastructure is part of not just transitioning the fleet, and we have done a lot of work on this in California when I was on the Transportation Committee and when I was on car fuel cells having a former Republican Governor who talked about the Hydrogen Highway.

So, my question is, how can we use the real estate assets not only to help the Postal Service electrify its fleet, but also to have charging and fuel-cell stations at postal facilities, and I will just let you answer that question in the order that you have testified.

Ms. WHITCOMB. Sure. I can go first and then go down the aisle.

Obviously, the Postal Service has an extensive nationwide retail infrastructure. There are opportunities there, but there are also challenges with doing that, and I can move to Ms. Stephen. She can probably explain better some of the challenges associated with that. But there is an extensive infrastructure there that the Postal Service maintains.

Ms. STEPHEN. Thank you. I will go ahead and jump in, as well.

So, we have more than 17,000 facilities where we are planning to, if we fully electrified our delivery fleet, where we would need some kind of charging infrastructure. We also have additional retail facilities beyond that quantity, as well. So, you are right, we definitely have a significant physical presence.

One of the things that is important to us from a safety perspective and a security perspective is that all of our vehicles are behind what we call in the secured fence line. There are reasons for not only security, you know, security of the mail to make sure that it is only authorized personnel in that space, but also for safety perspective; there is moving vehicles, moving containers. So, it is really important to us to consider this equation outside of that scope. So, perhaps, on the front end of the postal retail parking locations, for example.

We are willing to have the discussions. We are absolutely willing to participate in those discussions. We do have concerns about making sure that we continue to have sufficiently available parking, especially during peak hours for our retail customers who are coming to their local post office to transact with us. So, that is important to us, and making sure that, you know, that there is a way to take this forward.

We are happy to have those discussions and entertain those analyses and determine a place that we can help contribute. We understand the importance.

Mr. DESAULNIER. Thanks.

Ms. NAAMANE. And so, we have ongoing work that is looking at opportunities and challenges of using postal facilities as locations for public charging infrastructure. There could be a number of different use cases for, that would make sense. There could be some cases where it may not make sense. There could be gaps in service for, in charging locations, for example, where a Postal Service facility could maybe fill that gap.

But as Ms. Stephen mentioned, there are probably some challenges, as well, the security and legal challenges, and we will be looking at all of those in our ongoing work.

Mr. BRITTON. So, one of the things that I would recommend, obviously diversifying the retail options for the Postal Service has been something of a discussion in reform debates for years, but part of the capital upgrades for charging is some of the highest-cost expense. So, you could share the power delivery if you are trenching and delivering new power to a part of the Postal Service. Some of those chargers could be behind the fence. Some could be in front of the fence for customers.

And I think one of the areas that, you know, we want to set the Postal Service apart is for consumers. So, we want there to be an additional incentive for them to choose the Postal Service over their other options. And so, if there is charging, as more and more electric vehicles become part of the Federal, individual light-duty fleet, we want to meet them where they are at as consumers and they are going to be shopping and, obviously, voting with their dollars. We want that to be with the Postal Service. We believe firmly in charging options, whether that is joint or something that is distinguished just for retail customers.

Mr. DESAULNIER. Thanks.

Mr. STEIN. I will mostly defer to the post office. They troubleshoot a lot of the issues, but the one thing I will say is it does seem like the mission of the Postal Service is to deliver the mail, not to provide charging services. So, it seems outside the scope of their job.

Mr. DESAULNIER. And I appreciate that, but there is, hopefully, we can be open-minded about effective and efficient delivery of public services and I think we have real opportunities if we are open to that.

Thank you, Madam Chair. I yield back.

Chairwoman MALONEY. The gentleman yields back.

We now have Mr. Fallon, the gentleman from Texas. I believe he is remotely going to ask his questions.

Mr. Fallon?

Mr. FALLON. Thank you, Madam Chair. I appreciate it.

You know, electric vehicles aren't the magic bullet that so many claim they are and you have to consider certain things. The mining of the rare-earth materials, that in and of itself, exhausts a tremendous amount of energy. In the mining process, a significant amount of greenhouse gases are emitted. And a lot of these processes in mining occurs in countries where health and safety and environmental standards and precautions are dramatically less stringent than they would be here in the United States or in other developed nations.

The battery production for these also have an environmental impact and it should be noted that about two to two and a half tons of emissions are generated when you produce a BEV rather than—a battery than you would in a combustion engine.

And then how the electricity is generated to actually charge the BEV needs to be considered. We know that coal-powered plants, of course, are the least ideal. We have hundreds of those in the United States alone and it is estimated that upwards of 60 percent

of the electric grid in our country is powered by fossil fuels. So, it is almost two-thirds chance when you plug in that car to charge, it being charged, ironically, by fossil fuels.

And, you know, studies have shown with the battery in electric vehicles, the BEVs, may be responsible for greater human toxicity and ecosystem defects than in an ICE equivalent, due to the mining and the processing of the materials, the metals to produce the batteries and as we just mentioned, the mining and the combustion of coal to produce the electricity. And most BEVs rely on lithium-ion batteries which are made from critical materials, including as we talked about earlier, cobalt, graphite, and lithium.

So, Mr. Stein, I am sure you are aware that most estimates determine that the People's Republic of China produces 85 percent of rare-earth resources, 40 percent of the world's copper, 30 percent of the world's nickel, and controls 70 percent of the world's cobalt-refining capacity, and nearly 60 percent of the world's lithium.

Would you agree that the U.S. must secure battery-related resource supply chains as a matter of national security?

Mr. STEIN. Certainly, if our goal as a country is to change over to electric vehicles, then yes, we absolutely need to secure those resources because we are, if we are talking about national security, we don't want to just exchange buying foreign oil from buying foreign batteries. So, the point, the national security point should be to have these things produced domestically.

