

## Written Testimony before the U.S. Senate Budget Committee

Hearing on

“Recreation at Risk: The Nature of Climate Costs”

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Chairman Whitehouse, Ranking Member Grassley, distinguished members of the Committee, thank you for the honor of testifying. I’m especially honored to be testifying for the fourth time before Chairman Whitehouse.

Like the rest of the panel & most Committee members, I have no expertise in climate science. But I do have expertise in political operations from groups that try to influence public policy while enjoying complicated funding streams enriched by billionaires. The phenomenon often appears in environmental debates, including with pressure groups that claim to represent outdoor recreation interests but often engage in merely partisan political battles.

Take the outdoor apparel manufacturer Patagonia, whose wealthy owners donated billions in company stock to a series of 501(c)(4)—aka “dark money”—groups. Initial reports said the money would go only to save the planet.<sup>1</sup> But even the *New York Times*, fooled at first, investigated and found monies going to political machinations. As the *Times* headline explains, “Patagonia’s Profits Are Funding Conservation—and Politics.” All company profits are distributed “through an entity known as the Holdfast Collective,” which “created and manages five nonprofit groups—Holdfast Trust, Chalten Trust, Sojourner Trust, Wilder Trust and Tail Wind Trust,” all registered as 501(c)(4) groups. “That allows them to make unlimited political donations.” They “hold 98 percent of Patagonia’s nonvoting shares ... valued at \$1.7 billion.”

From these riches came “a slew of political contributions last cycle, including \$100,000 each to [Senate Majority PAC](#) and [House Majority PAC](#), which work to elect Democrats to Congress, as well as smaller gifts to groups such as the Black Voters Matter Fund, the Center for

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<sup>1</sup> <https://www.nytimes.com/2022/09/14/climate/patagonia-climate-philanthropy-chouinard.html>.

American Progress Action Fund and the Georgia Investor Action Fund,” the *Times* reports.<sup>2</sup> And one of the “dark money” nonprofits, Sojourner Trust, reports on its IRS Form 990 that its advocacy will include political issues like “reparations,” “judicial, police, and prison reform,” and much more.<sup>3</sup>

This Patagonia network of “dark money” nonprofits is so political that it already has an FEC complaint filed against it by the watchdog group Americans for Public Trust, because it appears to have falsified the actual sources of its contributions to the Senate Majority PAC and other Democrat-aligned groups.<sup>4</sup>

Challenged by the *New York Times* as to why this Patagonia network is so clearly partisan in its politics, a spokesman claimed, “We would be really interested in supporting any climate leader—Republican, Democrat or independent. It just so happens that a lot of those folks are Democrats.” But even the *Times* easily debunked that claim, observing,

there is no guarantee Holdfast’s funds [from Patagonia] will be spent backing candidates who are aligned with its stances on climate change. A nonprofit affiliate of Senate Majority PAC last year [spent more than \\$1.5 million](#) on ads praising Senator Joe Manchin of West Virginia, a Democrat who has [repeatedly sunk climate legislation](#). One [ad praised him](#) for working with former President Donald J. Trump to protect coal miners.<sup>5</sup>

Next consider an environmentalist group that’s received Patagonia funding, Protect Our Winters, or POW.<sup>6</sup> Protect Our Winters claims it’s just “help[ing] passionate outdoor people protect the places and experiences they love.”<sup>7</sup> But POW also cares about partisan politics, such as helping elect Democrats to Congress and shilling for the partisan Inflation Reduction Act.<sup>8</sup>

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<sup>2</sup> <https://www.nytimes.com/2024/01/30/climate/patagonia-holdfast-philanthropy.html>.

<sup>3</sup> <https://projects.propublica.org/nonprofits/organizations/886580636/202343109349303054/full>.

<sup>4</sup> <https://www.foxbusiness.com/politics/major-outdoor-clothing-company-quietly-operating-liberal-dark-money-group-hit-fec-complaint>. For the actual FEC complaint, see <https://americansforpublictrust.org/document/holdfast-collective-fec-complaint/>.

<sup>5</sup> <https://www.nytimes.com/2024/01/30/climate/patagonia-holdfast-philanthropy.html>.

<sup>6</sup> The proprietary FoundationSearch database reports eight grants from Patagonia Org to POW totaling \$85,742.

