

Newsweek

Is Louis DeJoy's Plan for New Gas Post Office Truck Fleet the Last Straw?

Jalen Small
February 22, 2022

Postmaster General Louis DeJoy's decision to purchase a new generation of U.S. built gas-powered postal delivery vehicles while the auto industry is in the midst of a global pivot to electric vehicles is just the latest firestorm to hit the Postal Service.

And it has brought renewed calls for DeJoy's ouster.

"I would love for him to resign," said Rep. Gerald Connolly (D-VA), who leads the House subcommittee overseeing the United States Postal Service. "And if he will not resign, I want the Board of Governors to fire him."

This critical sentiment peaked when DeJoy announced his plan to introduce the next generation of postal vehicles — one that would be indistinguishable from the present fleet.

The Postal Service "has more than 231,000 vehicles, one of the largest civilian fleets in the world," according to the USPS "Facts" webpage.

In its first complete update in nearly three decades, the USPS announced plans to order 50,000 to 165,000 new vehicles over the next 10 years to replace its aging fleet. Nearly 90% of the new vehicles are expected to be gas-powered.

Politicians and activists quickly condemned the plan as a threat to the government's ability to tackle climate change.

Mr. Connolly called the contract an "enormous example" of why he feels Mr. DeJoy should step down.

"This is directly counter to the goals both Congress and the president have set to have an emissions-free federal fleet," Connolly said.

Vicki Arroyo, associate administrator of policy at the Environmental Protection Agency, expressed a similar sentiment. Her organization estimated the climate damages that would be caused by the new fleet at \$900 million.

"The Postal Service's proposal as currently crafted represents a crucial lost opportunity to more rapidly reduce the carbon footprint of one of the largest government fleets in the world," Arroyo wrote in a letter to the USPS Environmental Affairs and Corporate Sustainability department.

Shaw saw the announcement as a missed opportunity for the Postal Service to set a standard among federal and state agencies.

"Besides the obvious environmental benefits of it, by purchasing an electric fleet the Postal Service could help promote electric vehicle manufacturing in this country and help set a standard that is beneficial for the environment in terms of emissions," Shaw told *Newsweek*.

"It seems like a decision that is very short-term oriented," he added.

Postmaster General DeJoy fought back against these criticisms, arguing that the proposed order of new gas-powered trucks is necessitated by budget constraints.

The Postal Service, whose more than 230,000 vehicles make up over a third of the federal fleet, has currently committed to having only 10% of its vehicles be powered by electricity, citing cost.

DeJoy claims that full electrification of the USPS fleet would cost \$3.3 billion more than the current gas-powered plan. He defended the 10% level of electric vehicles in his new fleet plan to the Board of Governors of the Post Office.

"This level of commitment to an electric fleet in our proposed action is frankly ambitious," he told a Board meeting this month, "given the pressing vehicle and safety needs of our aging fleet and our dire financial condition."

"We will be resolute in making decisions that are grounded in our financial situation and what we can realistically achieve," he added.

With these constraints at the forefront, a pending bill in the Senate aims to give the organization some much-needed financial relief.

The Postal Service Reform Act, advanced by a bipartisan group of leaders, removes \$57 billion of liabilities owed to the agency's pre-funding requirement, installs new delivery transparency requirements for the Postal Service. It also allows the agency to contract with local, state and indigenous governments to offer basic non-postal services, such as hunting and fishing licenses.

Shaw believes this bill, if passed, could have a major impact on Post Office operations by increasing financial flexibility and allowing the organization to make transformative investments going forward.

"The main thing that the bill does is remove the pre-funding requirement," Shaw told *Newsweek*. "The pre-funding mandate is responsible for the vast majority of the Postal Service's financial losses."

"Addressing this unfair and unique burden would remove a pretense for cutting services Americans depend on," he added, "and allow the agency to plan for the future."

Chris Edwards of the Cato Institute, a libertarian think tank, agreed with the move.

"The pre-funding requirement just seems to be an easy thing to get rid of," Edwards said. "The cost of this move disappears into the general government's \$20 trillion debt, and no one will notice."

The Postal Reform Act, which passed in the House of Representatives on a 342 to 92 vote, has rare bipartisan support. Shaw and Edwards agree that this bodes well for its chances of soon being signed into law.

Senate Majority Leader [Chuck Schumer](#) promised to bring the bill to a vote quickly. The legislation has the backing of the House, postal unions, the postmaster general and online retailers such as [Amazon](#).

If passed, it is expected to make a significant difference to the Postal Service's bottom line.

The House Oversight Committee estimates the bill would save the Postal Service approximately \$22.6 billion over a decade. Additionally, with the USPS no longer required to pre-fund health benefits for its current and retiring employees, it will save another \$27 billion over that time span.

"The Postal Service Reform Act, coupled with the business plan being implemented by Postmaster General DeJoy and the USPS Board of Governors, delivers much-needed reforms and places the Postal Service on the path towards financial sustainability as an independent organization," said Rep. James Comer (R-KY), who voted in support of the legislation.

"The bill will help bring needed efficiencies to the Postal Service," he said, "while ensuring it continues to provide the best service to its customers across the nation."

Removing those financial burdens through this legislation will free the Postal Service to fix its operating problems, and perhaps even innovate as it once did, Elaine Kamarck of the Brookings Institution told *The Economist*.

While he remains steadfast on his decision to purchase new gas-powered vehicles to renew the Postal Service's vehicle fleet at a reasonable cost, Postmaster General DeJoy said we would consider ordering more electric vehicles if the investment became more "financially viable."

He said that his current plan to order new vehicles "builds in flexibility to increase the number of electric vehicles should additional funding become available."

"But we cannot at this time count on additional funding," DeJoy added.

