

September 18, 2024

VIA ELECTRONIC TRANSMISSION

The Honorable Roger Williams
House Committee on Small Business
United States House of Representatives
Washington, DC

Dear Chairman Williams:

With the longstanding bipartisan support of Congress, the National Endowment for Democracy (NED) remains singularly focused on supporting freedom and democracy around the world at a time of global authoritarian assault on the democratic values Americans cherish. We take seriously our obligation to scrupulously pursue our mandate in a manner consistent with the NED Act (PL 98-164) and our Founding Statement of Principles and Objectives (1984), both of which articulate the need to advance broad democratic, non-partisan objectives abroad.

In this regard, I am writing to respectfully correct the record regarding the findings of the recent "Interim Staff Report" entitled Small Business: Instruments and Casualties of the Censorship-Industrial Complex. Specifically, NED has not, as the staff report claims, "violated its international restrictions by collaborating with fact-checking entities in assessing domestic press businesses' admission to a credibility organization." To state clearly:

- NED does not and has never sought to censor or hinder free speech, which is enshrined in our Constitution and central to the vitality of our democracy.
- NED has not engaged or been engaged by the Executive Branch, companies, their intermediaries, or any other parties to this end.
- NED does not carry out programming focused on the United States and has no programming related to information integrity that is focused on America's democracy.
- NED remains steadfast in its support, on behalf of the United States, of civil liberties around the world and acts consistent with the statutes created by Congress.

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- Pursuant to statute and its foundational documents, NED's Board and its work reflect the criticality of economic vibrancy and freedoms to strengthening democracy around the world.

The Committee's staff report claims that NED is funding programs and activities targeting the United States domestically, specifically programming by the Global Disinformation Index (GDI) and the International Fact-Checking Network (IFCN). While NED formerly had a grantmaking relationship with GDI and does provide funding to IFCN for its work with organizations in the Global South, the funds granted to these organizations are not and were never used for any programming focused on the United States, including any effort to suppress the voices of our fellow Americans.

NED no longer has a funding relationship with GDI. Under the terms of the grant agreement, NED's funding to GDI was confined in geographic scope, and at no time was NED-funded programming directed at the U.S. media market. The initial grant supported GDI's work to analyze media environments in Mexico, Nigeria, India, Malaysia, Colombia, Turkey, Bangladesh, the Philippines, and Thailand. The renewal grant, if fully executed, would have added eight countries in Africa, Asia, and the Middle East and North Africa, such as Tanzania, Ghana, Algeria, Tunisia, Morocco, Taiwan, and Vietnam. The renewal grant also incorporated reporting on the People's Republic of China's efforts to distort the information space in these countries, an area of significant strategic interest to NED and the United States. NED's grants were structured to ensure no funds were or could be used for work on the United States.

Alerted by a story in The Washington Examiner about NED support for GDI in the context of its December 2022 report on U.S. media, NED leadership took seriously the concerns raised and our obligation to ensure sound stewardship of American taxpayer dollars. We immediately initiated a review, and while we confirmed that no NED funding was used for the activities in question, in light of the new information about GDI's non-NED funded work impacting the United States, we acted expeditiously to end our grantmaking relationship with GDI and to recoup unspent grant dollars. We communicated this decision promptly to Congress at that time.

NED's support for IFCN, which is housed at the Poynter Institute, funds the participation of Global South organizations in its annual global gathering, the promotion of and adherence to a journalistic code of principles, and capacity-building support for organizations in the Global South. NED support does not cover the work of the Poynter Institute, nor does it provide any support to fact checking in the United States. NED has no relationship with PolitiFact. The IFCN code of principles includes commitments to non-partisanship and fairness, standards and transparency of sources, transparency of funding and organization, standards and transparency of methodology, and an open and honest corrections policy.

I want to underscore this point: NED has no programming related to information integrity and America's democracy. NED supports the work of independent, nonpartisan organizations to contribute to vibrant, viable, and objective information spaces overseas. Our forty-two years of experience have demonstrated that access to independent information is among the most effective means to support democratic expansion and challenge autocracies. It provides citizens the basis for critical thinking, enabling them to reach their own conclusions about their democratic aspirations.

Beyond our grants program, NED's International Forum for Democratic Studies and Center for International Media Assistance conduct research and organize events to bolster NED's support for a

democratic information environment overseas in closed and semi-closed countries. A significant part of this work addresses the growing global challenge to freedom posed by the People's Republic of China. NED's World Movement for Democracy brings together democracy activists from around the world, including those on the forefront of countering digital authoritarianism and ensuring independent media and information is accessible in closed and semi-closed environments, to encourage solidarity and learning. This work helps NED grantees to discern, understand, and respond to developments in the digital environment, and to build defenses against authoritarian governments working to undermine democratic principles and interests in their countries.

NED's engagement with technology companies does not seek to hinder freedom of expression. NED staff are occasionally in contact with social media platforms in the course of their research and convening activities exploring how the changing digital communication landscape is affecting democratic institutions around the world. NED staff are also in contact with social media platforms to assist partners who are targeted by authoritarian governments seeking to suppress free speech.

Congress enshrined the programmatic independence of the Endowment from the Executive Branch, even while ensuring that NED would be appropriately covered under the oversight mechanisms of Congress, the Government Accountability Office, the Freedom of Information Act and the Department of State's Inspector General. Subject to the strategic direction and approval given by its independent Board, NED determines what grants it awards. NED does not take political, strategic, or programmatic direction from the Executive Branch.

NED's bipartisan Board is uncompensated and comprised of leading citizens from across the spectrum of American political and civic life – Democrats and Republicans, representatives of business and labor, others with deep international experience, and two members each from the House and the Senate representing both parties. Indeed, the strength of NED is drawn from our broad, multi-sectoral and bipartisan U.S. commitment to democracy, a commitment reflected in our programming over the past 40 years.

NED remains true to its founding, singularly focused on defending freedom and supporting democracy, advancing American interests and values. We have no other competing priorities and are focused on demonstrating that the American people are on the side of freedom. A more democratic world is a more peaceful, secure, and prosperous world. Therefore, advancing human freedom and democracy globally serves U.S. interests and values as it does other societies, irrespective of their history, culture, or development. Consistent with President Reagan's charge, NED's work fosters a global infrastructure in support of democracy.

As Chairman of the Committee on Small Business, you recognize, as we do, that healthy democracies require vibrant private sectors, including small businesses and entrepreneurs. NED's approach to supporting democracy reflects the view that free enterprise provides a critical building block for what makes democracy work – engaged citizens who build businesses to solve problems and aim to improve their communities.

I regret that NED was not contacted by your staff prior to the interim report being issued. The Endowment has a strong record of responding rapidly and comprehensively to oversight inquiries from its authorizing and appropriations committees, as well as individual Member requests in the House and Senate. We welcome the opportunity to discuss these issues with you and answer any

further questions you may have, prior to any final report. We are committed to continuing the open and constructive dialogue NED has had with Congress since its creation over 40 years ago.

Sincerely,

A handwritten signature in black ink, reading "Damon M. Wilson". The signature is fluid and cursive, with the first name "Damon" being more prominent.

Damon Wilson
President and CEO

Cc: The Honorable Nydia Velázquez, Ranking Member