

**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

June 5, 2018

Ms. Rhea Suh  
President  
Natural Resources Defense Council  
40 West 20th Street, 11th floor  
New York, N.Y. 10011

Dear Ms. Suh:

The Committee on Natural Resources is conducting oversight of the potential manipulation of tax-exempt 501(c) organizations by foreign entities to influence U.S. environmental and natural resources policy to the detriment of our national interests. While national discourse about undue foreign influence in the United States has largely centered around Russia, recent media accounts also highlight China's "vast influence machine."<sup>1</sup> Some scholars believe that "[r]ather than coercing, China manipulates, preferring to act in moral and legal gray areas. It masks its political motives behind laudable human-interest or cultural projects, blurring the battle line with its adversaries."<sup>2</sup> Others note that China's strategy includes "co-opt[ing] American influencers in order to promote China's narrative."<sup>3</sup> Given these emerging concerns, and the apparent strong ties between the Natural Resources Defense Council (NRDC)<sup>4</sup> and the government of the People's Republic of China and the ruling Chinese Communist Party, the Committee seeks clarification on the nature of the NRDC's advocacy work to influence U.S. environmental and natural resources policy based on your organization's relationships with foreign entities.

In its push to become a global power, China engages in an extensive perception-management campaign both domestically and internationally. The Central Intelligence Agency and Federal Bureau of Investigation report that China imposes stipulations on financial support

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<sup>1</sup> Yi-Zheng Lian, *China has a Vast Influence Machine, and You Don't Even Know it*, THE N.Y. TIMES, May 21, 2018, [https://www.nytimes.com/2018/05/21/opinion/china-overseas-intelligence-yang.html?ref=collection%2Fsectioncollection%2Fopinion-international-world&action=click&contentCollection=international-world&region=stream&module=stream\\_unit&version=latest&contentPlacement=5&pgtype=sectionfront](https://www.nytimes.com/2018/05/21/opinion/china-overseas-intelligence-yang.html?ref=collection%2Fsectioncollection%2Fopinion-international-world&action=click&contentCollection=international-world&region=stream&module=stream_unit&version=latest&contentPlacement=5&pgtype=sectionfront); see also Josh Rogin, *China's Foreign Influence Operations are Causing Alarm in Washington*, WASH. POST, Dec. 10, 2017, [https://www.washingtonpost.com/opinions/global-opinions/chinas-foreign-influencers-are-causing-alarm-in-washington/2017/12/10/98227264-dc58-11e7-b859-1b0995360725\\_story.html?noredirect=on&utm\\_term=.2995d9cd423c](https://www.washingtonpost.com/opinions/global-opinions/chinas-foreign-influencers-are-causing-alarm-in-washington/2017/12/10/98227264-dc58-11e7-b859-1b0995360725_story.html?noredirect=on&utm_term=.2995d9cd423c).

<sup>2</sup> Lian, *supra* note 1.

<sup>3</sup> Rogin, *supra* note 1.

<sup>4</sup> As used in this letter, NRDC includes affiliated organizations identified in NRDC's 2016 IRS Form 990: NRDC Action Fund, NRDC Limited Hong Kong, and NRDC Action Fund Political Action Committee.

to academic institutions, think tanks, and non-profits in the United States to “reward pro-China viewpoints” and to discourage research or advocacy that would damage China’s global image or standing.<sup>5</sup> China also conditions access to government decisionmakers, funding, and visas on the willingness of individuals or groups to promote the economic or security interests of its government while refraining from criticism.<sup>6</sup>

Chinese officials continually work to control environmental information and news stories in an effort to counter the country’s status as the world’s largest polluter.<sup>7</sup> High profile extreme pollution events, such as the poor air quality during the 2008 Beijing Olympics, damage China’s international reputation.<sup>8</sup> Severe pollution, frequently tied to state owned or politically connected companies, is a domestic security concern that undermines the legitimacy of China’s one-party system.<sup>9</sup> In response to these twin pressures, Chinese government and Communist Party officials attempt to cultivate an image of a China that addresses domestic pollution and global environmental issues.<sup>10</sup> Given rampant corruption, press censorship, and data manipulation, securing the support of a large, politically connected western environmental organization can lend credibility to China’s official government narrative.

