

Testimony of Megan Duffy

Patagonia

A Monumental Mistake:

The Implications of President Trump's Executive Order on National Monuments

June 8, 2017

Good afternoon Members of the Committee. My name is Megan Duffy and I'm here today on behalf of Patagonia, a California based outdoor clothing and gear company, with a 30 plus year mission of building the best product, doing no unnecessary harm, and using business to inspire solutions to the environmental crisis. I currently serve as the Store Manager at the Great Pacific Iron Works Store in Georgetown.

There isn't a better example of the promise of America's entrepreneurial economy than the story of Patagonia. Our founder and owner, Yvon Chouinard, followed his passion for the great outdoors into developing a business with over \$750 million in sales in 2017. Yvon's business grew from a small blacksmith shop in Ventura, California, where he made climbing equipment for himself and his friends, to a global company doing business around the world. Every step of the way -- from initially re-engineering climbing equipment, to leaving a smaller footprint in nature, to today's push to repair and reuse our products instead of buying new ones --- Patagonia has put concern about our impact on the environment, our relationship with our employees, and the welfare of workers who manufacture our products abroad, on equal footing with our financial bottom line. We are equally proud of our product innovations as we are of our on-site daycare. We pioneered corporate responsibility and supply chain management and are constantly seeking to hold our company to a higher standard. As such, we pride ourselves as leaders not only in the Outdoor Industry but as an example for companies and business leaders everywhere.

The core of our business relies on people's passion and ability to recreate outdoors. We make technical products for people who ski, hike, run, bike, yoga, or otherwise get off their couches, out of their chairs, and get outside. Whether it is an urban park, exurban trail, or mountain path -- people need places to move, clean air to breathe, fresh water to drink, and healthy food to eat. Working to support the ecosystem which we depend on and protected open spaces is part of our mission as a company.

The Outdoor Recreation economy is huge. Consumers spend nearly \$887 Billion annually on outdoor activities. Our economic sector supports 7.6 million jobs, creates \$65 billion in federal tax revenue and supports state and local governments through \$59.2 billion in tax revenue there. In terms of other comparable economic sectors, we generate more spending than the pharmaceutical industry and employs more people than construction or computer technology.

The passion of the Chouinard family for the great outdoors and a fundamental concern with the fate of our planet has driven our company to work hard to protect important places like Bears Ears in Utah and Katahdin Woods and Waters in Maine. We do this in a couple of different ways.

First, we pledge every year to give 1% of sales to environmental causes globally. In addition, in late November of 2016, we pledged to donate all of our Black Friday sales revenue to environmental causes. In this year's grant making cycle, we are giving over \$10 million to environmental causes. Our giving is driven in part by stores like the one I manage partnering with the local community to identify and address local needs.

Today's hearing focuses on national monuments and efforts of the current Administration to undo public land protections sought by President Obama and every other President since Teddy Roosevelt. As we are learning, our current President doesn't stick to convention and has undertaken this unprecedented review of these important places and protections.

Even before the current president announced this review, Patagonia fought hard against efforts in Utah by the Governor and Congressional delegation to undo the protection of Bears Ears. We led many other brands and eventually the Outdoor Industry Association in pulling the semiannual trade show from Salt Lake City. Continuing to pour millions of dollars into a state actively seeking to undermine our industry by weakening environmental protection in Utah just didn't make sense.

We are now putting the same energy, enthusiasm, attention, and resources towards the monument review process. Through our online sales, social media campaigns, in-store events, and work with other businesses and conservation organizations, Patagonia has helped hundreds of thousands of Americans let Secretary Zinke know that National Monuments are supported. While we believe all of the monuments designations are important, we thought it was necessary to lend our resources to fighting against the Utah delegation and their efforts to minimize public and Tribal support for Bears Ears. Meanwhile, we are working with attorneys to explore ways to fight this attack on our monuments in the Courts, if it comes to that.

Patagonia's story is an American story. A kernel of an idea by a brave risk taker that led to a multi-million dollar business with a brand recognizable in nearly every country. But our drive was never just for profit. Our motivation was never just money. From the beginning -- passion, values, and hard work converged to create a company that is not only hugely successful in the traditional measure of profitability and growth but as an innovator for customer service, workplace benefits, and corporate responsibility. Feeding our success means supporting what sustains us -- people and places. Whether it is Bears Ears in Utah, the Katahdin Woods in Maine, the Chesapeake Watershed outside these windows, or the Ventura River watershed under our Ventura headquarters -- the protection of these places is as fundamental to our mission as our next quarterly report.

Thank you for the opportunity to share this with you today. I'm happy to take any questions.