Mr. FALLON. So, if we don't secure that, it is just mentioned, rather than just, we are really just kind of trading one, exchanging, I should say, one trade master for another, whether it is Saudi Arabian OPEC as opposed to, you know, now China; would that be a fair statement?

Mr. STEIN. Sure. And, ironically, the last 10 years, we actually have largely weaned ourself off of the oil coming from these countries that hate us. So, we have just finally gotten to that point and now we are talking about returning to dependence on another country that hates us.

Mr. FALLON. So, maybe and just vernacular, one—several steps forward and then even more steps back if we went this route?

Mr. STEIN. Right. It is not even, it is two steps forward and four steps back.

Mr. FALLON. Yes. Yes.

And then are you also aware, Mr. Stein, that China owns or finances 15 of the 19 cobalt-producing mines in the Democratic Republic of Congo, which contains 60 percent of the world's cobalt?

Mr. STEIN. Yes, that sounds correct.

Mr. FALLON. So, the last question I have for you is, why would our Democratic friends be pushing for more electric vehicles in the U.S. Post Office fleet when they have not secured the supply chain and the supply lines for resources critical to the EV production?

Mr. STEIN. Well, I think it is just an ideological commitment to electric vehicles. This is the same problem that we have with the ideological commitment to wind and solar generation, even though those resources are, again, coming from outside the United States. It is about outsourcing these environmental harms to other countries so that we can pretend that we are environmentally virtuous.

Mr. FALLON. Because we are just not there yet, are we, from a technological standpoint? I mean, we may get there someday, but we are just not there yet. It is not as efficient right as it could be. The old nasty combustion engine vehicle seems to actually be more environmentally friendly, when you consider all things, than an electric vehicle, at least today; is that a fair statement?

Mr. STEIN. It depends on what weight you put at different parts of the manufacturing process. Certainly, at the tailpipe, ICE vehicles produce more emissions than an electric vehicle, obviously, but what value, how many emissions is the worth to have child slave labor in the Congo?

That is not a 1:1 comparison. It becomes a world tradeoff, like, what do you prefer?

Mr. FALLON. Thank you, Madam Chair. I yield back.

Chairwoman MALONEY. The gentleman yields back.

The gentlelady from Michigan, Ms. Brenda Lawrence is now recognized.

Mrs. LAWRENCE. Thank you, Madam Chair.

Ms. Stephen, I would like to ask a few questions about the internal discussions related to the public-facing electric vehicle charging stations. In your testimony, you reference that the USPS' role has not yet clearly defined this part of the public-facing infrastructure.

So, my question is, has the Postal Service been involved in discussions with other Federal agencies about the role the Postal Service can play in this conversation in a proactive manner as opposed to waiting for direction?

Ms. STEPHEN. The short answer to that is no. We certainly have had discussions with various congressional staff members, exploring the idea. We have not engaged other agencies to pursue that.

Mrs. LAWRENCE. And why is that? Why haven't you?

Ms. STEPHEN. As Mr. Stein pointed out, it is not part of our core mission. Our core mission is delivering mail and making sure that we have the infrastructure to support or operational needs for the electric vehicles that we take forward through this process. So, we consider it beyond that remit.

Mrs. LAWRENCE. I just want to push back on that because your core mission isn't about dog bites, but the reality of what has happened, and even safety of our carriers on the road, I mean life dictates what your priorities are and I would hope the Postal Service understands the need for priority when it comes to being a part of the solution for carbon, for our carbon footprint.

From an implementation standpoint, what are some of the logistical challenges the Postal Service faces? How could we, as Congress, help you address some of these concerns? Do you need us to give you direction to make this one of your priorities? And I would like to hear your comment on that.

Ms. STEPHEN. OK. Yes, certainly.

I think in terms of constraints, one of the top constraints would be that we are not even sure that within statute, that we have the right to establish this kind of a service. This would not fall into postal products and, you know, supplies. It does not fall neatly into the definitions of the types of products and services that we offer. So, there is some opportunity to assess what needs to be done le-

gally to enable that. We would not find it within the statute that controls that today.

From an implementation perspective, some of the challenges are just understanding what the administration and Congress is seeking to achieve. If the goal is to set up, you know, to reduce range anxiety, for example, that might lead to a different set of conclusions than just having a charging station at every nearby postal facility. So, I think——

Mrs. LAWRENCE. So, Ms. Stephen, I have to ask this question. We passed the Postal Service Reform Act——

Ms. STEPHEN. Yes.

Mrs. LAWRENCE [continuing]. Providing the agency additional areas of revenue, while providing service to the public. We know that we have had conversation about banking, about permits and other things that are not within the core function of the Postal Service but is a revenue stream.

And so, have you had internal conversations about using these public-facing stations as an additional funding system?

Ms. STEPHEN. We have had a preliminary evaluation. We do not think that public charging capabilities fall within what we can provide as other postal products and services. So, our initial read on the matter is that it is beyond our scope; it is beyond our purview.

Mrs. LAWRENCE. Madam Chair, I would really like to continue this discussion and to make sure that we are on the same page with the Postal Service, because one of the things they wanted was an opportunity to have additional funding opportunities. And if you are going to have an electric fleet and it is sitting there idle, the charging station and you can have an opportunity to get additional funding.

So, I will yield back, but I want you to know that that is something that I want to explore. Thank you.

Chairwoman MALONEY. I thank the gentlelady for her question. She raised really good points.

And it certainly my understanding along the line of your understanding that, of course, this would be covered in the additional services that they could provide.

But let us keep on the hearing. Mr. Connolly, you are now recognized.

