



Oil Over Electric: Understanding Who Profits from the Bizarre Political Efforts to Cripple the U.S. Post Office

The Republicans are about to win a major battle in their war on electric vehicles, this time with the second largest vehicle fleet in America owned by the U.S. Postal Service. It is an outrageous story that most Americans do not know a thing about.

Posted by Thom Hartmann
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To understand what is going on with the Post Office right now, we first must know the backstory that, it seems, most media outlets are not interested in discussing. It is an issue that is hitting millions of Americans right now.

One of our kids, for example, recently became the first member of our family to buy a fully 100% electric car. She was so excited and has loved it driving around Portland... until she had to drive to another state for a conference, when she discovered what a problem America not having an electric charging infrastructure causes.

The way to solve this problem, of course, is to have a substantial and massive increase in electric vehicles and that's exactly what the Post Office set out to jump-start back in 2006. Transportation, after all, is the single largest source of global warming emissions from the United States. And the Post Office once thought they could do something about it.

Things were going well for the Post Office in 2006. They were making money and had a surplus. They were therefore seriously considering replacing a large part of their fleet — the largest fleet of civilian vehicles in the nation — with electric and hybrid vehicles.

It would be a mighty boost for the electric car, and a huge slap in the face of the fossil fuel barons who had an outsized say in the Republican Party.

On May 17, 2006 Walter O'Tormey, the Post Office's Vice President, Engineering, unveiled a new hybrid gas/electric mail delivery vehicle in Boston to an audience of "nearly 100 industry representatives, environmentalists, and Postal Service employees," saying:

"As an agency that delivers mail to 145 million businesses and households six days a week, drives approximately 1.1 billion miles a year, and consumes more than 125 million gallons of motor fuel annually, we are in a unique position to demonstrate to the public and other businesses the growing viability and positive environmental and energy-savings benefits of alternate-fuel technologies."

In their 2006 annual report the Postal Service openly bragged about their ambition to move away from relying entirely on fossil fuels:

"With more than 216,000 vehicles, the Postal Service has the largest civilian fleet in the United States. We continue to evaluate various fuel types and alternative fuel vehicles including hybrid trucks, hydrogen fuel cell vans, electric step vans and liquid natural gas delivery vehicles."

If the Post Office pulled off a massive transition away from fossil fuels, it would jump-start the then-new electric, hybrid and fuel cell technologies, paving the way for wider use, a large national electric "refueling" infrastructure, and a significant reduction in greenhouse gasses.

Americans were excited by the possibility. Speaking on behalf of a coalition of mayors from all parts of the country to the World Congress on Information Technology annual conference in Austin on May 6, 2006, Austin Mayor Will Winn proudly announced:

"Transitioning the Postal fleet to plug-ins would serve as a springboard for the commercial production of delivery vehicles that could be extended to a wide variety of delivery services across America. The commercial market would also provide the economic certainty needed by automakers to make the production investments necessary for the mass production of plug-ins. The plug-in technology is available right now and represents a realistic near-term solution to the serious problems of over-reliance on foreign oil, out of control gasoline prices, as well as greenhouse emissions."

Given that postal vehicles typically have a 30-year lifespan, this would produce a huge tilt in the balance of alternative-versus-fossil-fuel vehicles on the road. But the possibility of that transition happening to the nation's largest vehicle fleet was, in a word, intolerable to the morbidly rich rightwingers who'd made their fortunes drilling, refining, shipping and selling fossil fuels, particularly oil, diesel and gasoline.

The Post Office had to be stopped, and Republican Congressman John McHugh (NY) was just the man to do it. He'd been a member of the Koch-funded American Legislative Exchange Council (ALEC), and was deeply in the pocket of right-wing interests.

As Wikipedia notes in an exercise of gentle understatement:

“[McHugh] was chairman of the Oversight Committee’s Postal Service Subcommittee for six years and worked to pass legislation to significantly reform the U.S. Postal Service for the first time since it was demoted from a Cabinet-rank department with passage of the Postal Accountability and Enhancement Act (Pub.L. 109–435) in 2006.”

ALEC, which writes corporate-friendly legislation and relies on its membership of Republican lawmakers around the nation to pass that legislation, just happened to have a model 2006 bill known as the Unfunded Pensions Liabilities Act, which called on state governments to account for exactly how they plan to fund future retiree benefits.

Adapting that ALEC concept to the Post Office, McHugh’s bill was passed by a voice vote in a Republican Congress and signed by Republican President George W. Bush. There is no record whatsoever of who voted or how they voted on the legislation. It was preceded, however, by a virtual waterfall of Op-Eds and PR efforts by groups affiliated with the Koch network including the Reason Foundation, the National Taxpayer’s Union, and the CATO Institute.

What the law did was ram a poison pill down the throat of the Post Office. It required the USPS to pre-fund its Retiree Health Benefits Fund for seventy years into the future, forcing the Post Office to take the money they planned to spend on electric vehicles and set it aside for the health benefits of future retirees who weren’t even born yet (and should be eligible for Medicare, anyway).

