

A photograph of a misty forest. The scene is dominated by tall, slender tree trunks that rise vertically, creating a sense of depth. The ground is covered in a dense carpet of vibrant green undergrowth, including various ferns and leafy plants. A narrow, dirt path winds through the center of the forest, leading the viewer's eye into the distance. The atmosphere is soft and ethereal due to the light mist or fog that fills the air between the trees. The overall color palette is a mix of deep greens, browns, and pale blues/whites from the mist.

# ENVIRONMENTAL DEFENSE FUND

## 2007 ANNUAL REPORT



**STRONG SCIENCE  
UNCOMMON PARTNERSHIPS  
INNOVATIVE MARKETS**

**FINDING THE WAYS  
THAT WORK**

## GLOBAL WARMING RAISES THE STAKES

Since Environmental Defense Fund began in 1967, we've witnessed a greening of America. Thanks to the efforts of so many, our air and water are cleaner, hazardous wastes are handled with greater care and some endangered species have been brought back from the brink of extinction.

At the same time, the scope of the world's environmental problems has grown. Many problems now affect the Earth in its entirety and the lives of all its inhabitants.

Chief among these is global warming, which touches every area of our work. Atmospheric physicist Dr. Michael Oppenheimer was one of the first to understand the seriousness of climate change when he started our global warming program in the 1980s, and this year our staff parlayed unexpected opportunities into big successes.

Scientists tell us we must reduce U.S. global warming pollution 80% by mid-century — and that we must begin immediately. To do so, Environmental Defense Fund has pioneered the use of the cap-and-trade mechanism to unleash the most powerful economic force in the world: entrepreneurial capitalism.

This year, when we were invited to help draft the terms of the largest buyout in corporate history, the purchase of Texas electric utility TXU, *New York Times* columnist Thomas Friedman praised our role as a leader of global change: "Every college activist should study this story," he wrote, "because it is the future." (See page 5.)

On this occasion of our 40th anniversary, we are returning to our full name, Environmental Defense Fund, after a number of years as Environmental Defense. A national survey found we are still best known by our original name, so we are going back to our roots.

Thank you for making our work possible.



*Fred Krupp*  
FRED KRUPP  
President



*Nick Nicholas*  
N.J. NICHOLAS, JR.  
Chairman of the Board



*David Yarnold*  
DAVID YARNOLD  
Executive Vice President

# STAYING AHEAD OF THE CURVE

The Environmental Defense Fund formula of science, partnerships and markets produces lasting results.

## WHAT OTHERS ARE SAYING ABOUT US

Of all environmental groups, Environmental Defense Fund is ...

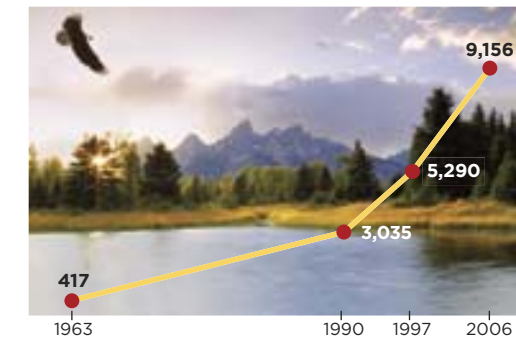
- The only one named among “the most successful nonprofits in recent U.S. history” in the new book *Forces for Good*
- #1 in the 2007 *Financial Times* global study of 850 business-nonprofit partnerships
- The only group graded ‘A’ by *Wired* magazine

## STRONG SCIENCE

It all began on Long Island 40 years ago when a small group of scientists investigated the sharp decline in osprey chicks, whose numbers had plummeted by 85%. Taking the unhatched eggs back to the laboratory, they found high levels of the pesticide DDT.

With this evidence and a proposal for safer alternatives, the scientists formed Environmental Defense Fund and won a series of victories culminating in a permanent, nationwide ban on DDT in 1972. The recovery of the osprey, bald eagle and other magnificent birds serves as living testimony to the power of our approach.

Ever since, we’ve relied on science to help achieve policy goals. In 2002, for example, we assembled the science proving that marine protected areas boost fish populations dramatically. This led to the creation of vitally needed reserves. Today we have more Ph.D. scientists and economists engaged in advocacy than any similar organization.



## The resurgent bald eagle

The bald eagle made a dramatic recovery after we won a nationwide ban on DDT. This graph shows the number of nesting pairs in the lower 48 states.

In 2007, the bald eagle soared off the U.S. endangered species list.

## UNCOMMON PARTNERSHIPS



Our corporate partnership managing director Elizabeth Sturcken tours a truck plant in Indiana. As a result of our work, more than 50 fleets are testing new hybrid electric truck models.

In 1990, Environmental Defense Fund initiated the first major partnership between an environmental group and a leading corporation: McDonald’s. Many environmentalists were skeptical at the time, but the results won people over. Our joint waste-reduction task force replaced foam-plastic hamburger boxes with paper wraps, eliminated 150,000 tons of packaging waste and intensified McDonald’s use of recycled materials — changes that echoed across the industry.

The McDonald’s partnership was so successful that we began a tradition of working with market leaders to advance environmental progress.

For example, with FedEx and Eaton Corporation we developed hybrid electric trucks, now being used in many fleets, that reduce soot 96% and boost fuel efficiency 57%. To maintain our objectivity, we accept no funds from our corporate partners, and we share our results publicly to urge wider adoption.

## Fight global warming

This year 27 companies joined with us and others to call for a national cap on global warming pollution. (See page 6.)



Environmental Defense Fund • National Wildlife Federation • Natural Resources Defense Council  
The Nature Conservancy • Pew Center on Global Climate Change • World Resources Institute

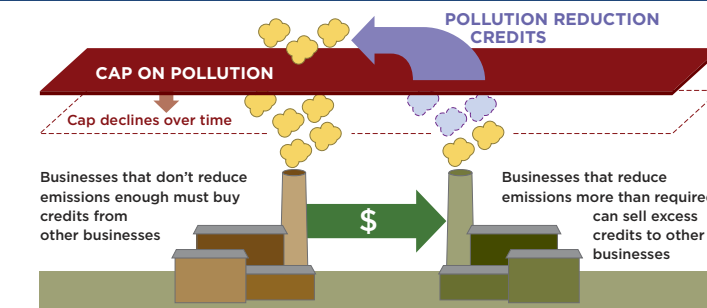
## INNOVATIVE MARKETS

Market competition drives innovation, and Environmental Defense Fund has found ways to harness this engine for environmental progress. In the 1980s, we created a market for water rights, giving farmers an incentive to conserve water and sell it to cities, avoiding new dams.

The cap-and-trade program we designed for acid rain has been hailed by *The Economist* as “the greatest green success story of the past decade.” It mandated that sulfur pollution be cut in half, but let power plant owners decide how. Plants cut their pollution faster than expected, at a fraction of the predicted cost.

## How cap and trade works

A cap-and-trade system limits the amount of pollution (the cap, which can be lowered over time) and lets clean technology users sell credits to others who don’t meet their targets (the trade).



## WHY WE WORK ON GLOBAL WARMING

“Nothing has more potential than global warming to alter forever the world our children inherit. We need a strong U.S. cap on carbon emissions and a market to spur new technologies. Then we can get serious—and expect others to get serious—about global limits.”

Peter Goldmark  
Climate program director



The longtime president of the Rockefeller Foundation and chairman of the *International Herald Tribune*, Peter Goldmark joined Environmental Defense Fund in 2003.



## A GREEN DEAL AS BIG AS TEXAS

It took months of pressure, a veil of secrecy and a 17-hour negotiating marathon, but the effort paid off: 2007 will be remembered as the year the environment took a seat at the table in a \$45 billion corporate buyout.

In their bid to acquire Texas electricity giant TXU, two top private equity firms wanted to settle a pollution lawsuit we had brought against the company. At our insistence, Texas Pacific Group and Kohlberg Kravis Roberts agreed to cancel TXU's plans for eight coal-fired power plants and adopt an unprecedented set of environmental initiatives. *The Washington Post* called the agreement “a landmark in the battle over climate change policy.”

The deal was the result of our yearlong campaign to halt TXU's rush to dirty coal. In 2006, the company had announced alarming plans to build 11 old-fashioned coal plants that would make TXU the nation's third-most-polluting utility. Texas Governor Rick Perry fast-tracked the permits.

TXU rebuffed our request to meet, so we challenged the company in the state legislature and the courts and on Wall Street. We initiated a letter, signed by 50 environmental groups, urging TXU to reverse course, and nearly 50,000 Environmental Defense Fund members added their comments. Investors took notice and the company's stock fell.

Fred Krupp received a call from William Reilly, former head of EPA and now vice

president of Texas Pacific Group. Reilly said his company wanted to buy TXU but would only go through with the deal if they could remake the utility as “a green electricity generator” and gain our support.

We teamed up with the Natural Resources Defense Council, and our attorney Jim Marston flew to San Francisco to lead the negotiating session with the investors that produced the historic deal. With a seat on the company's advisory board, Marston will ensure that the new TXU upholds its commitments.

The deal will encourage other utilities to build cleaner power plants and is generating support in Congress for a mandatory cap on global warming pollution. As Marston said: “You know the world is changing when the biggest buyout deal in history is made contingent on action on global warming.”