The Committee is concerned about the NRDC’s role in aiding China’s perception management efforts with respect to pollution control and its international standing on environmental issues in ways that may be detrimental to the United States. The NRDC’s relationship with China has many of the criteria identified by U.S. intelligence agencies and law enforcement as putting an entity at risk of being influenced or coerced by foreign interests.<sup>11</sup> The NRDC’s involvement in China spans two decades and represents a significant investment of time and resources.<sup>12</sup> The NRDC’s ability to work in China is dependent on the goodwill of the Chinese government.<sup>13</sup> The NRDC leadership regularly meets with senior Chinese and

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<sup>5</sup> Natalie Johnson, *CIA Warns of Extensive Chinese Operation to Infiltrate American Institutions*, WASH. FREE BEACON, Mar. 7, 2018, <http://freebeacon.com/national-security/cia-warns-extensive-chinese-operation-infiltrate-american-institutions>; see also CATHERINE A. THEOHARY, CONG. RESEARCH SERV., R45142, INFORMATION WARFARE: ISSUES FOR CONGRESS 11-12 (Mar. 5, 2018), available at <http://www.crs.gov/reports/pdf/R45142>.

<sup>6</sup> *Id.*

<sup>7</sup> JANE A. LEGGETT, CONG. RESEARCH SERV., IF10379, IN FOCUS: CHINA’S GREENHOUSE GAS AND ENERGY PROPOSALS FOR 2016-2020 (Mar. 23, 2016), available at <http://www.crs.gov/Reports/IF10379?source=search&guid=9748133f58e4417b912d0a02418c45ce&index=12>.

<sup>8</sup> Juliet Macur, *U.S. Cyclists Are Masked, and Criticism Is Not*, THE N.Y. TIMES, Aug. 5, 2008, <https://www.nytimes.com/2008/08/06/sports/olympics/06masks.html?intref=www.google.com&gwh=A802104667F56C4E6BD3FC83A1ECD5C3&gwt=pay>.

<sup>9</sup> Edward Wong, *Nearly 14,000 Companies in China Violate Pollution Rules*, THE N.Y. TIMES, June 13, 2017, <https://www.nytimes.com/2017/06/13/world/asia/china-companies-air-pollution-paris-agreement.html>.

<sup>10</sup> Wang Yanfei, *China to play bigger role in climate talks*, CHINA DAILY, Nov. 8, 2017, [http://www.chinadaily.com.cn/business/2017-11/08/content\\_34259218.htm](http://www.chinadaily.com.cn/business/2017-11/08/content_34259218.htm); see also Lisa Friedman, *As U.S. Sheds Role as Climate Change Leader, Who Will Fill the Void?*, THE N.Y. TIMES, Nov. 12, 2017, <https://www.nytimes.com/2017/11/12/climate/bonn-climate-change.html>.

<sup>11</sup> Johnson, *supra* note 5.

<sup>12</sup> *About NRDC China Program*, NATURAL RESOURCES DEFENSE COUNCIL, <http://nrdc.cn/aboutus?cid=7&cook=1> (last visited May 23, 2018).

<sup>13</sup> Chris Buckley, *Uncertainty Over New Chinese Law Rattles Foreign Nonprofits*, THE N.Y. TIMES, Dec. 29, 2016, <https://www.nytimes.com/2016/12/29/world/asia/china-foreign-ngo.html>; see also Mark Sidel, *It Just Got Harder to Make a Difference in China*, TEA LEAF NATION, FOREIGN POLICY MAGAZINE, Apr. 29, 2016,

Communist Party officials.<sup>14</sup> NRDC press releases, blog posts, and reports consistently praise the Chinese government's environmental initiatives and promote the image of China as a global environmental leader.<sup>15</sup>

