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July 24, 2020

The Honorable James P. McGovern  
Chairman  
Committee on Rules  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Tom Cole  
Ranking Member  
Committee on Rules  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman McGovern and Ranking Member Cole:

On behalf of community banks across the country, with more than 52,000 locations, I write today to express our strong opposition to the amendment to be offered by Representatives Pascrell and Kaptur to the fiscal year 2021 appropriations act for Financial Services and General Government. The Pascrell-Kaptur amendment would provide taxpayer funding for a postal banking pilot program within the United States Postal Service (USPS). Postal banking in any form is an ill-advised idea fraught with unintended consequences. We urge the House not to go down this highly controversial and potentially dangerous path.

The financially challenged USPS has virtually no expertise in providing financial services to consumers in a cost-effective manner. Greater entry by the USPS into financial services introduces another tax advantaged and lightly regulated entity with limited expertise into the marketplace, akin to credit unions and the Farm Credit System. Based on historical experience, once such entities are granted even limited authority, their sole mission becomes acquiring greater powers to further leverage their tax and regulatory advantages. Community banks do an excellent job of serving consumers, small businesses, and farmers and ranchers across America. Recent data regarding community bank performance through the Paycheck Protection Program supports this claim.

We all know that the USPS has serious fiscal problems. USPS management should remain focused on bringing the USPS to viability within its *own* industry: the letter, parcel, and package delivery service American individuals and businesses depend upon on a daily basis. It would be a serious mistake for the USPS to enter into a highly competitive, complex new industry with the potential to ruin itself and its core function and put American taxpayers at further risk. Effective banking management requires years if not decades to master. In the era of systems hacking, managing financial data has become that much more challenging. This is why commercial banks are subject to the Gramm-Leach-Bliley Act's data-

*The Nation's Voice for Community Banks.*®

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security standards. The stakes are simply too high to allow a backdoor attempt to spend taxpayer dollars on a misguided experiment in postal banking.

ICBA and America's community banks urge you to oppose the Pascrell-Kaptur amendment and thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Members of the House Committee on Rules

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