### What TXU agreed to do:

- Withdraw plans for eight coal plants
- Endorse a mandatory national cap on carbon emissions
- Reduce companywide carbon emissions to 1990 levels by 2020
- Cut nitrogen oxides, sulfur dioxide and mercury by 20%
- Increase spending on energy efficiency to \$400 million
- Double investment in wind power



“Environmental Defense Fund was a critical player in this watershed moment in America’s fight against global warming.”

*Former EPA Administrator William K. Reilly, commenting on our TXU victory*

“There aren’t a lot of environmental groups with their own investment bank consultants, so when you hear that Environmental Defense [Fund] has just hired the boutique Wall Street firm Perella Weinberg Partners, you know that we’re in a new world.”

*Thomas L. Friedman  
The New York Times  
See full op-ed at [edf.org/friedman](http://edf.org/friedman)*

## MAJOR CORPORATIONS JOIN THE FIGHT TO COUNTER GLOBAL WARMING

Progress on global warming cannot happen without the ingenuity and active support of America’s leading corporations. That’s why this year Environmental Defense Fund helped launch the U.S. Climate Action Partnership (USCAP), an alliance of companies and nonprofit groups dedicated to Congressional passage of a declining national cap on greenhouse gas emissions.

The powerful coalition resulted from early discussions among our president Fred Krupp, General Electric CEO Jeffrey Immelt and World Resources Institute president Jonathan Lash. USCAP has grown to include six nonprofit groups alongside 27 corporate members from virtually every sector of the economy and all 50 states, representing more than \$2 trillion in revenue. Together, we are calling for a 60 to 80% reduction in emissions by 2050, using a market-based cap-and-trade system.

“These are hard-nosed business people standing up to say they believe they will prosper by solving global warming,” says our national climate campaign director Steve Cochran. USCAP CEOs have joined Krupp and others to brief Congress on the necessity of cap-and-trade legislation.

“Each new economic sector added to USCAP melts away pockets of opposition in Congress,” notes Representative Rick Boucher (D-VA), chairman of the House subcommittee developing global warming legislation.



In 2007, top corporations joined us in urging Congress to unleash clean technologies by setting a declining cap on global warming pollution.



### Wal-Mart sees the light

Environmental Defense Fund opened an office in Bentonville, Arkansas — Wal-Mart’s home — to help the world’s largest company reduce its footprint. To slow global warming, we’re working with the retailer to reduce packaging, cut per-store energy use and boost sales of compact fluorescent light bulbs to 100 million annually. By turning off engines while trucks are being loaded, Wal-Mart is reducing emissions by an amount equal to taking 20,000 cars off the road.



### Rainforest protection: A key piece of the puzzle

The burning of tropical forests accounts for about 20% of all greenhouse gas emissions, but current climate treaties do not address this problem. With our Brazilian partners, we developed a plan that would award credits in the global carbon market to nations that reduce deforestation. We advanced the plan at climate treaty talks, engaged leading scientists to show that reduced deforestation can be verified accurately and helped create forest reserves in the Terra do Meio on the Amazon frontier.

## OUR ACTION FUND

### Making our ideas heard on Capitol Hill

Opponents of climate action spend \$1 million every day lobbying against it. But at Environmental Defense Fund, tax laws cap our legislative spending at \$250,000 a year. To help level the playing field, we created a sister group, the Environmental Defense Action Fund, which has no legislative spending limit. Non-deductible gifts to the Action Fund let us communicate effectively with Congress and the public to make sure our proposals are heard.

The Action Fund’s strategic partners helped pass California’s historic cap on greenhouse gas emissions and helped bring 32 senators and representatives to hear our views on the need for a nationwide cap. (As a nonpartisan organization, we do not endorse candidates.)

With nearly a dozen national climate bills under debate, gifts to the Action Fund will help us ensure that Congress passes the strongest possible bill.






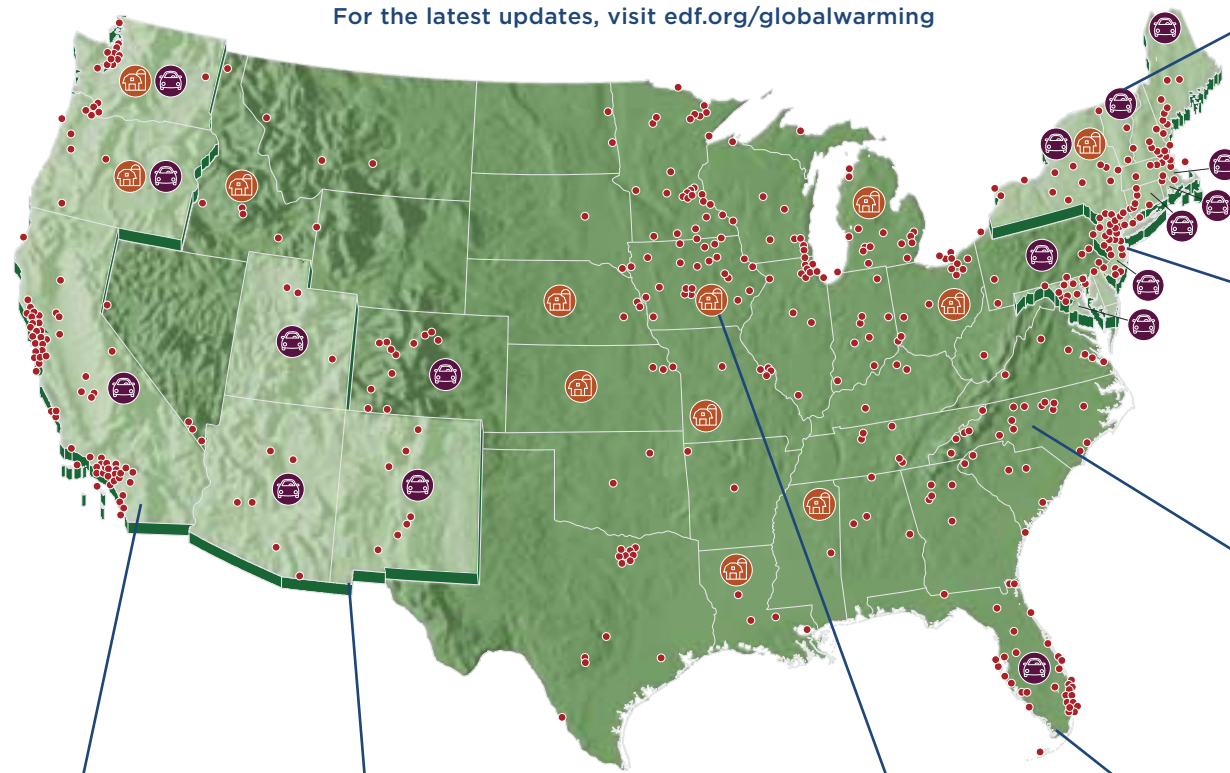
Governor Arnold Schwarzenegger discusses our legislative goals with California global warming project director Karen Douglas.

# GLOBAL WARMING: STATES RISE TO THE CHALLENGE

They were isolated steps at first, but state and local initiatives became a force for national action on global warming in 2007. We worked with powerful constituencies from farmers to business leaders on programs that serve as nationwide models for reducing emissions of carbon dioxide and other greenhouse gases. From coast to coast, mayors of more than 600 cities pledged to cut this pollution.

Our goal is to cut U.S. emissions 80% by 2050, the amount scientists say is needed as part of global reductions to prevent irreversible consequences. Our efforts show how smart policies, American ingenuity and technologies available today — from energy efficiency to capturing and storing carbon — can achieve that goal and make the United States a leader in addressing global warming.

-  Regional climate initiatives
-  Cities pledging to cut global warming pollution
-  States adopting California clean car standards
-  Our projects with farmers and other landowners



## California enacts nation's first statewide cap



We cosponsored and helped pass legislation to cap global warming pollution in California and reduce it to 1990 levels by 2020. Now we're advising the state how to achieve that goal at lowest cost.

## The West takes on climate



A bipartisan group of governors from six Western states announced a regional initiative to cut greenhouse gas emissions 15% below 2005 levels by 2020. We're working with this alliance to translate their goals into action.

## Farmers harvest carbon



In Iowa and 11 other states, we're helping landowners reduce emissions and earn money for storing carbon in crops, trees and soil. We're also helping Mississippi poultry farmers and New York dairies collect methane from animal waste and use it to generate electricity. Landowners can play a vital role in reducing heat-trapping gases.

## Courtroom victories for climate



The U.S. Supreme Court sided with us and our allies in ruling that EPA has the authority to regulate global warming pollution. Then a federal judge in Vermont, responding in part to arguments made by our general counsel James Tripp, rejected the auto industry's attempt to block states that want to cut carbon pollution from vehicles. All told, 17 states have adopted California's clean car standards.

## The Northeast: Focusing on power plants



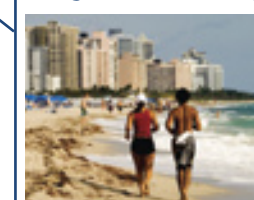
With our help, ten states joined forces to reduce power plant emissions using a cap-and-trade system that we're helping to implement.

