

March 7, 2022

The Honorable Pat Toomey  
Ranking Member  
Committee on Banking, Housing and Urban Affairs  
United States Senate  
Washington, DC 20510

Dear Ranking Member Toomey:

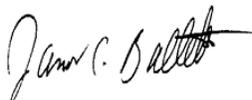
On behalf of the members of the American Bankers Association, we write to express our support for your amendment to the Postal Service Reform Act of 2022 to clarify that the U.S. Postal Service is not authorized to provide banking services. We also urge Senators join in opposition to any efforts that would authorize postal banking.

Allowing the postal service to provide banking services is beyond the Postal Service's core competencies, and raises a number of obvious regulatory and consumer protection questions. We appreciate your amendment to clarify that postal banking is fundamentally inconsistent with the purposes of this legislation, a bill designed to address the legacy cost structure of the Postal Service. As the U.S. Postal Service itself has [strongly argued](#), postal banking will not improve the USPS financial position, and could well make it worse:

The Postal Service's mission is to provide the American public with trusted, affordable, universal mail service. Our core function is delivery, not banking... Profit margins on these financial services businesses across the industry are very low... so even if we achieved \$1 billion in revenue and executed well, our cash position would only increase by an estimated \$100 - 200 million, which will not materially change our financial condition—we need to focus on the core delivery business.

Financial institutions are strongly supportive of the Postal Service, as one of the largest mailers of any industry group in America. Physical mail remains an important communications channel for banks, and our members are committed to identifying long-term solutions to ensure an efficient, self-sustaining, and affordable U.S. postal system. We appreciate that Congress is confronting the serious topic of postal reform. We look forward to continuing to work with you as this legislation reaches the Senate floor and urge adoption of your amendment.

Sincerely,



James C. Ballentine