



September 2, 2021

To: Members of the House Committee on Oversight and Reform

From: Thomas Aiello, Director of Federal Affairs, National Taxpayers Union

Re: NTU's Views on September 2, 2021 Committee Markup

I. Introduction and Key Taxpayer Considerations for the Reconciliation Bill

National Taxpayers Union (NTU) is the nation's oldest taxpayer advocacy organization. For more than fifty years, NTU has worked tirelessly to advance pro-taxpayer policies that lower tax burdens, promote free enterprise, and limit the size and scope of government. Our dedication to fighting for taxpayers on a wide variety of issues has enabled NTU to build a strong reputation on Capitol Hill, both among Democrats and Republicans. The current prospect of Congress passing, and the president signing, a \$3.5 trillion tax and spend bill has prompted NTU to continue the fight on behalf of taxpayers. The proposed \$3.5 trillion reconciliation bill raises federal spending to historic heights, levies new and punitive taxes on American businesses and families, and raises existing taxes to levels that will harm the country's economic recovery from the COVID-19 crisis. With the nation \$28 trillion in debt and counting, and projected to run trillion-dollar deficits for the next decade, Congress must urgently direct its attention instead to debt and deficit reduction.

To this end, as the House Committee on Oversight and Reform marks up its portion of the \$3.5 trillion reconciliation package, it is clear that this flawed bill runs counter to our aforementioned core principles that have guided NTU's history. As a result, we believe the bill that the Committee will mark up would increase the federal debt, lead to wasted tax dollars, and distort aspects of the U.S. We strongly urge all committee members to reject passage of this section of the budget reconciliation package.

Amendments That Could Improve the Committee's Reconciliation Bill

Our foremost concern with the committee's bill is the considerable spending authorization for the General Services Administration (GSA) and United States Postal Service (USPS) to procure an expanded fleet of new electric vehicles. The generous allocation of about \$7.5 billion, in addition to billions of dollars more for charging infrastructure, is excessive, wasteful, and blatantly distortionary. Congress should abandon this plan and let these two agencies choose the most cost-effective vehicles, rather than enact a policy that is bad for taxpayers and for producers hoping to do business with the government.

Of course, there are benefits of a widespread adoption of electric vehicles and the benefits, such as lower annual fuel costs, should not be discounted. Nevertheless, the bottom line is that the government should not mandate

one specific type of vehicle, but rather procure vehicles that result in the most affordable price that the government can purchase. Taxpayers benefit from robust competition and innovation when businesses bid for government contracts. This principle holds true no matter what, whether the procurement features gasoline-powered vehicles, electric vehicles, or alternative-fuel vehicles. It is not in the best interest of taxpayers or the public to hamstring the bidding process for one specific type of vehicle. The result is taxpayers being bound to pay artificially inflated prices for vehicles.

Electric vehicles are transitioning from a short-range luxury novelty to a real competitor in the automotive industry, and that will continue to put downward momentum on prices. Pressure to keep prices in check is also welcome news for taxpayers, and the USPS. As it stands, much of the USPS's large fleet of delivery trucks is near or beyond its designed useful life, which will likely need full scale replacement in the coming years. No doubt, the replacement cost of almost 200,000 local delivery vehicles will be substantial. Such purchases should not be complicated further by the political pressures to influence the USPS' procurement processes. This statement should be true for the type of power used by the vehicle, or other manufacturing requirements such as "Buy America" provisions.

USPS is in an extremely precarious fiscal position; spending money we don't have on luxury cars and trucks is the epitome of fiscal irresponsibility. Fundamental reform, not fancy new vehicles is paramount if USPS wants to be a viable service over the long term.

Though we strongly urge all committee members to oppose the bill, NTU still offers suggestions on constructive amendment ideas that would, on net, improve the bill. They are:

Recommended changes

1. Strike section 80002. This section would allocate \$2.5 billion for the GSA to purchase electric vehicles.
2. Strike section 80003. This section would allocate \$2.4 billion for the USPS to make purchases. Of that amount, \$1.2 billion would be used to purchase electric vehicles for the Postal Service fleet, and \$1.2 billion for related electric charging infrastructure.
3. Strike section 80008. This section allocates \$10 million to support the government of the District of Columbia to acquire electric vehicles.

NTU's Thinking on the Combined Reconciliation Package

As the authorizing committees in Congress work on separate reconciliation bills, NTU wishes to inform Members and their staff that we have several significant concerns with the current framework of the overall, combined reconciliation effort. This proposed legislation would spend a staggering \$3.5 trillion -- likely adding trillions to the national debt and severely harming the economic recovery effort. If the combined reconciliation bill came to the House or Senate floor today, we would advise Members to vote "NO" on the legislation. The bill would be **heavily weighted** in NTU's annual rating of Congress.

Contact Information

Should you have any questions about the recommendations in this memo, please do not hesitate to reach out to Thomas Aiello and Thomas.Aiello@ntu.org.