

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2006 calendar year, or tax year beginning 10/01, 2006, and ending 09/30/2007

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C Name of organization ENVIRONMENTAL DEFENSE, INC.
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
257 PARK AVENUE SOUTH
City or town, state or country, and ZIP + 4
NEW YORK, NY 10010

D Employer identification number 11-6107128
E Telephone number (212) 505-2100
F Accounting method: Cash, Accrual, Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? (If "No," attach a list. See instructions.) Yes No

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: WWW.ENVIRONMENTALDEFENSE.ORG

J Organization type (check only one) 501(c)(3) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 85,871,903.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, program service revenue, membership dues, interest on savings, dividends, gross rents, sales of assets, special events, gross sales of inventory, other revenue, total revenue, program services, management and general, fundraising, payments to affiliates, total expenses, and net assets at beginning and end of year.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>			<b>STMT 26</b>	
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ <u>3,907,121.</u> noncash \$ _____) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	3,907,121.	3,907,121.		
<b>23</b> Specific assistance to individuals (attach schedule)				
<b>24</b> Benefits paid to or for members (attach schedule)				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	1,751,839.	368,435.	989,668.	393,736.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	23,511,034.	19,288,286.	377,941.	3,844,807.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	1,273,235.	1,061,230.	40,211.	171,794.
<b>28</b> Employee benefits not included on lines 25a - 27	3,307,023.	2,756,374.	104,441.	446,208.
<b>29</b> Payroll taxes	1,986,318.	1,655,578.	62,731.	268,009.
<b>30</b> Professional fundraising fees	470,179.			470,179.
<b>31</b> Accounting fees	104,000.		104,000.	
<b>32</b> Legal fees	913,062.	862,387.	16,161.	34,514.
<b>33</b> Supplies	920,456.	505,855.	227,459.	187,142.
<b>34</b> Telephone	857,447.	486,643.	146,831.	223,973.
<b>35</b> Postage and shipping	167,899.	116,356.	14,328.	37,215.
<b>36</b> Occupancy	3,231,086.	1,627,659.	1,099,676.	503,751.
<b>37</b> Equipment rental and maintenance				
<b>38</b> Printing and publications	689,569.	612,394.	3,089.	74,086.
<b>39</b> Travel	3,526,175.	3,016,241.	94,634.	415,300.
<b>40</b> Conferences, conventions, and meetings	732,942.	524,715.	18,682.	189,545.
<b>41</b> Interest				
<b>42</b> Depreciation, depletion, etc. (attach schedule)	2,251,946.	994,816.	700,459.	556,671.
<b>43</b> Other expenses not covered above (itemize):				
<b>a</b> <u>STMT 27</u>	20,016,768.	18,046,123.	552,593.	1,418,052.
<b>b</b> _____				
<b>c</b> _____				
<b>d</b> _____				
<b>e</b> _____				
<b>f</b> _____				
<b>g</b> _____				
<b>44 Total functional expenses.</b> Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	69,618,099.	55,830,213.	4,552,904.	9,234,982.

**Joint Costs.** Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ 7,085,679. ; (ii) the amount allocated to Program services \$ 5,723,652.  
 (iii) the amount allocated to Management and general \$ 760,724. ; and (iv) the amount allocated to Fundraising \$ 601,303.



