

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

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SECTION 701 REPORT

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Docket No. PI2016-3

COMMENTS OF  
CAMPAIGN FOR POSTAL BANKING  
(June 14, 2016)

The Campaign for Postal Banking respectfully submits the following Comments in response to the Postal Regulatory Commission's April 14, 2016, Notice and Order Seeking Comments on Report to the President and Congress Pursuant To Section 701 of the Postal Accountability and Enhancement Act (PAEA), Pub. L. 109-435, 120 Stat. 3198 (2006), § 701.

The Campaign for Postal Banking is a coalition of consumer, worker, financial reform, economic justice, community, civic, and faith-based organizations building a campaign-based movement to inform and mobilize the public to call on the United States Postal Service to take the necessary steps to restore and expand postal banking at its branches across the country.

Nearly 28 percent of U.S. households (or 100 million people) do not have access to affordable financial services. For many, traditional banks are out of reach either geographically (bank deserts exist in both rural and urban areas), or due to high fees and other obstacles to opening, maintaining and accessing accounts. This lack of access drives millions (mainly the working poor) to rely on costly, predatory services such as check cashing and payday loans, trapping many in a cycle of debt.

The United States Postal Service (USPS) is in a unique position to provide basic, affordable, consumer-driven financial services via its existing infrastructure. The USPS is a trusted, accessible, and secure government agency with the world's largest retail network (31,000 branches serving every urban, suburban, and rural community in the country).

Postal systems around the world – including France, Italy, Japan, China, Brazil, India, and New Zealand – offer financial services and play important roles in advancing financial inclusion and literacy. The United States has a tradition of postal banking as well. From 1911 to 1967, the Postal Savings System offered savings deposit accounts. The USPS continues to offer domestic and international money orders as well as international wire transfers.

The expansion of financial services provided by the USPS could help struggling families nationwide achieve financial stability – and strengthen both the USPS financial situation and its mission to serve the public. The USPS Office of Inspector General, in its report “Providing Non-Bank Financial Services for the Underserved”, makes a strong case for expansion of financial services.

Unfortunately, the Postal Accountability and Enhancement Act's restriction on new “non-postal” services has significantly restricted the U.S. Postal Service's ability to serve the public and strengthen its financial position with regard to financial services.

The Campaign for Postal Banking is calling on the USPS to expand immediately existing “postal” services under current authority, including paycheck cashing; ATMs in post offices, expansion of electronic funds transfer services, and bill payment. Congress

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must act to lift restrictions under the PAEA that restrict new financial services such as savings accounts and small dollar loans.

Respectfully submitted,

CAMPAIGN FOR POSTAL BANKING

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