When engaging on environmental issues concerning China, the NRDC appears to practice self-censorship, issue selection bias, and generally refrains from criticizing Chinese officials. For instance, a widely reported 2016 study by Greenpeace concluded that China's government subsidized commercial fishing fleet threatens the viability of fisheries around the world.<sup>16</sup> Just months after the Greenpeace study was released, the NRDC praised China's "bold new reforms" on domestic fisheries emphasizing that "China has been the world's largest producer of wild fish for over two decades."<sup>17</sup> Similarly, the NRDC has never condemned, or even mentioned, China's illegal and environmentally destructive island reclamation campaign that has covered over 3,200 acres of coral reefs with runways, ports, and other military facilities.<sup>18</sup> Of note, the NRDC collaborates with Chinese government entities<sup>19</sup> that are deeply involved in Chinese efforts to assert sovereignty over the South China Sea in contravention of international law.<sup>20</sup>

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<http://foreignpolicy.com/2016/04/29/it-just-got-harder-to-make-a-difference-in-china-harsh-new-ngo-law-clamps-down-on-foreign-organizations/>.

<sup>14</sup> Natural Resources Defense Council, *Further Promoting Cooperation between China and NRDC*, NRDC CHINA: IN THE NEWS (Mar. 21, 2018), <http://nrdc.cn/news/newsinfo?id=542&cook=1>; see also Barbara Finamore, Winslow Robertson, Feda Fung, & Zhixi Zhu, *China Fighting Air Pollution in Air, Land, and Sea*, NRDC: Expert Blog (May 2, 2016), <https://www.nrdc.org/experts/barbara-finamore/china-fighting-air-pollution-air-land-and-sea>; see also Natural Resources Defense Council, *Supported China's Climate Change Legislation*, NATURAL RESOURCES DEFENSE COUNCIL CHINA PROGRAM UPDATES (Nov. 11, 2015), <http://nrdc.cn/news/newsinfo?id=43&cook=1>.

<sup>15</sup> Rhea Suh, *What I Saw in China Will Help Change the World*, MEDIUM, Aug. 3, 2016, <https://medium.com/natural-resources-defense-council/what-i-saw-in-china-will-help-change-the-world-4e6a2ab319ab>; see also Barbara Finamore, *The Paris Agreement and China's Climate Leadership*, NRDC: Expert Blog (Oct. 5, 2016), <https://www.nrdc.org/experts/barbara-finamore/paris-agreement-and-chinas-climate-leadership>; see also Barbara Finamore, *China is cracking down on air pollution from shipping*, NRDC China: Blog (Apr. 20, 2017), <http://nrdc.cn/news/newsinfo?id=479&cook=1>.

<sup>16</sup> Greenpeace East Asia, *Give a Man a Fish – Five Facts on China's Distant Water Fishing Subsidies* (2016), [http://www.greenpeace.org/eastasia/PageFiles/299371/FINAL\\_The%20problem%20with%20China's%20distant%20water%20fishing%20industry%20subsidies\\_.pdf](http://www.greenpeace.org/eastasia/PageFiles/299371/FINAL_The%20problem%20with%20China's%20distant%20water%20fishing%20industry%20subsidies_.pdf); see also Li Shuo, *5 Problems with China's Distant Water Fishing Industry*, GREENPEACE EAST ASIA: NEWS BLOG (Aug. 8, 2016), <http://www.greenpeace.org/eastasia/news-blog/5-problems-with-chinas-distant-water-fishing-blog-57210>; see also Andrew Jacobs, *China's Appetite Pushes Fisheries to the Brink*, THE N.Y. TIMES, Apr. 30, 2017, <https://www.nytimes.com/2017/04/30/world/asia/chinas-appetite-pushes-fisheries-to-the-brink.html>.

<sup>17</sup> Sarah Chasis, *China's New Direction in Domestic Fisheries Management*, NRDC: EXPERT BLOG (May 15, 2017), <https://www.nrdc.org/experts/sarah-chasis/chinas-new-direction-domestic-fisheries-management>.

<sup>18</sup> Megan Specia & Mikko Takkunen, *South China Sea Photos Suggest a Military Building Spree by Beijing*, N.Y. TIMES, Feb. 8, 2018, <https://www.nytimes.com/2018/02/08/world/asia/south-china-seas-photos.html>.