## Toward a clean energy future



We helped North Carolina become the first Southeastern state to adopt a clean energy portfolio standard. The state's utilities will be required to meet 12.5% of energy needs with renewable resources like solar and wind or energy efficiency measures.

## A big commitment by Florida



Governor Charlie Crist made Florida a national climate leader by adopting virtually all our recommendations, which will reduce emissions 80% by 2050.

# SPOTLIGHT ON CHINA

## Helping start the necessary revolution

In 2007, China surpassed the United States as the world's largest greenhouse gas polluter, according to some assessments. With the world's fastest-growing economy, China poses huge environmental challenges for the future.

No environmental group is better positioned to engage China than Environmental Defense Fund. A decade ago, Beijing called on our chief economist Dr. Daniel Dudek to help develop a national market-based approach to cut sulfur dioxide pollution, which causes acid rain. Then we were asked to help strengthen enforcement, and our proposal for stricter penalties has been embraced by Premier Wen Jiabao.

Building on those successes, we now are helping China tackle carbon dioxide, the main global warming gas. Eight professionals in our Beijing office are working on programs including a greenhouse gas registry to track emissions and a trading system for carbon reductions. We also established an institute with Tsinghua University to train business and government officials in market-based environmentalism.

In rural Xinjiang and Sichuan provinces, we initiated projects that will benefit poor farmers who adopt practices such as no-till agriculture to keep carbon dioxide out of the atmosphere or convert the desert into carbon-absorbing tracts of vegetation.

Working with us, financial service giant AIG will fund the projects, offsetting roughly half of its total global emissions. Says Dudek: "What we are seeing in China is a revolution in environmental thought. We need to do everything we can to make it real on the ground."



## WHY WE WORK ON HEALTH

“Pollution and toxic chemicals take a heavy toll on public health, particularly with children. Through strengthened legislation and market incentives for clean technology, we are on track to cut smokestack and tailpipe pollution by 80%.”

*Dr. John Balbus  
Chief health scientist*



John Balbus founded the Center for Risk Science and Public Health at The George Washington University, where he served as a practicing physician, before joining Environmental Defense Fund in 2002.



## GREENING THE BIG APPLE

It was America's first capital and its first metropolis. Now New York is vying to become the nation's cleanest city. In 2007, Mayor Michael Bloomberg announced a plan to transform New York's environment. The “greenprint” that Environmental Defense Fund helped develop includes 127 initiatives, from cutting global warming pollution 30% by 2020 to making thousands of buildings more energy efficient and converting abandoned industrial sites into parks.

The centerpiece is a congestion pricing plan that would charge drivers to enter the busiest part of the city during peak times.

City officials say congestion pricing — an idea we helped pioneer with Nobel economist William Vickery — will keep traffic moving and save \$13 billion a year in lost time, revenue and fuel. It also will make the air much healthier. Vehicles stuck in traffic can emit three times more pollution than cars in motion. After London instituted congestion pricing in 2003, vehicle emissions dropped 20%.

Our Living Cities director Andy Darrell helped lead a coalition of 120 health, business and civic groups to support congestion pricing for the Big Apple. When the plan hit a roadblock in the state capital, our team marshaled bipartisan support and kept the idea alive.

“Environmental Defense Fund has been with us every step of the way,” said Deputy Mayor Dan Doctoroff, who led the mayor's effort.

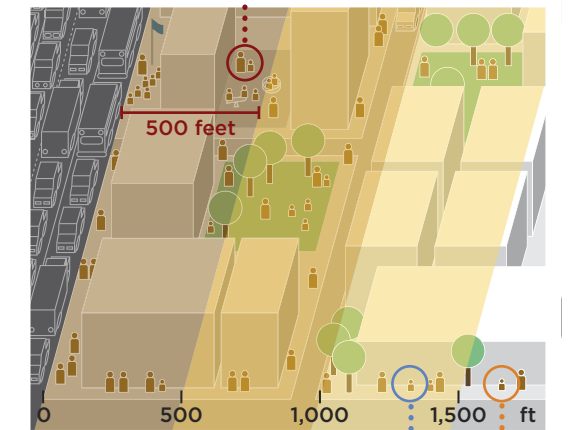
Encouraging drivers to use public transportation is a key part of New York City's plan. “We're optimistic,” says Darrell. “We'd like to see this plan ignite competition in other cities to reduce their pollution.”

What's good for New York could be good for the rest of the country. Let the competition for cleaner air begin.

### All choked up

Several recent studies reveal the health risks of living close to busy streets.

● Our joint research program with Harvard's School of Public Health suggests people living within 500 feet of busy highways face a higher risk of cancer, heart disease and respiratory ailments.



● Children living within a quarter mile of a major highway had an 89% higher risk of asthma.

● Children growing up within about 1,600 feet of a freeway had diminished lung capacity.

● Children living within a quarter mile of a major highway had an 89% higher risk of asthma.



“Environmental Defense Fund has been a critical partner and resource in our efforts to make New York a truly sustainable 21st century city.”

*Michael R. Bloomberg  
Mayor of New York City*

“Environmental Defense Fund is probably the best nonprofit to find the intersection between profit and planet.”

*Bob Langert  
McDonald's Senior Director of  
Social Responsibility*

## WAKEUP CALL FOR DIRTY COAL

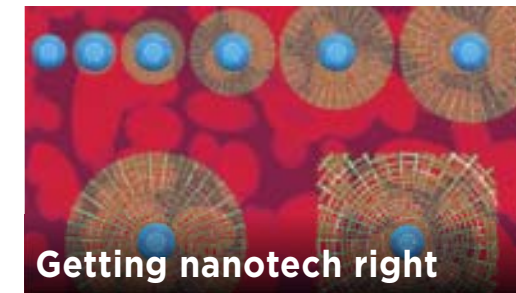
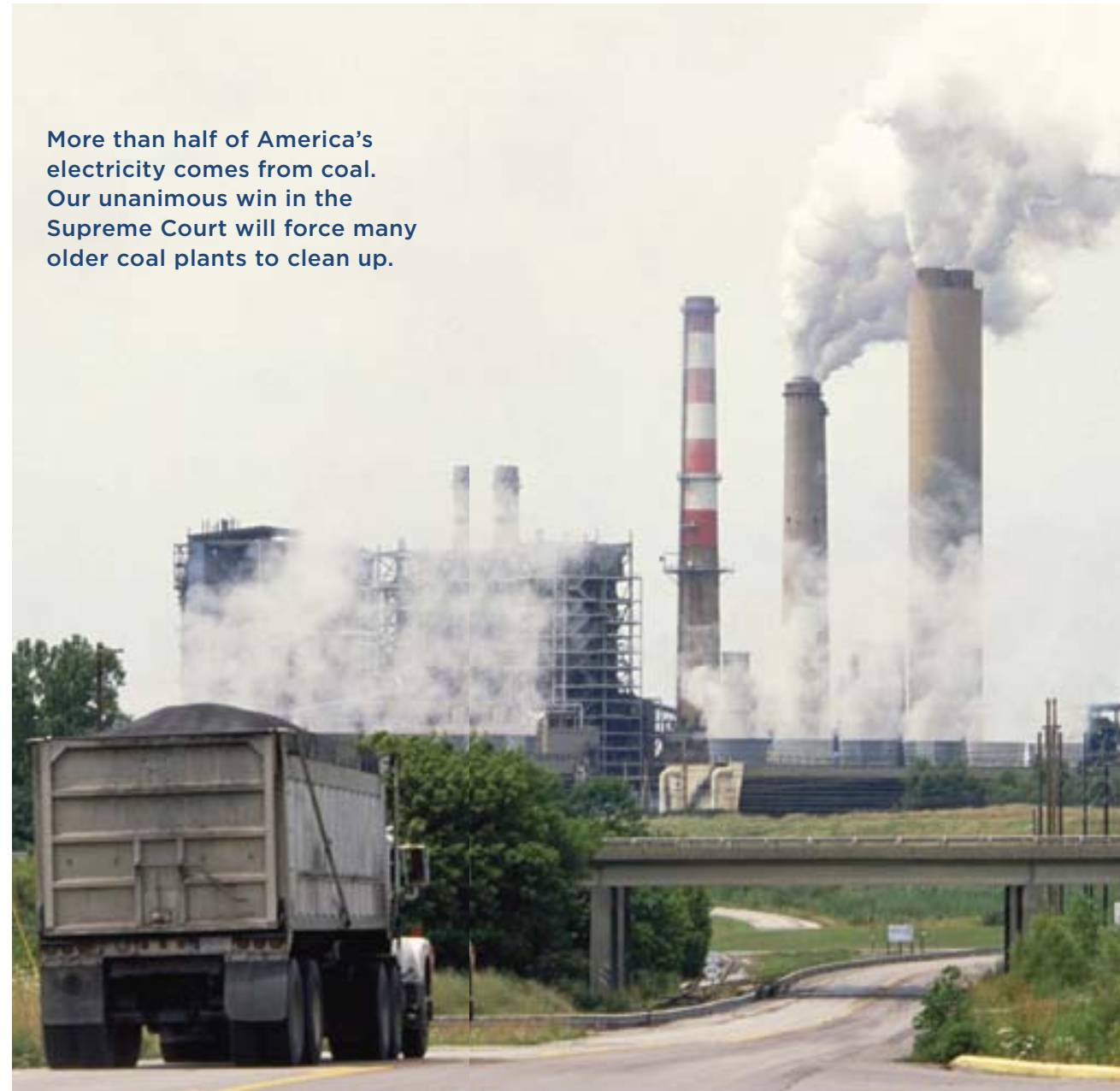
Power plants and industrial facilities must install modern pollution controls when they expand and modernize. That's what the U.S. Supreme Court said when it ruled 9-0 on our lawsuit, *Environmental Defense et al. v. Duke Energy*. The decision upheld a bedrock provision of the Clean Air Act known as “new source review” and will result in healthier air nationwide.