<sup>7</sup> <https://protectourwinters.org/about-pow/>.

<sup>8</sup> See the extensive cheerleading for the Inflation Reduction Act in its 2022 annual report: <https://protectourwinters.org/about-pow/annual-reports/2022-annual-report/>.

POW has a (c)(4) “dark money” arm that gives 100%, cycle after cycle, to elect Democrats.<sup>9</sup> POW’s (c)(3) arm receives support from ordinary outdoor enthusiasts but also from notorious political actors. Those include a nonprofit run by Arabella Advisors, which operates the biggest “dark money” network on earth,<sup>10</sup> run through nonprofits that take in billions every election cycle. Arabella’s Hopewell Fund provided POW \$500,000 in 2022.<sup>11</sup> I should also note that Arabella has received hundreds of millions of dollars across two decades from the billionaire foreign national Hansjörg Wyss. In addition to his indirect donations through the Arabella network, which the FEC’s general counsel has criticized for political abuses,<sup>12</sup> Wyss has admitted to illegal direct political contributions to groups such as Friends of Dick Durbin (the statute of limitations has expired for Wyss’s direct political contributions, but they remain in the FEC database).<sup>13</sup>

POW has also received \$225,000 over 2020-2022 from the notoriously left-wing Tides Foundation, a donor-advised fund provider,<sup>14</sup> and \$175,000 over the same period from the David Rockefeller Fund,<sup>15</sup> which also donates to the Tides and Arabella networks.<sup>16</sup> And just as it is odd that Chairman Whitehouse has never, to my knowledge, mentioned Arabella Advisors’ network in all his hundreds of talks on “dark money,” so it’s odd that he has over the years praised Protect

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<sup>9</sup> OpenSecrets reports the 2022 cycle independent expenditures made by Protect Our Winters Action Fund at <https://www.opensecrets.org/political-action-committees-pacs/protect-our-winters-action-fund/C90017898/independent-expenditures/2022>; the group’s 2020 cycle expenditures at <https://www.opensecrets.org/political-action-committees-pacs/protect-our-winters-action-fund/C90017898/independent-expenditures/2020>; and the group’s 2018 cycle expenditures at <https://www.opensecrets.org/political-action-committees-pacs/protect-our-winters-action-fund/C90017898/independent-expenditures/2020>.

<sup>10</sup> *The Atlantic* headlined an interview with Arabella’s then-president, “The Massive Progressive Dark-Money Group You’ve Never Heard Of: Over the past half decade, Democrats have quietly pulled ahead of Republicans in untraceable political spending. One group helped make it happen,” <https://www.theatlantic.com/politics/archive/2021/11/arabella-advisors-money-democrats/620553/>. For more on Arabella, see <https://www.influencewatch.org/for-profit/arabella-advisors/>.

<sup>11</sup> <https://projects.propublica.org/nonprofits/organizations/473681860/202333149349300038/IRS990ScheduleI>.

<sup>12</sup> The general counsel recommended that the FEC “find reason to believe that the Sixteen Thirty Fund and The Hub Project”—the latter launched and sustained through the Arabella network by Wyss and his nonprofits—had “violated 52 U.S.C. §§ 30102, 30103, and 30104 by not registering as a political committee and meeting the Act’s organizational, recordkeeping, and reporting requirements.” See [https://eqs.fec.gov/eqsdocsMUR/7904\\_13.pdf](https://eqs.fec.gov/eqsdocsMUR/7904_13.pdf).

<sup>13</sup> [https://www.fec.gov/data/receipts/individual-contributions/?contributor\\_name=Wyss%2C+Hansjoerg&contributor\\_name=Wyss%2C+Hansjorg](https://www.fec.gov/data/receipts/individual-contributions/?contributor_name=Wyss%2C+Hansjoerg&contributor_name=Wyss%2C+Hansjorg).

<sup>14</sup> <https://projects.propublica.org/nonprofits/organizations/510198509>. For more on Tides, see <https://www.influencewatch.org/non-profit/tides-foundation/>.

<sup>15</sup> <https://projects.propublica.org/nonprofits/organizations/133533359>.

<sup>16</sup> <https://www.influencewatch.org/non-profit/david-rockefeller-fund/>.