<sup>19</sup> Finamore, Zhu et al, *supra* note 14; see also Rhea Suh, *Sustainable Shipping in Shanghai*, NRDC: EXPERT BLOG (Jul. 21, 2016), <https://www.nrdc.org/experts/rhea-suh/sustainable-shipping-shanghai>.

<sup>20</sup> Connor M. Kennedy & Andrew S. Erickson, *China's Third Sea Force, The People's Armed Forces Maritime Militia: Tethered to the PLA*, CHINA MARITIME REPORT NO. 1, CHINA MARITIME STUDIES INSTITUTE, CENTER FOR NAVAL WARFARE STUDIES, U.S. NAVAL WAR COLLEGE, Mar. 2017, available at [http://www.andrewerickson.com/wp-content/uploads/2017/03/Naval-War-College\\_CMSI\\_China-Maritime-Report-No-1\\_People%20s%20Armed-Forces-Maritime-Militia-Tethered-to-the-PLA\\_Kennedy-Erickson\\_201703.pdf](http://www.andrewerickson.com/wp-content/uploads/2017/03/Naval-War-College_CMSI_China-Maritime-Report-No-1_People%20s%20Armed-Forces-Maritime-Militia-Tethered-to-the-PLA_Kennedy-Erickson_201703.pdf); see also RONALD O'ROURKE, CONG. RESEARCH SERV., R427849, MARITIME TERRITORIAL

By contrast, the NRDC takes an adversarial approach to its advocacy practices in the United States. In fundraising materials, the NRDC claims to have “sued the [U.S. government] about once every ten days” since President Trump was inaugurated.<sup>21</sup> Over the last two decades, your organization has also sued the U.S. Navy multiple times to stop or drastically limit naval training exercises in the Pacific arguing that naval sonar and anti-submarine warfare drills harm marine life.<sup>22</sup> We are unaware of the NRDC having made similar efforts to curtail naval exercises by the Chinese People’s Liberation Army Navy. Following the U.S. withdrawal from the Paris Agreement, the NRDC sought to shape public opinion, in part, by attempting to discredit those skeptical of China’s commitment to pollution reduction targets or to honestly reporting environmental data.<sup>23</sup> The disconnect between the NRDC’s role as “thought leader and trusted adviser to our partners in China”<sup>24</sup> and its approach to environmental advocacy in the United States is disconcerting.<sup>25</sup>

The Committee is concerned that the NRDC’s need to maintain access to Chinese officials has influenced its political activities in the United States and may require compliance with the Foreign Agents Registration Act (FARA).<sup>26</sup> “The purpose of FARA is to ensure that the U.S. Government and the people of the United States are informed of the source of information (propaganda) and the identity of persons attempting to influence U.S. public opinion, policy, and laws.”<sup>27</sup> In relevant part, FARA requires any person or entity, including non-profits, to register with the Department of Justice (DOJ) if they act “at the . . . *request* . . . of a foreign principal or of a *person any of whose activities are directly or indirectly, supervised*, directed, controlled, financed, or subsidized in whole or in major part by a foreign principal . . . .”<sup>28</sup>

Registration under FARA is required for any entity that attempts, on behalf of a foreign principal, to influence any section of the U.S. public or a U.S. government official in “formulating, adopting, or changing the domestic or foreign policies of the United States . . . .”<sup>29</sup> The law is clear about registration requirements for a person or group acting in the political or

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AND EXCLUSIVE ECONOMIC ZONE DISPUTES INVOLVING CHINA: ISSUES FOR CONGRESS 33-34 (May 24, 2018), available at <http://www.crs.gov/reports/pdf/R42784>.

<sup>21</sup> Natural Resources Defense Council, *How NRDC Sues the President*, NRDC: OUR STORIES – EXPLAINER (Mar. 30, 2018), <https://www.nrdc.org/stories/how-nrdc-sues-president>.

<sup>22</sup> Michael T. Johnson & Michael J. Johnson, *Undersea Lawfare: Can the U.S. Navy Fall Victim to This Asymmetric Threat?* 69 NAVAL WAR COLLEGE REVIEW 135 (2016) available at <http://digital-commons.usnwc.edu/cgi/viewcontent.cgi?article=1122&context=nwc-review>.