Our suit concerned aging coal-fired power plants in North and South Carolina. Many of these facilities were due to be retired. Instead, Duke Energy rebuilt and expanded them without modern control equipment, increasing air pollution. “Installing scrubbers on power plants is one of the most cost-effective investments in healthy air we can make,” says our deputy general counsel Vickie Patton, who partnered with the Southern Environmental Law Center on the case.

“This is a huge win for communities across the country,” Patton says. More than 150 million Americans breathe air that fails to meet national air quality standards. The Supreme Court decision immediately emboldened local communities to demand pollution reductions and affected dozens of plants in the South and Midwest where lawsuits are pending.

For people with respiratory ailments, like 80-year-old Virginian Jeanne O'Steen, the victory came like a gust of fresh air. “I'm already breathing easier,” O'Steen says, “just knowing that some dirty plants are being cleaned up.”

**More than half of America's electricity comes from coal. Our unanimous win in the Supreme Court will force many older coal plants to clean up.**



### Getting nanotech right

Nanotechnology could spark breakthroughs in medicine and energy production, but evidence is mounting of potential risks to human health and the environment.

To reduce the chance of problems, Environmental Defense Fund partnered with DuPont to design a comprehensive framework for responsible production, use and disposal of nanomaterials. DuPont now is using the framework to identify and manage potential risks in all its nanotech products, and other companies are starting to follow.



### Smokestacks on rails

We led a national campaign to clean up highly polluting diesel locomotives and ships. In response, EPA proposed cutting soot and smog-forming pollution from trains and ships by up to 90%.

The rule, when final, will complement new regulations for diesel trucks, buses and construction equipment that we also helped win.



### Big, yellow and cleaner

In Texas, we secured funding for a plan to begin cleaning up the state's 35,000 diesel school buses. Our report showed that diesel exhaust gets trapped inside school buses, making the air inside five times dirtier than outside air. We helped advance similar initiatives in Massachusetts, New York and North Carolina.



### Reform in the heart of hog country

In North Carolina, Environmental Defense Fund helped pass the nation's first legislation banning construction of new open-air hog waste lagoons, a major source of pollution.

The landmark law sets strict health standards and includes a cost-share program to assist farmers who switch to cleaner alternatives such as state-of-the-art composting systems. Our partnership with Frontline Farmers, a collective of reform-minded pork producers, set the stage for the legislation.



## WHY WE WORK ON WILDLIFE

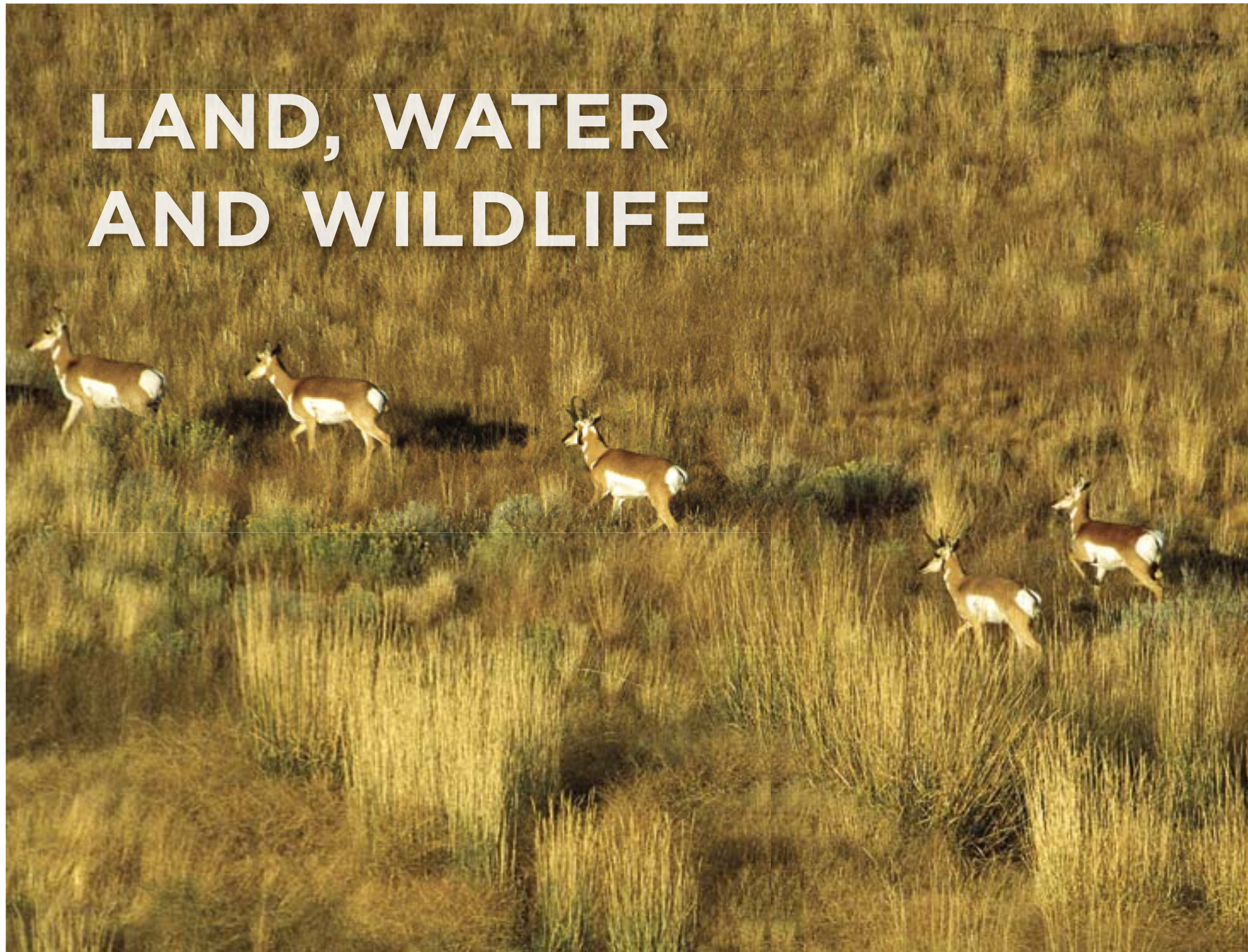
“Since most endangered species rely on private lands to survive, the actions of farmers, ranchers and forest owners are critical. We’re pioneering the use of incentives to reward landowners who restore habitat.”

*Robert Bonnie  
Co-director, Land, Water and Wildlife program*



Robert Bonnie joined Environmental Defense Fund in 1995 after earning graduate degrees in forestry and environmental economics. He grew up on a farm in Kentucky.

# LAND, WATER AND WILDLIFE



## DEFENDING THE ENVIRONMENT BY REFORMING THE ARMY CORPS

As the nation’s water manager, the U.S. Army Corps of Engineers has erected dams, levees and navigation channels on 30,000 miles of rivers. Wetlands have been drained and species placed at risk of extinction, often with minimal benefits to people.

Environmental Defense Fund has been working to rein in the Corps for decades, focusing on the agency’s most harmful projects. No clearer symbol of mismanagement exists than the Mississippi River Gulf Outlet (Mr. Go), a little-used shipping channel that has been dubbed Hurricane Highway. Mr. Go destroyed cypress swamps, which had provided a critical buffer against storms, and funneled Katrina’s storm surge into New Orleans.

This year, after we assembled the evidence and pressed for action in Washington, Congress passed major water legislation that was a triumph for us and our partners. It voted to shut down Mr. Go and authorized a plan to rebuild Louisiana’s wetlands. The Mississippi Delta nurtures a quarter of the nation’s fish harvest and 40% of its migratory waterfowl.

“Deterioration of the Delta has been by far the most tragic loss of ecological resources in the country,” notes our general counsel James Tripp. “Instead of building destructive projects, the Corps should concentrate on restoring these major ecosystems.”

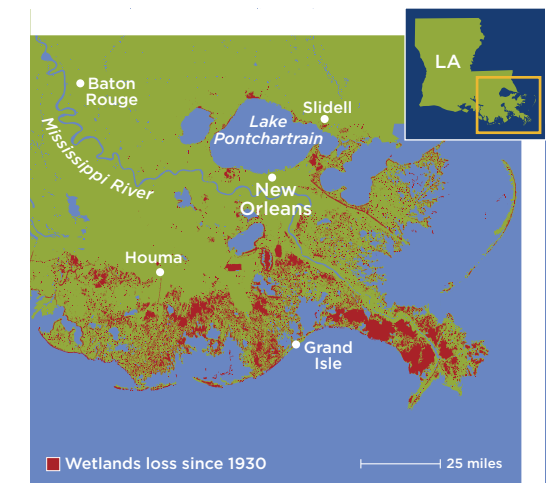
The new law calls for the Corps to update its antiquated planning guidelines and submit controversial projects to independent review, reforms we’ve long championed.