Our Winters,<sup>17</sup> even though it receives much of its support via donor-advised fund providers like the Tides Foundation, Amalgamated Charitable Foundation (\$150,000), Fidelity Charitable Gift Fund (\$730,073), American Online Giving Foundation (\$224,374), National Philanthropic Trust (\$176,650), American Endowment Foundation (\$77,550), Aspen Community Foundation (\$41,000), Silicon Valley Community Foundation (\$25,500), and a number of other groups.<sup>18</sup> When donor-advised fund providers support causes Chairman Whitehouse disagrees with, he describes them this way: “donor-advised funds ... allow ultrawealthy interests to direct funding anonymously to their pet projects. They are essentially identity laundering operations.”<sup>19</sup>

In addition to its own political advocacy, POW helps corral into political campaigns trade associations that should know better, including the National Ski Areas Association. The Association’s ties to POW appear in its “Climate Challenge” reports, which require “all Climate Challengers” to do such things as endorse letters from groups like POW, Citizens Climate Lobby, and We Are Still In.<sup>20</sup>

We Are Still In is an environmentalist pressure group underwritten by left-wing billionaire Michael Bloomberg,<sup>21</sup> while Citizens Climate Lobby has received hundreds of thousands of dollars from Enron billionaire John Arnold, as well as funding from Arabella.<sup>22</sup>

Another oddity is the way groups like POW are so loyal to their environmentalist allies that they never mention some obvious, powerful threats to outdoor recreation posed by those allies. For example, it is obvious that in the foreseeable future, outdoor recreation cannot flourish without the availability of inexpensive transportation for ordinary Americans. And that transportation will require fossil fuels for cars, trucks, and planes, and support for the roads and parking needed for those cars and trucks.

This fact appears in statements from outdoor trade groups and the Biden Administration. The Outdoor Recreation Roundtable’s president says, “We have the best public lands, waters and outdoor businesses in the world right here in the United States, but if Americans can’t access

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[https://www.google.com/search?q=site%3Awhitehouse.senate.gov+%22protect+our+winters%22&rlz=1C1GCEANUS1014US1014&oq=site%3Awhitehouse.senate.gov+%22protect+our+winters%22&gs\\_lcrp=EgZjaHJvbWUyBgAEEUYOTIGCAEQRRg60gEIOTgyM2owajeoAgCwAgA&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=site%3Awhitehouse.senate.gov+%22protect+our+winters%22&rlz=1C1GCEANUS1014US1014&oq=site%3Awhitehouse.senate.gov+%22protect+our+winters%22&gs_lcrp=EgZjaHJvbWUyBgAEEUYOTIGCAEQRRg60gEIOTgyM2owajeoAgCwAgA&sourceid=chrome&ie=UTF-8).

<sup>18</sup> Data derived from the proprietary FoundationSearch database.

<sup>19</sup> <https://www.whitehouse.senate.gov/news/speeches/the-scheme-26-the-myth-of-the-unelected-bureaucrat/>.

<sup>20</sup> <http://nsaa.org/webdocs/sustainability/CC%20Annual%20Reports/CCAR2023.pdf>.

<sup>21</sup> <https://www.influencewatch.org/non-profit/we-are-still-in/>.

<sup>22</sup> <https://www.influencewatch.org/non-profit/citizens-climate-lobby/>.

them with sound roads ... then we are missing out on economic opportunity and undermining our American outdoor heritage.”<sup>23</sup> Similarly, the Biden Administration has bragged that its National Parks and Public Land Legacy Restoration Fund will “increase visitor access by restoring and repairing roads ... and parking areas.”<sup>24</sup>

While the richest Americans and foreign visitors may be able to drive those roads in expensive electric vehicles, most Americans will not be wealthy enough to do so. Then there is the simple consideration of how most hikers who visit Yellowstone are only able to do so with the aid of jet fuel and gasoline. In the same way, the number of skiers who visit Aspen or Park City would plummet without air travel.

Of course, even if environmentalists cannot entirely shut down travel by plane or the sale of gasoline, they will continue to support policies that significantly hike the costs of these means of transportation, a development that would seriously diminish Americans’ travel and thus harm the outdoor recreation sector.

