Preliminary Observations on Electric Vehicles in the Postal and Federal Fleets

What GAO Found
The United States Postal Service (USPS) has awarded a contract for the Next Generation Delivery Vehicle (NGDV) (see figure), and recently ordered about 40,000 gas and 10,000 electric vehicles (about 20 percent electric). USPS informed its decision by conducting an analysis of both gas and electric NGDVs. This analysis included factors such as acquisition, maintenance, and fuel costs. Using information from the analysis, USPS created a model to identify the lowest-cost vehicle for each postal route in the U.S. for each of the next 30 years.

GAO’s preliminary analysis raises questions regarding the way in which USPS’s assumptions estimate the costs and benefits of the gas and electric NGDV. Specifically, USPS used a gas price that is almost $2 per gallon less than the current national average price of gas and assumed maintenance would be more expensive for an electric vehicle than a gas vehicle. In ongoing work, GAO plans to test the effect of changing these assumptions.

In prior and ongoing work, GAO has identified the following three factors that could affect widespread electric vehicle acquisition within federal fleets.

- **Higher up-front costs.** Agency officials identified the higher acquisition costs associated with electric vehicles as a factor that has hindered their integration into federal fleets. However, GAO’s ongoing work indicates that these costs have declined and are expected to continue to do so.
- **Infrastructure.** GAO previously identified charging infrastructure costs and installation as a key challenge to acquiring electric vehicles.
- **Availability.** GAO’s previous work found that many agency mission needs require larger vehicles for which there may not be electric options, including pick-up trucks or sports-utility vehicles. Ongoing work indicates that manufacturers are increasing the types of electric vehicles available.

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