Healing the Louisiana coast requires vigilance along the entire 2,300-mile length of Old Man River. Further up the Mississippi, Environmental Defense Fund won a pivotal lawsuit in federal court halting a Corps “flood control” project that would have destroyed 80,000 acres of Missouri wetlands.

The reforms we won will help prevent such misguided projects in the future. Says our policy analyst Paul Harrison: “We can rebuild the Mississippi River Delta and other critical ecosystems, but we need to work with nature, not against it.”

### Vanishing wetlands

Army Corps projects have contributed to the destruction of 30% of Louisiana’s wetlands, robbing the coast of natural hurricane buffers. Nationwide, more than half of all wetlands have been destroyed.



## WHY WE WORK ON WATER

“More big dams won’t solve our water problems. With appropriate water markets and smarter river management, we can put water back into America’s great rivers for future generations.”

Mary Kelly  
Co-director, Land, Water and Wildlife program



A chemical engineer and attorney, Mary Kelly led the Texas Center for Policy Studies before joining Environmental Defense Fund in 2002.

### WHAT OTHERS ARE SAYING ABOUT US

“By promoting agricultural reform and partnering with landowners to protect habitat, Environmental Defense Fund is helping us all.”

Bestselling author Barbara Kingsolver

## NEW LAW SETS ASIDE WATER FOR WILDLIFE

When cities, agriculture and industry vie for scarce water in the West, they often leave too little water in rivers to keep fish and wildlife healthy. With the region enduring a record eighth year of drought, areas like the 200-mile Forgotten River stretch of the Rio Grande have occasionally gone dry.

Now Texas has become the first state to legally protect natural river flows. Our attorney Mary Kelly was a key negotiator, meeting repeatedly with water users to work out a proposal to present to the legislature. “Legislators were shocked that environmentalists and water users had sat down together, much less come up with an agreement,” says Kelly, who admitted, “I had to do my share of persuasion.”

The bill nearly died in the Texas legislature during the final hours of the last day of the session. Ultimately, Kelly and her colleagues prevailed — by two votes.

The new law establishes a process to set minimum flow requirements for every river in the state, including the seasonal flooding that rivers, bays and estuaries need to thrive.

Appropriate water markets, including transfers of water from farms to cities and for environmental needs, are an important tool in meeting our goal of healthy rivers. Agriculture consumes 60 to 80% of the West’s water, and with population projected to double by 2060, market transfers can play an essential role.

We will promote the Texas law as a model for other states as we work to protect and

restore some of America’s most ecologically significant ecosystems, including the San Francisco Bay Delta and the Colorado River. Says Kelly: “Our water laws are stuck in the 19th century. It’s time to update them to meet the realities of the 21st century.”



▼ Prolonged drought poses new challenges for Western water managers. Our solutions offer hope for parched landscapes like this one in Utah’s Glen Canyon.



### Rewarding farmers for conservation

Our efforts to increase funding for conservation in the new Farm Bill are paying off. The House increased conservation monies by \$4.5 billion after we built support with our broad left-right coalition that includes Taxpayers for Common Sense and Bread for the World.

We brought 50 farmers to Washington to speak about the need for more conservation funding and worked to preserve conservation gains in the final law.



### Extending the welcome mat to wildlife

We helped design a new federal program that gives forest landowners in nine Southern states incentives to restore and preserve 250,000 acres of longleaf pine forest. Longleaf pines once dominated forests from Virginia to Texas. Today, only about 3% of the original forest remains, supporting a variety of endangered species, including the red-cockaded woodpecker, a vital player in the forest ecosystem.



### Six million rainforest acres protected from oil development

When the Peruvian government decided to open up 70% of its Amazon basin to oil and gas drilling, we helped indigenous leaders take their case for protecting the rainforest directly to the potential investors at an auction for drilling permits in Houston.

As a result, the Peruvian government agreed to exclude the most critical areas from the auction, saving more than six million acres of tropical forest.



### Help for a vanishing California ecosystem

Thanks to our partnership with ranchers, the rolling hills and flower-filled meadows of the Sacramento Valley will be protected from development, providing habitat for more than 300 species. This ambitious restoration project will give landowners financial and technical assistance to help save their ranches and protect imperiled species such as the Swainson’s hawk, willow flycatcher and California red-legged frog.

## WHY WE WORK ON OCEANS

“Today, wasteful fishing practices kill fish indiscriminately and destroy habitat and breeding grounds. Protecting these critical areas, offering fishermen a financial stake in the future health of fisheries and creating new markets for sustainable seafood will bring the resilient oceans back to life.”

David Festa  
Oceans program director



David Festa directed the Office of Policy and Strategic Planning at the U.S. Department of Commerce, where he helped win national fishery management reforms, before joining Environmental Defense Fund in 2003.



## GIVING FISHERMEN A STAKE IN THE FUTURE

David Krebs has been setting hooks in the Gulf of Mexico for three decades. The Florida fisherman has witnessed a sharp decline in red snapper, the Gulf’s most important reef fish. “I used to believe the ocean’s resources were inexhaustible,” says Krebs, “but not any longer.”

The combination of too many fishing boats and poor fishery management has proved devastating. Off the Florida panhandle, the red snapper population hovers at 3% of historic levels. Fish processors that once lined the coast have given way to T-shirt shops.

Environmental Defense Fund has long advocated a better fishery management approach, catch shares, proven in more than 100 fisheries worldwide. We brought Krebs and other fishermen to Washington to build support for quick action and we helped design a catch share program that was approved overwhelmingly.

The new program for Gulf red snapper allows profitable fishing year-round while capping the total catch and assigning each fisherman a percentage share. It replaces old rules that imposed size limits and restricted fishing to certain days without regard to weather, demand or fish prices. Such derbies forced crews to throw back tons of dead or dying fish.

“We used to go out in dangerous conditions. With catch shares our jobs are safer and we deliver a higher quality product,” says Krebs. Snapper prices at dockside are up by one-

third and bycatch, the unintentional killing of fish, has been reduced by an estimated 80%.

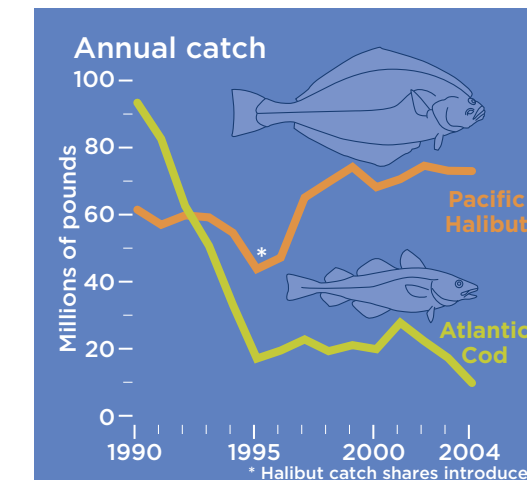
Many fisheries could benefit from the same reforms. With the success of this project, we are promoting similar programs nationwide. Currently, 47 U.S. fish stocks are classified as overfished, including cod and flounder.

“Catch shares give fishermen a financial stake in conserving,” notes our marine policy specialist Pam Baker, who helped design the snapper program. “As stocks recover and catch limits increase, so does the value of each share.”

“In the quest for sustainable fisheries, catch shares are the Holy Grail,” adds fisherman Bill Tucker. “They give us hope for the future.”

### A tale of two fisheries

Our landmark study, *Sustaining America’s Fisheries*, provides the first hard data on how catch shares have revived fisheries like Pacific halibut. Fisheries without catch shares, such as Atlantic cod, have collapsed.





“Past ocean management policies have been woefully inadequate. Environmental Defense Fund is playing a leadership role in achieving a new vision—one of healthy oceans and a secure future for coastal communities.”

*Julie Packard  
Vice Chair, The David and Lucile Packard Foundation; Executive Director, Monterey Bay Aquarium*

“Environmental Defense Fund is the first group to recognize the human dimension to the crisis in the oceans.”

*Rich Young  
Commercial fisherman*

## PERMANENT PROTECTION FOR HAWAI‘I’S OUTER KINGDOM

Environmental historians will look back at the creation of the Papahānaumokuākea Marine National Monument, the world’s largest marine protected area, as a momentous achievement. Environmental Defense Fund played an important role in this victory.

Our scientist Dr. Stephanie Fried teamed up with Native Hawaiian cultural practitioners, fishermen, divers, scientists and local activists to help place the issue on the agenda in Washington. Our members sent more than 20,000 messages of support. Together, we helped persuade President Bush to declare the Northwestern Hawaiian Islands a national monument, safeguarding 84 million acres of marine wilderness—an area larger than all of America’s national parks combined.

The new monument includes a biologically rich string of islands that stretch 1,200 miles northwest of the main Hawaiian Islands. The protected area contains the most intact coral reef ecosystem on the planet. One quarter of the archipelago’s species are found nowhere else.

In the reserve, fishing will be phased out in five years and coral mining prohibited. “Without Environmental Defense Fund, these protections never would have happened,” said Louis “Uncle Buzzy” Agard, a respected elder who first fished the area in the 1940s.

