

**Testimony of**  
**David S. Shapira**  
**To be a Governor, United States Postal Service Board of Governors.**  
**Before the Senate Homeland Security and Governmental Affairs Committee**  
**June 10, 2015**

Chairman Johnson, Ranking Member Carper and members of the Homeland Security and Governmental Affairs Committee, thank you for the honor of appearing today and for the privilege of being considered for nomination to the United States Postal Service's Board of Governors. I want to thank President Obama for granting me this honor and for the vote of confidence on his part that it represents in my experience and judgment. It is truly humbling, and if confirmed by this committee and the Senate, I will work diligently to show that this confidence, and your consent, is well-deserved.

I also want to thank my wife, Cindy, and my family for their support in this undertaking. The responsibility and opportunity for national public service will require sacrifice, and if I am confirmed, they will be my partners.

For more than 30 years I served in various executive capacities at Giant Eagle, Inc., a family-owned grocery company, founded in 1931. Specifically, I served as Chairman from 1992 to December 2011, and Chief Executive Officer and President from 1980 to December 2011. I began my career at Giant Eagle in 1970 as Vice President of store operations and was promoted to Executive Vice President in 1978.

During that time, our local chain of groceries grew from 50 stores to nearly 420 locations with stores in Pennsylvania, Ohio, West Virginia and Maryland. With revenues of more than \$9.6 billion and employing more than 36,000 hard-working Americans, Giant Eagle serves more than five million customers annually, and is one of the largest privately owned and family-operated companies in the nation.

Our corporate success is built on Giant Eagle Core Values, which include:

- **Be Kind:** We go out of our way to treat each other and our customers with care and respect.
- **Think Team:** We love working together as a family.
- **Step Up:** We take every chance to make ourselves and our company great.
- **Work Smart:** We root out waste, work together and push ourselves to win.
- **Live Well:** We want everyone to live a healthy, balanced life.

I, however, do not take credit for this considerable business success. I was always surrounded by smart, capable people, and this achievement is theirs—not mine. Large organizations like Giant Eagle only succeed when they tap and inspire the talents of a diverse work force, and though I

cannot claim credit, I am immensely proud of the hard work and innovation of the team I helped lead.

In 2013, when I stepped away from the day-to-day operations of Giant Eagle, I left the company in very capable hands. I have always had an interest in giving back to my community and have served on boards and in lay leadership positions in a number of civic organizations over the years. However, since my retirement as CEO of Giant Eagle, I have had the time and opportunity to more fully pursue community and philanthropic service. I believe that such service is a foundation of our great country and is a major component of our democratic society. Every citizen, to the extent he or she is able, should look to serve their community. In that capacity, my previous service on various boards has included:

- The Allegheny Conference on Community Development
- Carnegie Mellon University's Board of Trustees, Past Chairman, including, Carnegie Mellon's Investment Committee, Immediate Past Chairman
- United Way of Allegheny County, including Past Campaign Chairman
- Extra Mile Education Foundation
- Hillel Foundation International's Board of Governors
- Jewish Federation of Greater Pittsburgh, including Past Chairman
- Jewish Healthcare Foundation, including Past Chairman
- Oberlin College, Trustee
- Pittsburgh Cultural Trust
- The Pittsburgh Promise Campaign, Founding Co-Chairman
- The Pittsburgh Regional Alliance
- Pittsburgh Symphony Orchestra

Now, President Obama has offered me a new opportunity, one with a truly national and international scope. The United States Postal Service epitomizes a key tenet that underlies our unique government of the people: the right of everyone—rich or poor, rural or urban, of every creed, faith and race—to efficient, affordable and reliable communications. So critically important to the Founding Fathers was this concept that they established the U.S. Post Office at the Second Continental Congress of 1775, a year before signing the Declaration of Independence. The U.S. Postal Service is a conduit of commerce, political thought, and messaging. Perhaps most important, it is a bedrock to people everywhere to remain connected to family, friends, community, and the greater world around them. Though other communications have come—some not lasting; others disrupting the paradigm and creating new challenges and opportunities—the mail still remains, and has a significant place as an essential government service.

Today, however, this institution is struggling. For years now, its expenses have exceeded its revenue. Looking deeper, its most profitable product—First Class mail—is in decline, but it is

achieving significant growth in the delivery of packages. It has undertaken an ambitious effort to cut costs, but it faces the real risk of degrading service, which could leave it worse off in the long term. Its recent losses have forced it to delay needed capital investments, and like any well-managed enterprise, it needs to address its long-term liabilities, particularly retiree health benefits.

To address these challenges, my business experience tells me that given the Postal Service's size, the answer is multifaceted. It must preserve and enhance its current products, while seeking out new opportunities to expand. It must look for ways to be more efficient, but also must preserve those assets that will enable its long-term growth. It needs a solid plan to address its long-term liabilities, but also must make near-term capital investments.

If confirmed, I look forward to exploring these issues in much greater depth, and I believe that my business background, experience and commitment to public can help push this work forward.

I thank you, members of the committee, for your attention, and look forward to answering your questions.

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