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June 23, 2022

The Honorable Rosa L. DeLauro
Chair
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Re: Opposition to Postal Financial Services Pilot in FSGG Bill

Dear Chair DeLauro and Ranking Member Granger:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to express our strong opposition to report language to fund postal financial services pilot programs in the Fiscal Year 2023 (FY23) House Financial Services and General Government Appropriations (FSGG) Bill. **ICBA urges all members of the Committee to oppose any appropriation of funds for USPS financial services pilot programs.**

Postal banking in any form (even when characterized as “non-banking financial services”) is an ill-advised idea fraught with unintended consequences. The lackluster results of a [postal banking pilot program](#) launched last September should prompt Congress and the USPS to abandon postal banking proposals. The pilot had only six customers as of January, bringing in fee revenue of \$35.70, indicating almost non-existent demand and a failure to generate revenue to cover expenses. Any attempt to scale up this pilot by adding services or locations would only jeopardize the core mission of United States Postal Service (USPS) – the timely delivery of letters and parcels on which American commerce and consumers depend.

Improving delivery times and shoring up the agency’s finances must take priority over all other initiatives. USPS has experienced losses for the past 14 years and has required multiple taxpayer subsidies. A risky experiment in postal banking would only further jeopardize its financial position.

Congress should explore better and proven alternatives for expanding access to low-cost financial services such as empowering minority depository institutions and promoting the use of financial technology in partnership with established community banks. It would be a serious mistake for the USPS to enter into a highly competitive, complex new industry which would compromise its core function and put American taxpayers at further risk.

The Nation’s Voice for Community Banks.®

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Thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: Members of the House Committee on Appropriations

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