To ensure strong enforcement measures in the refuge, Fried helped the coalition work on the monument’s management plan. We advocated thorough risk assessment of all planned

activities, a transparent public permit process, enforcement of Hawai‘i’s strict refuge standards and limiting tourism at Midway Atoll.

Says Agard: “This gives me hope that my grandchildren will actually see the marine life I saw, without having to read about it in a book.”



▼ The coral reefs and atolls of the Northwestern Hawaiian Islands support more than 7,000 species, including the tiger shark and the endangered Hawaiian monk seal, which survives in small groups along the uninhabited shores.



### A lifeline for California fishermen

To help ailing fisheries, we created a new revolving loan fund to provide fishermen the dollars they need to finance sustainable fishing practices. We wrote the business plan for the California Fisheries Fund—the first of its kind—and helped attract investment.

The fund will be available to fishermen to support their transition to lower-impact fishing gear, catch share programs and other sustainable fishing practices. It will also build markets for higher quality seafood products.



### The nation’s first interstate network of marine reserves

We helped design and win approval for the first interstate system of marine parks, stretching from North Carolina to the Florida Keys. The 500,000-acre network comprises eight tracts of stunning deep-water corals that are critical habitat for snapper and grouper. The new network complements reserves we helped establish earlier that protect shallow reef habitat in areas such as Florida’s Dry Tortugas.



### Saving the Caribbean’s great barrier reef

In Mexico and Belize, we engaged with local fishermen and organizations to encourage sustainable fishing practices that will better protect spawning grounds, atolls and reefs along key sections of the 180-mile-long Mesoamerican Reef, the Western Hemisphere’s most pristine barrier reef.

At the same time, we increased efforts to protect other critical marine habitat off the coasts of Cuba and Florida.



### KidSafeSeafood.org

Parents seeking a healthy diet for their children now have help, thanks to a new collaboration of chefs, pediatricians and ocean experts called KidSafe Seafood. Launched by SeaWeb and the Disney Family Foundation, with technical guidance from us, the initiative gives parents important information about mercury, PCBs and sustainable fishing.

The program has identified the best seafood choices for both children and oceans.

# WHO'S WHO

The work of Environmental Defense Fund is carried out today by more than 330 dedicated staff.

## PRESIDENT

**Fred Krupp**

## VICE PRESIDENTS

**David Yarnold**, Executive Vice President

**Peter Accinno**, CFO, Treasurer, Finance and Administration

**Marcia Aronoff**, Programs

**Cynthia Hampton**, Marketing and Communications

**Paula Hayes**, Development

**Liza Henshaw**, CIO and Operations Planning

**David Festa**, Associate Vice President—West Coast

## ENVIRONMENTAL DEFENSE ACTION FUND

**Wendy Sommer**, Deputy Director



Scientist *Jennifer Pitt, Boulder*

## SCIENTISTS, ECONOMISTS, ATTORNEYS AND POLICY SPECIALISTS

### AUSTIN

Regional fisheries project coordinator **Richie Ahuja** (M.I.M., Garvin School of International Management)

Scientist **Ramón Alvarez** (Ph.D., Univ. of Calif., Berkeley)

Energy policy specialist **A. Scott Anderson** (J.D., Univ. of Texas)

Gulf of Mexico senior oceans policy specialist **Pamela Baker** (M.A., Univ. of Rhode Island)

Regional fisheries project coordinator **Jeffrey Barger** (B.S., Univ. of Central Arkansas)

Water and wildlife analyst **Karen Chapman** (B.S., Miami Univ.)

Oceans program coordinator **Tammi Douglas** (Park Univ.)

Clean energy policy specialist **Thomas Glenn** (M.P.A., Texas State Univ., San Marcos)

Attorney **Amy Hardberger** (J.D., Texas Tech Univ. School of Law)

Project coordinator **Alicia Isaac-Cura** (M.B.A., San Francisco State Univ.)

- Land, Water and Wildlife co-director **Mary E. Kelly** (J.D., Univ. of Texas)



Scientist *Ramón Alvarez, Austin*

Scientist **Linda Laack** (M.S., Texas A&M Univ., Kingsville)

Wildlife field associate **Michele Amador Lopez** (B.S., St. Edward's Univ.)

Economist **Vishwanie Maharaj** (Ph.D., Univ. of Rhode Island)

Water analyst **Laura Marbury** (M.A.G., Southwest Texas State Univ.)

- Regional director **Jim Marston** (J.D., New York Univ.)

Research and outreach associate **C. Ryan Ono** (B.S., Univ. of Calif., Berkeley)

Program financial analyst **Kim M. Sharp** (Univ. of Maryland)

Program associate **Elaine Smith** (B.S., Texas State Univ.)

Scientist **David Wolfe** (M.S., Univ. of Georgia)

### BENTONVILLE

Project manager **Michelle Mauthe Harvey** (M.B.A., Duke Univ.)

Project manager **Andrew Hutson** (Ph.D., Univ. of North Carolina at Chapel Hill)

### BOSTON

Project manager **Greg Andeck** (M.E.M., Duke Univ.)

Wildlife conservation fellow **Margaret Arbuthnot** (B.A., Princeton Univ.)



Regional director *Jim Marston, Austin*



Corporate partnership director *Gwen Ruta, Boston*

Project analyst **Rachel Beckhardt** (M.S., Tufts Univ.)

Manager **Kyle Cahill** (M.B.A., Univ. of Mass.)

Project manager **Bruce Hammond** (M.F.S., Yale Univ.)

Project manager **Jason Mathers** (M.S., Suffolk Univ.)

Project manager **Victoria Mills** (M.A., Johns Hopkins Univ.)

- Corporate partnership director and regional director **Gwen Ruta** (M.P.A., Harvard Univ.)

Program coordinator **Robyn Scrafford** (B.S., SUNY College at Geneseo)

### BOULDER

- Regional director **Daniel Grossman** (J.D., Univ. of Denver)

Outreach coordinator **Ann Karpinski** (B.S., Univ. of Minnesota)

Attorney **Kevin Lynch** (J.D., New York Univ.)

Deputy general counsel **Vickie Patton** (J.D., New York Univ.)

Scientist **Jennifer Pitt** (M.E.S., Yale Univ.)

Lokey fellow **Martha Roberts** (M.S., Stanford Univ.)

Wildlife ecologist **Theodore P. Toombs** (M.S., Colorado State Univ.)

### LOS ANGELES

Policy analyst **Laurie Kaye** (M.A., Univ. of Calif., Los Angeles)

Attorney **Jerilyn Lopez Mendoza** (J.D., Univ. of Calif., Los Angeles)

Attorney **Janea Scott** (J.D., Univ. of Colorado)

### NEW YORK

Business partnerships managing director **Mark Brownstein** (J.D., Univ. of Michigan)

High Meadows fellow **Edward Burgess** (B.A., Princeton Univ.)

Senior policy analyst **Ramon J. Cruz** (M.P.A., U.R.P., Princeton Univ.)

- Living Cities program director and regional director **Andrew Darrell** (J.D., Univ. of Virginia)

Chief economist **Daniel J. Dudek** (Ph.D., Univ. of Calif., Davis)

Program associate **Tom Elson** (B.A., Bowdoin College)

Scientist **Timothy Fitzgerald** (M.S., Univ. of Hawai'i)

Biologist **Rebecca J. Goldberg** (Ph.D., Univ. of Minnesota)

- Climate and air program director **Peter Goldmark** (B.A., Harvard Univ.)

Program financial analyst **Kevin Gorman** (M.P.A., Columbia Univ.)



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Chief economist *Dan Dudek, New York*

Analyst **David Greenblatt** (M.C.P., Mass. Institute of Technology)

Program associate **Charles A. Hughes** (B.A., Bowdoin College)

Seafood program manager **Teresa Ish** (M.Sc., Univ. of Calif., Santa Cruz)

Program associate **Linda Jantzen** (Baruch College)

Director of economic policy and analysis **Nathaniel Keohane** (Ph.D., Harvard Univ.)

Dennis Puleston fellow **Jacob Kritzer** (Ph.D., James Cook Univ., Australia)

High Meadows fellow **Kyle Meng** (B.S.E., Princeton Univ.)

Scientist **Lisa Moore** (Ph.D., Stanford Univ.)

Clean air project manager **Mel Peffers** (M.S., Harvard School of Public Health)

General counsel **James T. B. Tripp** (LL.B., Yale Univ.)

Scientist **James S. Wang** (Ph.D., Harvard Univ.)

## ■ Program and regional directors

# WHO'S WHO

## RALEIGH

Program associate **Denise Choy** (M.E.M., Duke Univ.)

Program coordinator **Kristen Coracini** (M.E.M., Duke Univ.)

Fisheries policy specialist **Eileen W. Dougherty** (M.P.A., North Carolina State Univ.)

Forestry specialist **William McDow** (M.F., M.E.M., Duke Univ.)

Policy analyst **David McNaught** (Ph.D., Univ. of Florida)

■ Regional director **Jane Preyer** (M.P.A., Univ. of North Carolina)

Biologist **Douglas N. Rader** (Ph.D., Univ. of North Carolina)

Aquatic ecologist **Joseph Rudek** (Ph.D., Univ. of North Carolina)

Southeast oceans program director **Daniel J. Whittle** (J.D., Univ. of Colorado)

## SACRAMENTO

California global warming project director **Karen Douglas** (J.D., Stanford Law School)

Economist **Jamie Fine** (B.S., Univ. of Pennsylvania)

Center for Conservation Incentives manager **Eric Holst** (M.E.M., Duke Univ.)