Mr. CONNOLLY. I thank the chair and I am sorry, I have multiple hearings and I have a bill on the floor, so I am running around, so please forgive me for not being able to be here the whole time.

Ms. Whitcomb, you are the Inspector General of the Postal Service; is that correct?

Ms. WHITCOMB. Yes.

Mr. CONNOLLY. Yes, you mind turn—, yes.

We heard a little earlier than the assumption about the price of gas in looking at costing the benefits of a fossil fuel fleet versus an EV fleet was assumed to be $2.19; is that correct?

Ms. WHITCOMB. Yes, that is what we heard earlier. Yes.

Mr. CONNOLLY. I am having trouble hearing you. Can you——

Ms. WHITCOMB. Sorry. I will scoot up.

Mr. CONNOLLY. Thank you.

Ms. WHITCOMB. The thing is on, yes.

Mr. CONNOLLY. There you go. That is better.

Ms. WHITCOMB. Yes, is this better?

Mr. CONNOLLY. Thank you.

Ms. WHITCOMB. Yes, my understanding is that was the gas price at the time the Postal Service did its initial assumptions.

Mr. CONNOLLY. Yes. But they project that out.

Ms. WHITCOMB. Right.

Mr. CONNOLLY. So, what is the current cost of gasoline on average in the United States, do you know?

Ms. WHITCOMB. It is between $4 and $5, I believe.

Mr. CONNOLLY. It is almost twice what they are assuming already.

Ms. WHITCOMB. Uh-huh.

Mr. CONNOLLY. And, of course, we can't see the future. Maybe we will come down to $2.19. Maybe it will go up.

In California, for example—there is also variability in the states—in California, I believe the average cost of a gallon of gasoline right now is hovering around $6; is that your understanding?

Ms. WHITCOMB. Yes.

Mr. CONNOLLY. So, when the Postal Service says, well, in looking at the cost benefit, you know, benefit, over 20 years, the operating costs for a gas fleet will be $9.3 billion and the operating costs for an electric fleet will be $11.6 billion. That is predicated on an assumption we now know to be, at the very least, subject to great variation at any given time; is that correct?

Ms. WHITCOMB. Yes, if the $2.19 is what that is relying upon, I would agree with you there, and these assumptions change. And that is why modeling is so important, so that you can put in different assumptions and adjust.

Mr. CONNOLLY. Yes, that is right. What you assume can determine the outcome.

Ms. WHITCOMB. Right.

Mr. CONNOLLY. And I am very worried about the assumptions that went in or didn't go in to the environmental report that the Postal Service came up with, gasoline being one of them.

Ms. WHITCOMB. Uh-huh.

Mr. CONNOLLY. Let's talk about maintenance.

What were the assumptions about the contrast of the cost of maintenance of a gasoline diesel fleet versus an EV fleet, do you know?

Ms. WHITCOMB. I don't know specifically. I do know that from what we have heard from other witnesses, that the maintenance costs were assumed to be higher for an electric vehicle fleet in the Postal Service's model. We did not analyze that in our work.

Our model projected those maintenance costs to be lower.

Mr. CONNOLLY. Lower, exactly.

Ms. WHITCOMB. Right.

Mr. CONNOLLY. So, if, and I am going to give you an opportunity, Ms. Stephen, but that is of concern to me, too. What were the assumptions about maintenance?

Anyone who owns an electric vehicle will tell you that the maintenance costs to, for an EV are lower than what they paid or would pay for a gasoline-or diesel-fueled vehicle.

Ms. Stephen, did you want to comment on that? I want to give you an opportunity to.

Ms. STEPHEN. Absolutely. I would be pleased to.

So, first of all, the $2.19 data point——

Mr. CONNOLLY. Well, we are going to move beyond that for a minute. I thought you wanted to talk about maintenance.

Ms. STEPHEN. Sure. I would be happy to talk about all of it.

Mr. CONNOLLY. Yes. I don't mean to cut you off. I just have limited time.

Ms. STEPHEN. It is OK.

In terms of the maintenance costs, the data that been misunderstood by others who have had access to the data within the model. The maintenance ratio of an ICE vehicle versus a BEV vehicle for us in our analysis shows that it is 8 percent lower. So, that is a data point that has been misunderstood in the way that it has been represented.

It is lower. A BEV takes less maintenance. It has less moving systems, so it is lower. It just has not been understood correctly in the data.

It is also important to note that our costs reflect, we are moving from 30-year-old vehicles with hardly any systems up to a new standard, so there is additional maintenance.

Mr. CONNOLLY. Believe me, I know. I have been working on this issue for 14 years.

Ms. STEPHEN. Yes.

Mr. CONNOLLY. And I have been championing trying to replace the vehicle fleet. I will say to you, historically, in 2009, Ruth Goldberg, who was then the head of the Postal Regulatory Commission, came to see me saying, what if we earmarked some of the stimulus money, $3 billion at that time, to replace the fleet.

And the then-Postmaster General used the same language Mr. Comer used: We don't want to be Guinea pigs. And he rejected a three-billion-dollar earmark to replace the entire fleet with a hybrid fleet. And here we are 12 years later, making the same arguments and having the same discussion.

And I worry, you know, we obviously can't afford another 30 years of an obsolete fossil-fueled vehicular fleet. And that is my concern about the decision that has been made. In about 15 years, those vehicles will be obsolete.

I have run out of time. Madam Chair, I yield back.

Chairwoman MALONEY. Thank you very, very much for your questions and your hard work in this area.

The gentleman from Maryland, Mr. Sarbanes, is now recognized for five minutes.

Mr. SARBANES. Thank you, Madam Chair. Thanks for the hearing.

