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**National Association of Federally-Insured Credit Unions**

March 11, 2019

The Honorable Ron Johnson  
Chairman  
Committee on Homeland Security and  
Governmental Affairs  
United States Senate  
Washington, D.C. 20510

The Honorable Gary C. Peters  
Ranking Member  
Committee on Homeland Security and  
Governmental Affairs  
United States Senate  
Washington, D.C. 20510

**Re: Tomorrow's Hearing on "A Path to Sustainability: Recommendations from the President's Task Force on the United States Postal Service"**

Dear Chairman Johnson and Ranking Member Peters:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in conjunction with tomorrow's hearing entitled "A Path to Sustainability: Recommendations from the President's Task Force on the United States Postal Service." NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 115 million consumers with personal and small business financial service products.

NAFCU strongly supports the important work of the U.S. Postal Service, which credit unions across the nation and of all sizes use to communicate with their members, to send statements and receive payments, and to market new products or services to their members. For these reasons, credit unions are committed to identifying long-term solutions to ensure an efficient, self-sustaining, and affordable U.S. postal system. However, postal banking is not one of those solutions.

Although there have been a number of proposals over the past few years to turn the U.S. Postal Service into the world's largest shadow banking system, NAFCU and our member credit unions are very concerned that allowing the U.S. Postal Service to provide banking services will be beyond its core competencies, will raise a number of serious regulatory and consumer protection questions, and will present significant competitive issues for private sector entities. We are pleased to see that the President's Task Force agrees with NAFCU, concluding that "given the USPS's narrow expertise and capital limitations, USPS should not pursue expanding into new sectors, such as postal banking, where the USPS does not have a demonstrated competency or comparative advantage, or where balance sheet risk would be added." Moreover, the U.S. Postal Service also opposes the authority to provide banking services, as expanding into this area would almost certainly not help its financial situation.

NAFCU encourages Congress to focus on reducing costs and increasing efficiencies to put the U.S. Postal Service on a sound and sustainable financial path over the long run. Postal banking

legislation would do just the opposite. Therefore, NAFCU urges the Committee to encourage the U.S. Postal Service to focus on its core business of physical mail delivery, and not be distracted by expanding its mission to businesses outside its area of expertise.

On behalf of our nation's credit unions and their more than 115 million members, we thank you for your attention to this important matter. Should you have any questions or require any additional information, please contact me or Alex Gleason, NAFCU's Associate Director of Legislative Affairs, at 703-842-2237 or [agleason@nafcu.org](mailto:agleason@nafcu.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Thaler', with a long horizontal flourish extending to the right.

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the U.S. Senate Committee on Homeland Security and Governmental Affairs