It was an obligation that no other private business or government agency has ever had to comply with before. Costing the Post Office \$5 billion a year, it succeeded in stopping their plan to electrify their fleet dead in its tracks.

And it set it up more cleanly for eventual privatization, once enough infrastructure like postal drop boxes and million-dollar high-speed sorting machines was destroyed — a process Reagan called “Starve the Beast” — that “customers” were complaining about the service and public opinion finally agreed the Post Office would work better in private hands.

Reagan had tried to do the same thing to Social Security and the IRS, and Trump doubled down on that plan, offering tens of thousands of staffers early retirement to gut both agencies; they’re now so hobbled by underfunding and worker shortages that Social Security disability claims can take two years, and extremely wealthy people are no longer generally audited at all because of the cost and manpower needs determined by their complexity.

Which brings us to Louis DeJoy. The Post Office is finally on the verge of getting out from under that \$5 billion-a-year pre-funding burden so they can now start buying that new fleet they proposed in 2006. Postmaster General DeJoy was strongly encouraged by the Biden administration to give the contract to a company that would manufacture electric and electric/hybrid vehicles.

But DeJoy essentially told Biden to go screw himself: he was going to buy fossil-fuel vehicles for 90% of the fleet instead. The *Washington Post* laid it all out in the open to an article last week titled: Biden Officials Push to Hold Up \$11.3 Billion USPS Truck Contract, Citing Climate Damage, noting:

“The Biden administration launched a last-minute push Wednesday to derail the U.S. Postal Service’s plan to spend billions of dollars on a new fleet of gasoline-powered delivery trucks, citing the damage the polluting vehicles could inflict on the climate and Americans’ health. The dispute over the Postal Service’s plans to spend up to \$11.3 billion on as many as 165,000 new delivery trucks over the next decade has major implications for President Biden’s goal of converting all federal cars and trucks to clean power.”

And it was not just the White House to be outraged. *CNN* reported on February 10:

“Representative Gerry Connolly, a Virginia Democrat who chairs the House subcommittee that oversees the Postal Service, called for DeJoy’s resignation. Postmaster General DeJoy’s plan to spend billions on brand new gas-powered vehicles is in direct contradiction to the stated goals of Congress and the President to eliminate emissions from the federal fleet,” Connolly said in a statement. ‘If Mr. DeJoy won’t resign, the Board of Governors has got to fire him – now.’”

Because Republican senators are holding up confirmation of Biden’s Postal Board of Governors’ appointees, DeJoy cannot be fired by the current Trump-appointee-dominated board, a fact that Senator Sheldon Whitehouse pointed out last week, demanding the Senate move the Democratic nominees forward over GOP objections.

But DeJoy is itching to sign the contract for all those gas and diesel vehicles, and he still has the power to do so. So, now that the possibility of electrifying the nation’s (now second) largest fleet of vehicles is pretty much dead and they are planning to go ahead with fossil fuels, Republicans in Congress are fine with eliminating the retirement pre-funding dead weight on the Post Office.

The vote in the House this week was 342-90 to end the pre-funding requirement and give DeJoy the money to buy the gas-powered vehicles. Now it goes to the Senate, where the AP noted:

“Senator Gary Peters, D-MI, chairman of the Senate Homeland Security and Governmental Affairs Committee, said he expects his chamber to ‘move quickly’ on the measure. Senate Majority Leader Chuck Schumer, D-NY, said he’s planning a vote before a recess that starts after next week. The bill has 14 GOP sponsors and, with strong Democratic support expected, seems on track to gain the 60 votes most bills need for Senate passage.”

When asked Wednesday night on *MSNBC* why Congress had crippled the Post Office with that bizarre pre-funding requirement in the first place, Senator Peters — one of the truly good guys in the US Senate — answered that he had no idea.

As is the case with most members of Congress; the pre-funding was essentially slipped into the bill at the behest of the fossil fuel industry and, at the time, got virtually no publicity. Thus, I tweeted him:

“Here’s what happened, @SenGaryPeters. Around 2006 the post office rolled out a plan to convert their entire fleet to electric vehicles. They had a \$ surplus and could do it. Republicans pushed a bill to cripple them financially. Now DeJoy has chosen a diesel truck vendor. Which is why now Republicans are willing to go along with funding the Post Office, because now the money will continue to flow to the fossil fuel industry for the avg. 30-year lifespan of postal vehicles. Look to the (ahem) petro-billionaires for the hand behind all this.” – Thom Hartmann

It was incomplete on my part to miss the privatization bonus in the tweet, and the vendor will supply gasoline vehicles as well, but you get the point. Like so many other weirdnesses in American politics, when you pull back the veil you find the hands of a fossil fuel industry that values profits and right wing ideology over the future of our children, our nation and the planet.