Just to piggyback, no pun intended, on what was just said by Representative Connolly, the Post Office has the opportunity not to be a Guinea pig here, but to be a trailblazer and that is what I think is creating a lot of the anxiety on the far side of the aisle is the lost opportunity here for the U.S. Postal Service to really lead the way when it comes to clean, efficient, energy vehicles and addressing climate change.

We know we have got to take immediate action on this front. Every report that comes out, kind of on a six-week basis, shows that the problem is accelerating. So, the Federal Government

should be a leader in reducing emissions and transitioning to greener technologies.

A quick advertisement here. That is why I was proud last year to introduce the Federal Building Clean Jobs Act, which is another example of where the Federal Government and associated agencies can be trailblazers. That would require Federal agencies to meet all their energy and emission goals for their physical spaces by 2030.

But this hearing today about the Postal Service's investment is obviously critical and I want to compare the decision the Postal Service has made in the space to the aspirations that the President and I would say, our country, is laying out at this moment. In his first week of office, President Biden recommitted us to the goals of reducing our emissions by 50 to 52 percent by 2030.

So, Ms. Stephen, the Postal Service, as we have discussed at length here today, recently purchased 50,000 vehicles, only 10,000 of which will be electric. Do you believe that the Postal Service's current procurement plan of relying on gas-powered delivery vehicles for the next 20 years lives up to the national commitment that President Biden has articulated here?

Ms. STEPHEN. It is the best that the Postal Service can elicit, given the resources that we have available today. You know, we would love to do more. We simply don't have the resources. We need to make good on our Delivering for America Plan and the execution of all of those other capital and strategies, as well. We are balancing both and trying to do the best what that we can within our given resources to meet the intent of those initiatives.

Mr. SARBANES. President Biden also issued an Executive Order calling for, quote, clean and zero-emission vehicles for government fleets, including vehicles of the United States Postal Service.

Ms. Stephen, again, the internal combustion engine delivery vehicles that make up 80 percent of the recent order that was placed by the Postal Service, quote, clean and zero emission, I think I know the answer, but go ahead.

Ms. STEPHEN. So, my understanding of both of those Executive Orders in the OMB's implementation memorandum, they strongly encouraged the Postal Service to meet the goals and we are doing everything that we can to meet those goals. There was not a mandate for us in that; it was strongly encouraged and we are responding in the best way we can within our resources.

Mr. SARBANES. Last August, alongside auto executives, UAW leadership, President Biden issued another Executive Order calling for half of the new cars and trucks sold by 2030 to be electric. On Friday, the Transportation Department issued new fuel economy standards, requiring efficiency gains of 8 percent in both 2024 and 2025, followed by a 10 percent increase in 2026, and further requiring that passenger cars and light trucks achieve about 49 miles per gallon.

Ms. Stephen, yes or no, will the Postal Service commit to ensuring that all next generation delivery vehicles it purchases by 2026 get at least 49 miles per gallon?

Ms. STEPHEN. I don't think I have the information today to make that commitment.

Mr. SARBANES. Well, it is a difficult one to make, given the decision tree that we are discussing here today. And, look, I under-

stand the Postal Service is independent and, you know, is not directly under the authority of the President and the administration the way some other agencies are, but responding to the climate crisis requires an all-of-government and all-of-society approach.

And I just think that, I mean, I understand the constraints that you are talking about, but I think there was a way, and we are going to continue to pursue whether there is a way for the U.S. Postal Service to stretch and reach for more ambitious goals when it comes to these clean energy and energy-efficient vehicles. So, we are going to continue to press on you. Thank you very much for your testimony today.

Madam Chair, I yield back.

Chairwoman MALONEY. Thank you for your questions today. And we now go to the gentleman from Illinois. Mr. Davis, you are now recognized.

[No response.]

Chairwoman MALONEY. Mr. Davis? We can't hear you. Your mic is not on. We can't hear you. There seems to be a technical problem in reaching Mr. Davis.

The gentlelady from New York—nope, did he get on? OK. Mr. Davis?

[No response.]

Chairwoman MALONEY. Well, can we go to——

Mr. DAVIS. Thank you, Madam Chairman. I think I am OK now.

Chairwoman MALONEY. OK.

Mr. DAVIS. Thank you, Madam Chairman.

The Government Accountability Office and to all the rest who are present, let me just say thank you. GAO has outlined clear concerns about the methodologies used by the Postal Service when developing its total cost of the ownership model.

We have spent a lot of time today talking about what the Postal Service needs to correct with its existing purchase order and contract. Now I would like to take a few minutes to discuss what the Postal Service should do moving forward to ensure that future acquisitions are done more effectively and efficiently.

Ms. Naamane, GAO has spent significant time reviewing the Postal Service's methodologies and analysis. What should the Postal Service do to improve its analysis in future acquisitions?

Ms. NAAMANE. Well, we are still completing our work, so we don't have final recommendations yet. But one of the things that we'll be looking at and asking the Postal Service about is their process for updating their model. We've heard that they've made some updates, and we understand that.

So, one of the things we want to understand further is what kind of process there is to institutionalize updating those assumptions and information in the model to make sure that they are the best possible information so that the results that come out of the model are reflective of current market conditions or technological advances. So, before another order is placed, for example, that the information is as sound and accurate and reliable as possible.

Mr. DAVIS. Thank you very much.

Ms. Whitcomb, let me ask the same question to you.

Ms. WHITCOMB. Yes, I think we are—similarly to Ms. Naamane, we are in the process of doing work on the Postal Service's assump-

tions and how those assumptions were used in preparing the Environmental Impact Statement. And so we will be also looking for things like sensitivity analysis and other things, looking for ranges of assumptions, not just individual assumptions, and the ability for a model to be agile enough to adjust to the significant, I guess, disruptions in the energy sector that we've seen recently, both on the electric vehicle battery components that you heard a lot about today, as well as the prices of gas, gasoline, which are both kind of really have been disrupted recently.

