PETER R. PASTRE
VICE PRESIDENT, GOVERNMENT RELATIONS AND PUBLIC POLICY

UNITED STATES POSTAL SERVICE

June 13, 2025

United States Senate
Washington, DC 20510

Dear Senators:

The Senate Homeland Security and Governmental Affairs Committee is currently considering a proposal as part of the budget reconciliation process that would make major and damaging changes to the U.S. Postal Service's vehicle fleet program, potentially impacting our ability to deliver to millions of Americans. Specifically, the committee is considering a proposal that would require the General Services Administration (GSA) to take possession of all of our electric vehicles and all of those vehicles' supporting infrastructure and then put it all up for auction. Further, the proposal would rescind any unobligated funds made available by the Inflation Reduction Act of 2022 for the Postal Service to acquire zero-emission vehicles and infrastructure.

As a self-supporting federal establishment working to achieve financial sustainability, the Postal Service appreciates far more than most federal agencies the importance of fiscal responsibility and achieving real returns for every dollar expended. Consequently, I am writing today to alert the Congress to **the real and foreseeable damage** that would be caused by arbitrarily scrapping one part of our long-term vehicle strategy. Summarily removing all electric vehicles and charging infrastructure would hobble our ability to deliver to the American people, it would directly harm our ability to serve your constituents, and it would waste crucial funds for no reasonable purpose.

Presently, the Postal Service has approximately 7,200 Battery Electric Vehicles (BEVs), which are a mix of Ford e-Transit vehicles and the specially built (uniquely right-hand drive) Next Generation Delivery Vehicles (NGDV) procured from Oshkosh Defense and manufactured in South Carolina. As the NGDV production ramps up, the number of BEVs in our fleet will increase, and over the ten-year procurement cycle we currently plan to acquire approximately 66,000.

- Replacing the current 7,200 BEVs would directly cost the Postal Service $450 million, at a minimum.
- Preparing for wider BEV adoption, the Postal Service has spent $540 million on electrical infrastructure upgrades. These sunk costs are largely unrecoverable and can only yield a return on investment by being put to their intended use.
- The NGDV Oshkosh contract requires the Postal Service to give the manufacturer sufficient lead time to plan and acquire materials. The cost and penalties for changing the mix of BEV and internal combustion NGDVs would be significant.
- The funds realized by auctioning the vehicles and infrastructure would be negligible. Much of infrastructure is literally buried under parking lots, and there is no market for used charging equipment. The Ford e-Transit vehicles would likely yield significantly less than even their undepreciated book value, and it would not be possible to sell NGDVs due to security concerns.

Removing these vehicles from our delivery would serve no purpose. The direct and accounting costs to the Postal Service to replace its BEVs would be approximately $1 billion, with another $500 million in infrastructure rendered useless.

It is also important to realize that the BEV component of the NGDV program has been carefully considered from a business perspective. We are deploying BEVs to routes and delivery units where the BEVs will save us money when compared to internal combustion engines. Removing that option will make it harder over the medium and long term for the Postal Service to cost effectively serve its customers.

This is a significant and costly change that will undo more than 10 years of planning and work on our delivery fleet replacement. It will cost the Postal Service $1.5 billion of funds that we desperately need in order to serve the American people, and it will seriously cripple our ability to replace an aging and obsolete delivery fleet. We urge the Senate and the committee to pause and consider the substantial harm this proposal would cause to the Postal Service and our customers, your constituents.

Sincerely,

Peter R. Pastre