<sup>23</sup> Finamore, *China’s Climate Leadership*, *supra* note 15.

<sup>24</sup> NATURAL RESOURCES DEFENSE COUNCIL CHINA PROGRAM, <http://www.nrdc.cn/?cook=1>. (last visited May 23, 2018).

<sup>25</sup> *Trump Watch*, NATURAL RESOURCES DEFENSE COUNCIL <https://www.nrdc.org/trump-watch>. (last visited May 23, 2018).

<sup>26</sup> 22 U.S.C. § 611 *et seq.*

<sup>27</sup> NATIONAL SECURITY DIV., U.S. DEP’T. OF JUSTICE, FOREIGN AGENTS REGISTRATION ACT FREQUENTLY ASKED QUESTIONS (Aug. 21, 2017), <https://www.justice.gov/nsd-fara-general-fara-frequently-asked-questions>.

<sup>28</sup> 22 U.S.C. § 611(c)(1) (emphasis added).

<sup>29</sup> 22 U.S.C. § 611(o).

public interests of a foreign government or entity, even when done through intermediaries.<sup>30</sup> FARA registration encompasses groups or individuals acting as public relations counsels, publicity agents, information service employees, and political consultants working in the interests of a foreign principal.<sup>31</sup> Likewise, groups or persons must also register if they solicit, collect, disburse, or dispense funds for or in the interest of a foreign principal.<sup>32</sup> The failure to register is an ongoing offense and subject to punishment ranging from a fine of not more than \$10,000 to imprisonment for not more than five years.<sup>33</sup>

To assist the Committee in its oversight, please produce the following documents and information as soon as possible, but no later than 5:00 p.m. on June 12, 2018:

1. Documents sufficient to show the NRDC's original date of registration as an agent of a foreign principal pursuant to FARA;
  - a. If NRDC Incorporated, NRDC Action Fund, NRDC Limited Hong Kong, or NRDC Action Fund Political Action Committee are not registered as agents of a foreign principal pursuant to FARA requirements, provide explanations sufficient to demonstrate why FARA registration requirements do not apply to the specific entity.
2. All documents and communications with the Department of Justice, including but not limited to letters of inquiry or advisory opinions, referring or relating to FARA registration by the NRDC or its related tax-exempt organizations;
3. Documents sufficient to identify any remuneration, transaction, or contribution that involves the NRDC or its related tax-exempt organizations and any entity or individual associated with any Chinese official, Chinese national, or Chinese business interest, including their agents, representatives, or intermediaries; and
4. Documents sufficient to identify any policies or procedures your organization has implemented to ensure compliance with FARA registration requirements, including but not limited to:
  - a. Any policies or procedures your organization has implemented to ensure that funds from foreign sources are not used for political activities within the United States, unless disclosed as required by law;
  - b. Any policies or procedures your organization has implemented to ensure that fundraising activities within the United States that are, in whole or in part, on

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<sup>30</sup> 22 U.S.C. § 611(c)(1)(i); *see also* *Attorney Gen. of the United States v. Irish Northern Aid Committee*, 668 F.2d 159 (2nd Cir. 1982); *see also* *Attorney Gen. of the United States v. The Irish People Inc.*, 796 F.2d 520 (D.C. Cir. 1986).

<sup>31</sup> 22 U.S.C. § 611(c)(ii).

<sup>32</sup> 22 U.S.C. § 611(c)(iii).

<sup>33</sup> 22 U.S.C. § 618(a)(2).

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behalf of or in the interests of a foreign government or entity are disclosed as required by law.

Please deliver your response to room 1324 of the Longworth House Office Building. The Committee prefers if possible, to receive your response in electronic format. An attachment contains additional instructions for responding to the Committee's request.

Please contact the Oversight and Investigations Subcommittee staff at (202) 225-7107 with any questions about this request. Thank you for your prompt attention to this matter.

Sincerely,



Rob Bishop  
Chairman



Bruce Westerman  
Chairman  
Subcommittee on  
Oversight and Investigations