Regional director **Dan Grossman**, Boulder



Deputy regional director **Laura Harnish**, San Francisco

Research associate **Camille Kustin** (M.S., Univ. of Michigan)

Climate policy analyst **Lauren Navarro** (J.D., Univ. of Calif., Davis School of Law)

Climate policy analyst **Timothy O'Connor** (J.D., Golden Gate Univ.)

Air quality project manager **Kathryn Phillips** (M.P.P., Univ. of Calif., Los Angeles)

Staff attorney **Virgil R. Welch** (J.D., Univ. of Texas)

## SAN FRANCISCO

Project manager **Millie Chu Baird** (M.S., Stanford Univ.)

Geographic information system specialist **Peter Black** (B.A., Univ. of Oregon)

Fisheries specialist **Kate Bonzon** (M.S., Stanford Univ.)

Marine ecologist **Rodney M. Fujita** (Ph.D., Boston Univ., Marine Biological Laboratory)

■ Regional director **Thomas J. Graff** (LL.B., Harvard Univ.)

High Meadows scientist **Jeffery Greenblatt** (Ph.D., Univ. of Calif., Berkeley)

■ Deputy regional director **Laura Harnish** (M.L.A., Univ. of Calif., Berkeley)

Project analyst **Maria Harris** (B.S., Brown Univ.)

Senior water resource analyst **Ann Hayden** (M.E.S.M., Univ. of Calif., Santa Barbara)

Fisheries analyst **Maggie Ostdahl** (Master of Marine Affairs, Univ. of Washington)

Project coordinator **Jenny Perich** (B.A., Univ. of Colorado)

Water analyst **Spreck Rosekrans** (B.A., Univ. of Calif., San Diego)

■ Corporate partnership managing director **Elizabeth Sturcken** (M.P.P., Harvard Univ.)

Pacific Coast oceans program director **Johanna Thomas** (M.S., Univ. of Calif., Berkeley)

Manager **Elizabeth Trask** (M.A., Harvard Univ.)

## WASHINGTON

Economic analyst **Carol Andress** (B.A., Duke Univ.)

Policy analyst **Peter Ashcroft** (Ph.D., Carnegie Mellon Univ.)

Health scientist **Caroline (Cal) Baier-Anderson** (Ph.D., Univ. of Maryland, Baltimore)

Chief health scientist **John Balbus** (M.D., Univ. of Pennsylvania; M.P.H., Johns Hopkins Univ.)

Deputy director **Dan Barry** (B.A., Univ. of Vermont)



Marine ecologist **Rodney Fujita**, San Francisco



Business partnerships managing director **Mark Brownstein**, New York

Attorney **Michael J. Bean** (J.D., Yale Univ.)

■ Land, Water and Wildlife co-director **Robert Bonnie** (M.E.M., M.F., Duke Univ.)

Program associate **Sara Biscoe** (B.A., Univ. of San Diego)

Climate change policy specialist **Zach Church** (M.P.P., Harvard Univ.)

■ National climate campaign director **Steve Cochran** (B.S., Louisiana State Univ.)

Biochemist **Richard A. Denison** (Ph.D., Yale Univ.)

Latin American and Caribbean oceans program director **Scott Edwards** (M.B.A., Monterey Institute of International Studies)

Attorney **Karen Florini** (J.D., Harvard Univ.)

Scientist and agriculture policy analyst **Susan Friedman** (M.S., Johns Hopkins Univ.)

Automotive analyst **Freda Fung** (M. Phil., Chinese Univ. of Hong Kong; M.S., Lund Univ., Sweden)

Lokey fellow **Jason Funk** (M.S., Ohio State Univ.)

Social scientist **Aaron Goldzimer** (M.P.P., Harvard Univ.)

Economist **Alexander Golub** (Ph.D., Russian Academy of Sciences)

Financial analyst **Noah Greenberg** (M.B.A., Univ. of Maryland)

Policy analyst **Paul Harrison** (J.D., Fordham Univ.)

Attorney **Kristen Hite** (J.D., Georgetown; M.S., Universidad San Francisco de Quito)

Attorney **Sara Hopper** (J.D., Univ. of Virginia)

International economist **Korinna Horta** (Ph.D., Univ. of London)

Program associate **Brian Jackson** (B.A., Univ. of Colorado)

Program associate **Claire Kazanski** (B.A., Carleton College)

Carbon finance project team leader **Eunah Kostal** (M.B.A., Northwestern Univ.)

Project coordinator **Holly Lambert** (SUNY at Albany)

Ocean policy specialist **Amanda Leland** (M.S., Univ. of Maine)

High Meadows scientist **Oleg Lugovoy** (Ph.D., Institute for the Economy in Transition)

Carbon markets specialist **Ron Luhur** (M.P.P., Harvard Univ.)

Agricultural policy fellow **Britt Lundgren** (M.S., Tufts Univ.)

Special projects director **Mark MacLeod** (M.S., M.A., Ohio State Univ.)



Attorney **Karen Florini**, Washington



Anthropologist **Steve Schwartzman**, Washington

Program associate **Catherine Malina** (A.B., Princeton Univ.)

Policy analyst **Dominic Marcellino** (B.A., Univ. of Dayton)

Program associate **Emily McGrath** (B.A., Colgate Univ.)

Regional field coordinator **Michael McGreevey** (B.A., Reed College)

Chesapeake Bay project coordinator **Eileen McLellan** (Ph.D., Univ. of Cambridge)

Endangered species specialist **Margaret McMillan** (B.A., Indiana Univ.)

Policy analyst **Dean M. Menke** (M.S., Purdue Univ.)

Policy manager **John Mimikakis** (Ph.D., Univ. of Wisconsin)

Project manager **Thomas Murray** (M.B.A., George Washington Univ.)

International counsel **Annie Petsonk** (J.D., Harvard Law School)

National field director **Bill Petty** (M.B.A., Univ. of North Carolina)

■ Oceans program managing director **Diane Regas** (J.D., M.S., Univ. of Calif., Berkeley)

■ Program and regional directors

# WHO'S WHO

Transportation director **Michael Replogle** (M.S.E., Univ. of Pennsylvania)

■ Attorney **Bruce M. Rich** (J.D., Univ. of Pennsylvania)

■ Anthropologist **Stephan Schwartzman** (Ph.D., Univ. of Chicago)

Geballe fellow **Elizabeth Seeger** (M.B.A., Univ. of Pennsylvania)

Policy analyst **Gustavo Silva-Chávez** (M.P.P., Maryland School of Public Policy)

Climate deputy campaign manager **Christine M. Stackpole** (M.P.P., Harvard Univ.)

Project manager, farm bill **Meghan Stasz** (B.A., Hamilton College)

Legislative director **Elizabeth Thompson** (LL.M., New York Univ.)

Climate deputy director **Derek Walker** (B.A., College of William and Mary)

Program associate **Ken Walsh** (B.S., Univ. of Maryland)

Project manager **Scott Walsh** (M.B.A., Univ. of Virginia)

Program associate **Bryan Weigle** (M.Phil., Trinity College Dublin)

Program financial analyst **Jeffrey Zanghi** (B.B.A., St. Bonaventure Univ.)



*Regional fisheries project coordinator  
Richie Ahuja, Austin*

## FIELD STAFF

### CONNECTICUT

Marine conservation advocate **Sally McGee** (M.M.A., Univ. of Rhode Island)

### FLORIDA

Program associate **Kellyn Eberhardt** (J.D., Florida Coastal School of Law)

Climate project director **Gerald Karnas** (B.A., Swarthmore College)

### HAWAII

Scientist **Stephanie Fried** (Ph.D., Cornell Univ.)

### MAINE

Climate change policy specialist **Melissa Carey** (M.P.Aff., Univ. of Texas)

### MICHIGAN

Senior fellow **John DeCicco** (Ph.D., Princeton Univ.)