Mr. DAVIS. Ms. Whitcomb, let me just ask, I am specifically concerned about the way the Postal Service went about the NEPA process. What can the Service do in the future to ensure that it is complying with both the letter and the spirit of the law with respect to NEPA?

Ms. WHITCOMB. Yes, it's something that we are looking at right now, and we will definitely be evaluating the Postal Service's compliance of NEPA as a part of that work. And if we see issues there, we will be making recommendations to ensure that that happens.

Mr. DAVIS. Thank you both very much.

And thank you, Madam Chairman, for holding this hearing. And I think, hopefully, all of us are interested in the Postal Service being able to electrify its fleet as quickly as possible, as rationally and as feasible as possible. So, I thank you very much for this hearing, and I yield back.

Chairwoman MALONEY. The gentleman yields back. The gentleman from Maryland, Mr. Mfume, is recognized for five minutes.

Mr. MFUME. Thank you very much, Madam Chair. I appreciate you holding this hearing. I want to thank you and Representative Connolly specifically for your work in this ongoing effort to try to make sense of what I consider to be a nonsensical position of Mr. DeJoy and the U.S. Postal Service.

Ms. Stephen, since everybody has been coming at you for questions and comments and observations, I am going to try to do the same thing here, not to pick on you, but to try to get more information.

I understand, as has been said several times, that the U.S. Postal Service Office of the Inspector General found that the cost of an electric vehicle over 20 years would be 8.5 percent lower than that projected of a gas-powered vehicle and the cost of that vehicle. And yet, as has been stated here several times, Postmaster General DeJoy still argues that electric vehicles are not cost effective. Which sounds like fuzzy math to me when you have the numbers to prove that they are, and then you almost deny those numbers.

You are not a heart surgeon, and you are certainly not a brain surgeon, but Postmaster DeJoy wants to position the service, the Postal Service, to compete with companies, as he says, such as UPS, FedEx, Amazon. And as has been stated, all three of which have made aggressive efforts to electrify their fleets. Those are who we are going to be competing with now and into the future.

So, if you could rather subjectively give again some sort of explanation as to why the Postal Service is only allocating 10,000 of the 50,000 in its initial order with Oshkosh, I would appreciate your comments and your thoughts.

Ms. STEPHEN. Yes, thank you. I appreciate the opportunity to address that.

I think the findings of the OIG, we were really pleased when they took a look at our total cost of ownership model and developed their own model independently to see some consistency, and perhaps we'd be able to hear from the OIG on that as well. What the OIG's findings revealed were very, very similar to the Postal Service's modeling efforts.

When we look at the entire fleet, there is not, over the course of the 20-year life of that asset, even though it's the fuel is cheaper and, in theory, the maintenance is also cheaper over that period of time, the savings from fuel and maintenance benefits is not sufficient to overcome the higher investment value that's required for electric vehicles.

And so——

Mr. MFUME. OK. And I kind of thought you were going to say that.

Ms. STEPHEN. Yep.

Mr. MFUME. So, let me point out something else if there is no cost difference there. The Congress has helped the Postal Service fill its coffers with billions of dollars in the last few years, and so if there was any shortfall, there is none now. In 2020, this Congress approved an emergency $10 billion Pandemic Relief Act to your organization, and just this year, Congress passed Chairwoman Maloney's Postal Service Reform Act, which will relieve the Postal Service of $107 billion in past due amounts and future payments.

So, my current understanding is that the agency has right now $24 billion in cash, according to information provided by the Treasury. If that is so, why does the Postal Service and Mr. DeJoy continue to argue that it is too expensive to increase the proportion of electric vehicles in its order with Oshkosh? Could you speak to that?

Ms. STEPHEN. Certainly. It has to do with our Delivering for America plan, our strategic objectives and priorities. The vehicle fleet implementation is a portion of those priorities and funding requests, but it's a small portion by comparison. We've deferred maintenance. We've deferred investments.

It's not just our vehicles that are long overdue to be replaced. There are structural infrastructure-related things that are part of what the Postal Service requires to operate effectively and efficiently and over the course of decades to come.

Mr. MFUME. Thank you. I want to reclaim my time.

What we can't defer is what is happening in terms of the health of Americans as a result of an enlarging carbon footprint that now the United States Postal Service, which operates one-third of all the vehicles in the inventory of the U.S. Government, continues to ignore or delay or to put aside the issues that deal with health. I have here a report from the American Lung Association, which points out the dangers of going down the path that the Postal Service is currently on by refusing to electrify vehicles into the future.

And they talk about asthma. They talk about lung cancer in communities, wheezing and coughing, shortness of breath among children, and we know the cardiovascular harm. I could go through a long list of things. This is one thing we can't defer.

We cannot assume that people can still get sick, chronically or otherwise, because we don't have the foresight to recognize the real benefits in moving over time like FedEx and Amazon and UPS toward electrical vehicles. So, it just—it breaks my heart that there are the reasons which don't stand the test in terms of the truth and reasons that are being put forth to this committee repeatedly about why it is OK to, again, get all these gas guzzlers for the next 20 years, putting pollutants into the air, affecting the health of people, and engaging us in a cost that could be, as you said, deferred or certainly tamped down.

So, I am adamantly opposed to the position of the Postal Service.

I yield back, Madam Chair.

Chairwoman MALONEY. The gentleman's time has expired.

And without objection, your report will be put in the record.

Chairwoman MALONEY. The gentlelady from New York, Ms. Ocasio-Cortez, is now recognized. Thank you.

Ms. OCASIO-CORTEZ. Thank you so much. Thank you, Madam Chair.