The hostility of environmental extremist groups to forms of travel that most Americans now take for granted is intense. Just last year the magazine of the Sierra Club, a group Chairman Whitehouse repeatedly cites,<sup>25</sup> ran a long article that began by lionizing a man who hasn’t ridden a plane in five years; it ended with hopes that planes will disappear in a few decades.<sup>26</sup> Jet travel is also denounced by groups like Stay Grounded<sup>27</sup> and Flight Free USA.<sup>28</sup> In the world these pressure groups and their donors fight for, how can an Aspen ski resort or a fishing outfitter on Montana’s Blackfoot River survive?

Still more threats to outdoor recreation come from the ESG movement’s effort to debank all fossil fuel-related companies. As I testified to this Committee last year,<sup>29</sup> the ESG movement, funded with millions from billionaires like George Soros<sup>30</sup> and millions from the Arabella

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<sup>23</sup> <https://recreationroundtable.org/news/orr-applauds-administrations-2-8-billion-investment-in-public-lands-infrastructure-and-access/>.

<sup>24</sup> <https://www.doi.gov/pressreleases/president-bidens-budget-invests-28-billion-support-outdoor-recreation-economies-access>.

<sup>25</sup> <https://www.whitehouse.senate.gov/?s=%22sierra+club%22>.

<sup>26</sup> <https://www.sierraclub.org/sierra/2023-2-summer/feature/carbon-footprint-air-travel-and-how-live-more-grounded-life>.

<sup>27</sup> <https://stay-grounded.org/>.

<sup>28</sup> <https://flightfree.org/flightfacts>.

<sup>29</sup> <https://capitalresearch.org/article/written-statement-on-dark-money-in-the-climate-debate/>.

<sup>30</sup> For example, Soros’s Open Society foundations have given seven figures in donations to As You Sow, one of the most prominent ESG groups: [https://www.opensocietyfoundations.org/grants/past?filter\\_keyword=as+you+sow](https://www.opensocietyfoundations.org/grants/past?filter_keyword=as+you+sow).

network,<sup>31</sup> is trying to have banks stop loans to any company related to fossil fuels,<sup>32</sup> which would mean Americans could not buy gas for their cars, trucks, and boats. As the Sierra Club puts this extremist position: “we must call on banks to stop funding coal, oil, and gas.”<sup>33</sup> Patagonia likewise takes an absolutist stance, demanding we “End Fossil Fuels.”<sup>34</sup> The founder of the Citizens Climate Lobby—whose letters members of the National Ski Areas Association are encouraged to sign—called for ever-rising carbon taxes because they would make it “uneconomic to bring coal, gas, and oil out of the ground.”<sup>35</sup> This effort will never gain support from more than a fraction of the public, but it can obtain big donations from billionaires who fly private jets to conferences on climate change.

If the ESG movement and its rich leaders like BlackRock’s Larry Fink have their way, an ordinary American who depends on a gas-powered truck for transport will not be able to drive to Yosemite, and no fisherman will be able to travel in a gas-powered boat across the beautiful Tennessee lakes I enjoyed in my childhood.

These are threats to outdoor recreation that will not be voiced by pressure groups dependent on, and in the service of, the wealthy donors who underwrite their AstroTurf—or in this context, perhaps one should say, their mSnow™ synthetic snow surface—campaigns. These grave threats, which would devastate far more business sectors than just outdoor recreation and thus produce staggering harm to the federal budget, deserve their own hearing.

Thank you.

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<sup>31</sup> For example, Arabella’s New Venture Fund has given almost \$7.3 million to Ceres, a prominent ESG group, from 2017-2021: <https://www.influencewatch.org/non-profit/new-venture-fund/#grants-from-new-venture-fund>. For more on Ceres, see <https://capitalresearch.org/article/ceres-inc-the-esg-old-guard/>.

<sup>32</sup> In 2022 ten different banks had received proposals asking them to stop financing or underwriting such projects. See <https://corpgov.law.harvard.edu/2022/10/23/a-look-back-at-the-2022-proxy-season/>.

<sup>33</sup> <https://www.sierraclub.org/fossil-free-finance>.

<sup>34</sup> <https://www.patagonia.com/actionworks/campaigns/just-transition/>.

<sup>35</sup> Quoted in <https://www.influencewatch.org/non-profit/citizens-climate-lobby/>.