### OREGON

Fisheries coordinator **Shems Jud** (J.D., Lewis and Clark Law School)

Economist **W. R. Zach Willey** (Ph.D., Univ. of Calif., Berkeley)

## DEPARTMENTS

### ADMINISTRATION

**Austin:** Phyllis Burns, Barbara Medlock

**Boston:** Carolyn W. Green, Daphne Medina, Melissa Moore

**Boulder:** Elizabeth Fowler, Lissa Kendall

**New York:** Beverly Atkins, Timothy Brothers, Patrick Cioffi, Gayle Crispin, Laurel Lee

**Raleigh:** Poonam Aneja, Melody Scott

**Sacramento:** DeAnna McFall-Greif

**San Francisco:** William Kramer, Pamela Vivian

**Washington:** Katoria Bishop, John Coolbaugh, Lewis King

### DEVELOPMENT

#### SENIOR DEVELOPMENT OFFICERS

**Austin:** Clare Hudspeth, Barbara McCullough

**Boulder:** Whitney Self

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**Raleigh:** Emerson Beyer, Beth Gettys Sturkey

**San Francisco:** Brent Burns, Joy Carrigan, Jake DeMoe, Lisa Domitrovich



*Regional director Andy Darrell, New York*



*National climate campaign director  
Steve Cochran, Washington*

### DEVELOPMENT STAFF

**Austin:** Katie Berger

**Boulder:** Kerry Cowan

**New York:** Caroline Amato, Christine Bennethum, Emily Chuk, Valérie Ethier, Catherine Gilchrist, Evan Namerow, Suzanne Ritger, Robin Rogger, Ann Seligman, Sherry Smith, Ann Snider, Chris Weikel

**Raleigh:** Melanie Clayton

**San Francisco:** Andrew Hanauer, Tessa McCusker, Demetra Sakkis, Jaime Siembieda

### EXECUTIVE OFFICE ADMINISTRATION

**New York:** Catherine Dawson, Jeremy Meyers, Carol Toebe

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**Washington:** Cheryl Pickard

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**New York:** Ian Ali, Brian Attas, Daniel Bello, Michele Chivu, Lisa Daniel, Paulette Donadelle, Rori Gitlin, Bernard Hair, Syed Riz Haque, Kristen Holbrook, Dane Horton, Jeff Manwaring, Scott Nash, Neil Rivera, Andrew Thielen, Elizabeth Trout, Sreedhar Vuppala, Sandra Whitfield, John Wong

**San Francisco:** Doug Fisher

**Washington:** John Atilas, Anil Jain

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**San Francisco:** Daniel McKenzie

**Washington:** Margaret Bond, William Bond, Tracey Goetchius, Kim Johnson, Sharon Kasper, Kira Marchenese, Charles Miller, Samuel Parry, Susan Richardson, John Stith, Beth Weaver, Bryan Williams

### PROGRAM ASSISTANTS

**Austin:** Beatriz Perez

**Boulder:** Carly Gilbert

**Boston:** Jocelyn Climent



*Biologist Doug Rader, Raleigh*



*Regional director Jane Preyer, Raleigh*

**New York:** Stephanie Mandell, Diahn Walker-Sealy

**Raleigh:** Marilyn Marsh-Robinson, April Shepherd

**San Francisco:** Michael Borucke, Arisha Johnson, Ashley Rood

**Washington:** Liberty Jack, Elizabeth Skree, Soo-Hyun Kim, Lillias MacIntyre, Linnae Nelson

### PROGRAM COMMUNICATIONS

**Austin:** Jennifer Dickson, Chris Smith, Douglas Zabel

**New York:** Diane Slaine-Siegel

**Raleigh:** Georgette Shepherd

**San Francisco:** Jesus Mena Jr., Jennifer Witherspoon

**Washington:** Jennifer Andreassen, Katharine Burnham, Daniel Cronin, Sean Crowley, Emily Diamond-Falk, Keith Gaby, Julie Huddleston, Melanie Janin, Anthony Kreindler, Sharyn Stein

### ■ Program and regional directors

## FINANCIAL COMMENTARY

Environmental Defense Fund continued to maintain a strong financial position in the fiscal year ended September 30, 2007, thanks to the generosity and support of our more than 500,000 members, trustees, major donors, foundations and other contributors.

Total program and supporting services expenditures for fiscal 2007 reached \$73.8 million, a 23% increase over the previous year.

A record level of operating support and revenue was contributed during fiscal 2007 for use in that and future years. Major gifts from individual donors increased to \$52.9 million, representing 56% of the total. Foundation grants totaled \$19.8 million, or 21% of the total. Membership contributions totaled \$12.3 million, or 13%. Bequests of \$5.3 million accounted for 6% of the total, government and other grants provided 1% and investment income and other revenue accounted for the remaining 3%, for a total of \$94.2 million in operating support and revenue for 2007 and future years.

Multiyear gifts and pledges play an important role in enabling us to expand and sustain our work. Some \$41.3 million in fiscal 2007 gifts was designated for continued work in future years.

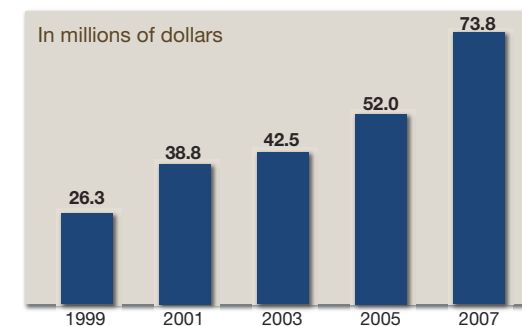
Program services expenditures of \$59.3 million accounted for 80% of total operating expenses in fiscal 2007, with almost all devoted to our priority areas—global warming;

health; land, water and wildlife; and oceans. Of the total, 6% was for management and administration, 13% went toward the fundraising needed to generate current income and support for future years, and 1% was spent on the acquisition of new members.

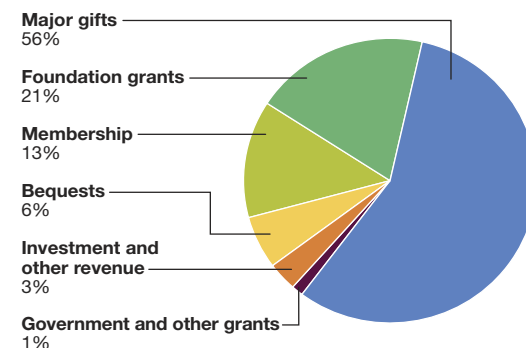
Total net assets grew to \$110.7 million during the fiscal year. Of this amount, \$3.7 million is permanently restricted, while \$62.0 million is restricted to future years' program activities.

*This statement represents the consolidated activities of Environmental Defense Fund and Environmental Defense Action Fund. Copies of the complete, audited financial statements from which this information is reported are available upon request.*

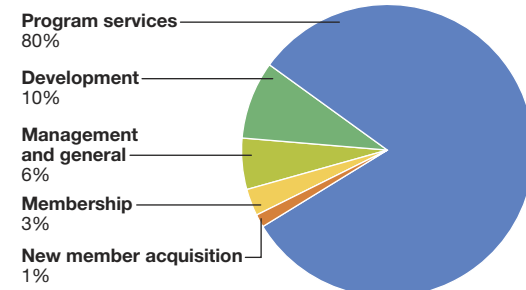
### TOTAL PROGRAM AND SUPPORTING SERVICES EXPENDITURES



### SOURCES OF OPERATING SUPPORT AND REVENUE



### EXPENSES



## STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30	UNRESTRICTED	RESTRICTED	TOTAL 2007	TOTAL 2006
<b>Operating support and revenue</b>				
Support:				
Major gifts	\$4,523,194	\$48,373,288	\$52,896,482	\$38,572,908
Foundation grants	-	19,847,892	19,847,892	15,991,875
Membership	8,623,910	3,651,730	12,275,640	10,065,160
Government and other grants	59,375	1,192,882	1,252,257	968,927
Bequests	5,344,726	-	5,344,726	3,410,644
Total support	18,551,205	73,065,792	91,616,997	69,009,515
Revenue:				
Investment income	1,667,427	42,810	1,710,237	1,758,408
Fees, royalties and other income	893,976	-	893,976	991,483
Total revenue	2,561,403	42,810	2,604,213	2,749,891
Net assets released from restrictions	57,828,917	(57,828,917)	-	-
Total support and revenue	78,941,525	15,279,685	94,221,210	71,759,406
<b>Expenses</b>				
Program services:				
Global Warming	25,693,716	-	25,693,716	18,901,233
Health	3,789,283	-	3,789,283	5,063,650
Land, Water and Wildlife	13,375,149	-	13,375,149	12,387,596
Oceans	10,889,028	-	10,889,028	7,160,507
Education	4,611,599	-	4,611,599	3,966,082
Membership activities	920,798	-	920,798	478,876
Total program services	59,279,573	-	59,279,573	47,957,944
Supporting services:				
Management and general	4,552,301	-	4,552,301	2,040,957
New member acquisition	772,269	-	772,269	1,255,192
Fundraising:				
Membership	2,320,048	-	2,320,048	2,506,409
Development	6,882,381	-	6,882,381	6,394,036
Total supporting services	14,526,999	-	14,526,999	12,196,594
Total operating expenses	73,806,572	-	73,806,572	60,154,538
<b>Change in net assets from current operations</b>	5,134,953	15,279,685	20,414,638	11,604,868
Change in net assets from non-operating activities:				
Contributions and other income	637,071	(19,070)	618,001	(52,020)
Investment income, net of allocation to operations	3,560,556	488,407	4,048,963	1,171,170
Total change in net assets	9,332,580	15,749,022	25,081,602	12,724,018
<b>Net assets, beginning of year</b>	35,618,688	49,970,566	85,589,254	72,865,236
<b>Net assets, end of year</b>	\$44,951,268	\$65,719,588	\$110,670,856	\$85,589,254



## BOARD OF TRUSTEES

### **N. J. Nicholas, Jr.**

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Investor

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*Vice Chairman*  
Wayne & Gladys Valley Professor of Marine Biology, Oregon State University

### **Robert W. Wilson**

*Vice Chairman*  
Investor

### ■ **Arthur P. Cooley**

*Secretary*  
Expedition leader and naturalist,  
Lindblad Expeditions

### **G. Leonard Baker, Jr.**

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