Ms. Stephen, in March of this year, the U.S. Postal Service placed its first order of Next Generation Delivery Vehicles with Oshkosh Defense. Is that correct?

Ms. STEPHEN. That's correct.

Ms. OCASIO-CORTEZ. And what was that contract, that initial contract valued at?

Ms. STEPHEN. I think it's been covered in the press. It's $2.98 billion for 50,000 vehicles.

Ms. OCASIO-CORTEZ. So, nearly a $3 billion contract that the United States Postal Service presently has with a defense contractor in order to produce these internal combustion engine vehicles—largely, largely. The initial order is for 50,000 Next Generation Delivery Vehicles, but from what I understand, only about 10,000 are actually required to be battery electric vehicles. Is that correct?

Ms. STEPHEN. That's correct.

Ms. OCASIO-CORTEZ. So, to summarize, the USPS has contracted with Oshkosh Defense and is giving them $3 billion to build around 50,000 vehicles, 10,000 of which must be battery powered.

Now, you know, I think one note and element of context that is important to mention is that this committee has a long bipartisan history of oversight, particularly when it comes to defense contracting. And this is one of the very few things that we have been able to agree upon in the past. Even when former Ranking Member Mark Meadows was here, this was something that he—that concerned him, and I hope that our current Ranking Member, we can continue to find agreement there.

Now, Ms. Stephen—and I will say one thing about Oshkosh Defense is that they are union. They have union labor. Ms. Stephen, would you say that part of the reason, and it was an important consideration for Oshkosh Defense that they had a unionized work force that the United States and the USPS would be contracting with them to potentially work and fulfill this contract?

Ms. STEPHEN. The solicitation from the Postal Service requires domestic production only. It does not require particular locations or work force.

Ms. OCASIO-CORTEZ. Yes. But was it a favorable element? Did Oshkosh mention this? Was it something that was considered? You know there are many different contractors that are capable of domestic production.

Ms. STEPHEN. Sure.

Ms. OCASIO-CORTEZ. And the President has very clearly indicated a preference for union labor in domestic production.

Ms. STEPHEN. It is not a contract requirement. Therefore, it was not an evaluation criteria or considered.

Ms. OCASIO-CORTEZ. So, it was not considered at all?

Ms. STEPHEN. It was not considered in the decision.

Ms. OCASIO-CORTEZ. And as I understand, Oshkosh Defense does have multiple manufacturing facilities in Oshkosh, Wisconsin, that are made to build military vehicles. Correct?

Ms. STEPHEN. Military and other.

Ms. OCASIO-CORTEZ. And they have a long history, established history of this. We have heard from workers on the ground that Oshkosh Defense has the capacity to build these vehicles in their existing facilities in Wisconsin, yet we are starting to see some troubling reports.

Madam Chair, for the record, I would like to submit two—two reports, one from the *Journal Times* and the other from the *Herald Journal*, "Spartanburg Fights Back to Keep Oshkosh Defense Postal Fleet Project" and "Why Oshkosh Corp. Didn't Build USPS Vehicles in a Foxconn Facility in Mount Pleasant."

Chairwoman MALONEY. Without objection.

Ms. OCASIO-CORTEZ. I would also like to submit to the record a letter from the members of this committee regarding concern about the fact that Oshkosh Defense is now moving their facilities after they had won the contract.

Chairwoman MALONEY. Without objection.

Ms. OCASIO-CORTEZ. Thank you.

Ms. Stephen, are you aware that the announcement that Next Generation Delivery Vehicle fleet would be built in South Carolina after the Oshkosh Defense initially won the contract and having facilities in Wisconsin?

Ms. STEPHEN. Yes, the Postal Service was made aware of that decision shortly before the public announcement, and it is a decision that's at the discretion of the supplier.

Ms. OCASIO-CORTEZ. So, are you aware that Oshkosh Defense might be trying to circumvent its longstanding contract with the United Auto Workers work force in Wisconsin by essentially building a brand-new facility after the contract was awarded in a vacant warehouse in South Carolina?

Ms. STEPHEN. I have no awareness of that, but I would encourage you to have that conversation with Oshkosh.

Ms. OCASIO-CORTEZ. Is USPS troubled by this timeline at all?

Ms. STEPHEN. By what——

Ms. OCASIO-CORTEZ. By this timeline at all?

Ms. STEPHEN. Which timeline are you referring to?

Ms. OCASIO-CORTEZ. The timeline of the fact that Next Gen—they had secured Oshkosh. Oshkosh presented the contract with their existing facilities. They have union labor. They were granted a $3 billion contract under the USPS under the leadership of

DeJoy, and then after the ink was dry, it looks like they are opening up a scab facility in South Carolina with no prior history of producing vehicles in that facility.

Ms. STEPHEN. So, I think some of the facts about what was represented in a proposal are not correct, and I would disagree with those assertions.

Ms. OCASIO-CORTEZ. OK. And so I would say that USPS is not troubled by that timeline?

Ms. STEPHEN. I would agree with your statement.

Ms. OCASIO-CORTEZ. Thank you.

Chairwoman MALONEY. The gentlelady yields back.

I now recognize our last speaker, my colleague in Congress, Congressman Huffman, who has developed several pieces of legislation on this issue and worked with the committee on it.

Thank you for being here for the whole hearing. You are now recognized for your five minutes.

Mr. HUFFMAN. Chair Maloney, thanks so much for allowing me to participate and for holding this important hearing.

I have been leading the charge for postal fleet electrification along with my friend Representative Connolly for nearly a decade now. I am proud to be cosponsoring the Postal Vehicle Modernization Act with you, Chair Maloney, and with Representative Connolly. And I am sorry that Congress may have to legislate common sense, the same common sense that has led all of the Postal Service's private sector competitors to move quickly to all EV fleets without asking Congress for any money to do it.

As we have heard from several expert witnesses, the business case for doing this is a no-brainer. In fact, with EV costs declining, EV technology improving, gas prices soaring, and vehicle manufacturers moving away from internal combustion, it would be really hard to cook up a model or a business case that favors lumbering internal combustion vehicles that get an average of 8.6 miles per gallon over EVs, the same EVs that are going to be powering fleets at FedEx, Amazon, UPS, and DHS.

But that is exactly what the Postal Service did with this contract and this program, calling for vehicles that are built for obsolescence. They will literally be the last internal combustion fleet vehicles on the road 20 years from now.

So, Ms. Stephen, you testified that the Postal Service's sensitivity analysis on gas prices let you double the initial order of EVs to just over 10,000. Does this mean that you are also doubling the total fleet purchase from 10 percent to 20 percent?

Ms. STEPHEN. When you refer to the total fleet purchase, are you referring to the 50,000? Just so that I'm clear.

Mr. HUFFMAN. The entire contract, the entire contract.

Ms. STEPHEN. Oh, no. This is specific to this initial investment decision. We've made this contract for 50,000.

Mr. HUFFMAN. Thank you. That is what I thought, and if the only change is a slight increase to the initial order, it is hard to see how this sensitivity analysis has really changed much. It seems more like a reaction to the public criticism and political pressure that you have been getting over buying vehicles that will get 8.6 miles to the gallon.

Ms. Naamane, you testified that under the model GAO reviewed, the Postal Service was showing higher maintenance costs for EVs. Ms. Stephen just testified that that is incorrect. It misunderstands the data. And so let me ask you, were you correct when you said after reviewing the USPS model it showed higher maintenance costs for EVs?

Ms. NAAMANE. This is one of the inconsistencies that we've seen in the information that we've gotten so far from the Postal Service. The—some of the information, including what Ms. Stephen said today, is that the maintenance costs would be less for electric vehicles. However, when we looked at the formula in the model itself, in the Excel spreadsheet that we've received of the model, we don't see that in—in that formula. We see a different amount that's used in that model that indicates that the maintenance costs would be higher.

So there's—definitely, it's an iterative process, our ongoing work, and we'll get additional information from the Postal Service and make our final conclusions.

Mr. HUFFMAN. I appreciate that.

Mr. Britton, in your colloquy with Representative Wasserman Schultz, you highlighted another important discrepancy, the assumption by the Postal Service that the start and stop nature of many routes favored internal combustion engines when, in fact, it is a strong selling point for EVs. Correct?

Mr. BRITTON. That's correct.

Mr. HUFFMAN. And then there is the problem with the Postal Service assumptions about EV range, a 70-mile vehicle range. In your extensive work in this field, including the vehicles that companies like GM, Ford, and Rivian are providing to private fleets, did USPS use the correct assumption about battery range?

Mr. BRITTON. No, it is far inconsistent with what we're seeing in the marketplace, and I'll give you a couple examples. The Ford E-Transit van gets nearly 2 miles per kilowatt hour in the battery pack. The Workhorse C-Series gets 1.5 miles per kilowatt hour in the battery pack. The Arrival van that is being contracted with UPS gets 1.7 miles per kilowatt hour in the battery pack.

The USPS assumption is that this vehicle gets 7/10 of a mile per kilowatt hour in the battery pack. The only other vehicle that we have seen that has that inefficient of an electric drive train would be a Class A tractor-trailer or semi truck fully weighted down. It is impossible——

Mr. HUFFMAN. Got it. And if the——

Mr. BRITTON [continuing]. That a last-mile delivery truck——

Mr. HUFFMAN. And if the model used the correct range assumption, wouldn't that significantly affect the total cost of ownership analysis, including the number of charging stations needed to support these vehicles?

Mr. BRITTON. That's correct. You would not need nearly as many charging stations as the Postal Service is asserting.

Mr. HUFFMAN. And Ms. Naamane, you also flagged another problem that the Postal Service initially didn't account for the amount of air conditioning used in the real world. And when you correct for that, the performance drops to 8.6 miles to the gallon on average. Correct?

Ms. NAAMANE. Right. That's—that's another thing that we saw in the model that we received from the Postal Service, that the fuel efficiency used was around 15 miles per gallon, which is the efficiency when the air conditioning isn't running, and it's less when the air conditioning is running. We've heard from the Postal Service that there is another place in the model that may account for the use of the air conditioning, and so that's something else that we'll be continuing to look at in our ongoing work.

Mr. HUFFMAN. Thank you, Madam Chair. We have learned a lot today about errors and discrepancies that seem to go right to the heart of this unusual decision that is so at odds with what the private sector is doing.

Thanks so much for this important hearing.

Chairwoman MALONEY. Well, thank you for waiving on and all of your hard work, along with all the committee members, on this issue. Thank you so much. You made a very valuable contribution.

I would now like to submit for the record an important statement from Senator Carper on this critical hearing.

So ordered.

Chairwoman MALONEY. And I would like to submit to the record a new U.N. report—it literally came out just yesterday—that makes clear that divesting from fossil fuels is critical, and they warned that without immediate action shifting from fossil fuels, we will not be able to keep global warming to acceptable levels.

So, this is a critically important report. I urge everyone to read it. And without objection, it now becomes part of our record.

Chairwoman MALONEY. I would now like to call upon my colleague—thank him again for his valuable input on the reform bill for the Post Office—for his closing statement.

Mr. COMER. Well, thank you, Madam Chair.

And again, I want to thank our witnesses for being here. And I want to be very clear. Republicans do not oppose electric vehicles. In fact, we do not oppose electrifying some of the U.S. Postal fleet.

We raise a very valid concern, and I appreciate Mr. Stein's testimony today and the questions he answered. The policies of the Biden administration and his son Hunter have put us at a severe competitive disadvantage to China in the world battery market, which is essential to electrifying the Postal fleet and electrifying the everyday, average vehicle.

It is a worthy cause to try to—to try to transfer from fossil fuels to electric vehicles, but the policies in the Biden administration are making that even more difficult than the economics of it. For example, the Biden administration war, war on coal is making it more difficult to mine coal and to burn coal. I know that from being from a coal-burning state and a coal-producing state.

You have to have coal to make electricity. You also have to have natural gas to make electricity. We have a lot of problems with our energy policy in America from the Biden administration, and it is going to make electrifying vehicles even more difficult.

I know a lot of Democrats think that if the average American is upset with the high prices of gasoline, due primarily to the Biden administration policies, then the solution is very simple. According to Democrats, just go buy an electric vehicle.

We don't have the infrastructure to electrify the fleet, and I appreciate the Inspector General, and I look forward to working with you in the future on Postal issues. She mentioned in her testimony that in some of her analysis, it was cheaper in some areas to electrify the vehicle. I am going to go out on a limb and say those were the urban areas.

And my colleagues on the left that are advocating for electrifying the Postal fleet and mentioned the private sector, UPS and FedEx, and electrifying some of their fleet, those are in the cities. If you close your eyes and you imagine the Presidential map of the last four Presidential elections, you see blue on the East Coast, blue on the West Coast, and a few blue dots around America. And the rest of that map is red.

That red area like where I represent, where we represent, we just don't believe that those rural areas are ready and have the infrastructure for the postal fleet to be electrified. The routes are longer. There are many more challenges than in the more compact urban areas.

So, we have a long way to go in America to electrify the Postal fleet. Besides, this committee's jurisdiction and this committee's role, Madam Chair, is to save money. But yet every policy and every committee hearing from my friends on the left involve spending more money. When the Government spends too much money, we have this thing called inflation. And that is another challenge we have in America.

And last, the role of the Postal Service, right now we need to focus on delivering the mail on time and doing it at a break-even cost. That is why we supported the postal reform bill.

I am very excited about the bill signing ceremony tomorrow, Madam Chair, very excited about the Postal Service. I think many of you know my grandmother spent her whole career as a mail carrier, a rural mail carrier. I love the Post Office. I am committed to saving the Post Office.

But we need to focus on improving the performance at the Post Office and trying to get the Post Office to operate at a break-even level because Congress is not going to continue to provide bailouts to the Postal Service.

So, with that, Madam Chair, I yield back and look forward to many more discussions about the Postal Service in the future.

Chairwoman MALONEY. The gentleman yields back, and I thank him for his participation today.

I want to thank everyone who participated. As we heard today, the Postal Service can and must increase the number of electric vehicles that it purchases. As the United Nations warned just yesterday—couldn't be more on point for what we are talking about today at this hearing—the time to combat climate change is absolutely now. And the best way to do it is to burn less oil and gas.

And the Postal Service cannot ignore its responsibility to reduce the environmental impact of its fleet. The United Nations says if we don't do this, we are facing dire, dire consequences. And relying on gas guzzlers is also bad for business, which is why the major automakers, the private sector, and the Postal Service's competitors are all moving to electric vehicles. Most of them already have.

We have heard from our witnesses today, including the nonpartisan GAO, that the Postal Service based its decision to buy tens of thousands of gas-guzzling trucks on faulty, wrong assumptions. The Postal Service used gas prices that are just half of what they are today and climbing.

They claimed electric vehicles cost more to maintain than gas trucks. I have never heard that anywhere except for in the testimony today, the exact opposite of the evidence and the science and really the testimoneys of everybody here today. And they ignored the benefit of lower emissions from taking thousands of gasoline engines off the road, improving our environment. And the scientists are saying this will save lives of Americans.

I am very pleased and thankful to the Post Office and their services today, and Ms. Stephen, in her testimony, thank you for committing to provide this committee with the analysis that the Post Office used to determine how many EVs to purchase. But it is clear that the Post Office needs to go back to the drawing board.

Today, I call on the Postal Service to listen to the concerns of the Inspector General, the EPA, the GAO, and this entire committee and conduct a new environmental impact study and new cost estimate for electric vehicles. And if Oshkosh is overcharging the Postal Service for EVs, they should immediately renegotiate to a better price for America.

Finally, let me briefly respond to the repeated attempts by my Republican colleagues to hijack this hearing to score cheap political points that have nothing to do with health, environment, or Postal Service. I will not play that political game.

I intend to keep this committee focused on delivering for the American people. I will not relent until the Postal Service finally follows the private sector's lead and begins a real transition to an electric fleet. Going electric is imperative for our environment, for the Postal Service's bottom line, and for our national security at a time when Putin is using fossil fuels to finance atrocities against the people in Ukraine.

I want to sincerely thank all of my colleagues who participated today and each of the witnesses for your valuable testimony, your productive conversation.

And I would say that we as a committee, we as a Congress, we as a country, have a singular opportunity right now before us to choose to reduce our dependence on fossil fuel, lower our costs, protect our economy, and help save the planet. What is not to like about going to electric vehicles? There are so many wins for our country.

I want to thank everybody, and in closing, I want to thank particularly our panelists again for their remarks. And I want to commend my colleagues for participating in this important conversation.

And with that, without objection, all members have five legislative days within which to submit extraneous materials and to submit additional written questions for the witnesses to the chair, which will be forwarded to the witnesses for their response.

I ask our witnesses to please respond as promptly as you are able.

This hearing is adjourned.

[Whereupon, at 1:33 p.m., the committee was adjourned.]