**Part IV Balance Sheets** (See the instructions.)

				(A)		(B)
				Beginning of year		End of year
Assets	45	Cash - non-interest-bearing . . . . .		1,126,464.	45	1,362,058.
	46	Savings and temporary cash investments . . . . .		3,223,136.	46	17,232,509.
	47a	Accounts receivable . . . . .	47a 8,278.			
	b	Less: allowance for doubtful accounts . . . . .	47b	79,997.	47c	8,278.
	48a	Pledges receivable . . . . .	48a 34,946,687.			
	b	Less: allowance for doubtful accounts . . . . .	48b	28,523,161.	48c	34,946,687.
	49	Grants receivable . . . . .		21,286,716.	49	18,012,966.
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .			50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) . . . . .			50b	
	51a	Other notes and loans receivable (attach schedule) . . . . .	STMT. 30 51a NONE			
	b	Less: allowance for doubtful accounts . . . . .	51b	1,192,598.	51c	NONE
	52	Inventories for sale or use . . . . .		228,596.	52	231,950.
	53	Prepaid expenses and deferred charges . . . . .		420,401.	53	592,026.
	54a	Investments - publicly-traded securities . . . . .	STMT. 31 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	22,595,457.	54a	28,517,139.
	b	Investments - other securities (attach schedule) . . . . .	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	55a	Investments - land, buildings, and equipment: basis . . . . .	55a			
	b	Less: accumulated depreciation (attach schedule) . . . . .	55b		55c	
	56	Investments - other (attach schedule) . . . . .		11,251,090.	56	14,968,443.
	57a	Land, buildings, and equipment: basis . . . . .	STMT. 32 STMT. 33 57a 23,890,728.			
b	Less: accumulated depreciation (attach schedule) . . . . .	57b 18,838,744.	6,107,830.	57c	5,051,984.	
58	Other assets, including program-related investments (describe <input type="checkbox"/> STMT 34 ) . . . . .		616,400.	58	846,422.	
59	<b>Total assets</b> (must equal line 74). Add lines 45 through 58 . . . . .		96,651,846.	59	121,770,462.	
Liabilities	60	Accounts payable and accrued expenses . . . . .		5,001,829.	60	7,325,516.
	61	Grants payable . . . . .			61	
	62	Deferred revenue . . . . .		73,958.	62	78,719.
	63	Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .			63	
	64a	Tax-exempt bond liabilities (attach schedule) . . . . .			64a	
	b	Mortgages and other notes payable (attach schedule) . . . . .	STMT. 35	1,216,334.	64b	886,070.
	65	Other liabilities (describe <input type="checkbox"/> STMT 36 ) . . . . .		3,391,611.	65	5,553,649.
66	<b>Total liabilities.</b> Add lines 60 through 65 . . . . .		9,683,732.	66	13,843,954.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted . . . . .		34,618,687.	67	44,682,198.
	68	Temporarily restricted . . . . .		48,637,929.	68	59,507,812.
	69	Permanently restricted . . . . .		3,711,498.	69	3,736,498.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds . . . . .			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund . . . . .			71	
	72	Retained earnings, endowment, accumulated income, or other funds . . . . .			72	
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) . . . . .		86,968,114.	73	107,926,508.	
74	<b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 . . . . .		96,651,846.	74	121,770,462.	





Part VI Other Information (continued)

82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? 82b NONE 83a Did the organization comply with the public inspection requirements for returns and exemption applications? 83b X 84a Did the organization solicit any contributions or gifts that were not tax deductible? 84b N/A 85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? 85a N/A b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A c Dues, assessments, and similar amounts from members 85c N/A d Section 162(e) lobbying and political expenditures 85d N/A e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h N/A 86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a N/A b Gross receipts, included on line 12, for public use of club facilities 86b N/A 87 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a N/A b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A 88b At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88a X b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI 88b X 89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 NONE; section 4912 NONE; section 4955 NONE b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b X c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 NONE d Enter: Amount of tax on line 89c, above, reimbursed by the organization NONE e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e X f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f X g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 89g X 90a List the states with which a copy of this return is filed SEE STATEMENT 51 b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) 90b 318 91a The books are in care of O.KURTULUS C/O THE ORG. Telephone no. 212-616-1222 Located at 257 PARK AVENUE SOUTH NEW YORK, NY ZIP + 4 10010 b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 91b X If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

**Part VI Other Information (continued)**

c At any time during the calendar year, did the organization maintain an office outside of the United States? . . . . . **91c**  **Yes**  **No**  
 If "Yes," enter the name of the foreign country ▶ CHINA

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here . . . . .  **92**  **NONE**  
 and enter the amount of tax-exempt interest received or accrued during the tax year . . . . ▶

**Part VII Analysis of Income-Producing Activities (See the instructions.)**

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a <u>STMT 52</u>				710,575.	24,906.
b					
c					
d					
e					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					
95 Interest on savings and temporary cash investments . . . . .			14	595,015.	
96 Dividends and interest from securities . . . . .			14	324,914.	
97 Net rental income or (loss) from real estate:					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
98 Net rental income or (loss) from personal property . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory . . . . .			18	22,949.	
101 Net income or (loss) from special events . . . . .					
102 Gross profit or (loss) from sales of inventory . . . . .					
103 Other revenue: a					
b <u>MISCELLANEOUS</u>					158,495.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . . . . .				1,653,453.	183,401.
105 Total (add line 104, columns (B), (D), and (E)) . . . . . ▶					1,836,854.

**Note:** Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)**

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	INCOME GENERATED FROM PUBLIC SPEAKING ENGAGEMENTS IN CONNECTION WITH EXEMPT FUNCTION.
103C	INCOME GENERATED FROM THE EXEMPT ACTIVITIES CONDUCTED BY THE ORGANIZATION.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .  **Yes**  **No**

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .  **Yes**  **No**

**Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).



**Part XI Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. Yes No  
N/A

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**107** Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. Yes No  
N/A

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above? Yes No  
N/A

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's SSN or PTIN (See Gen. Inst. X) \_\_\_\_\_

Firm's name (or yours if self-employed), address, and ZIP + 4 **EISNER LLP** EIN \_\_\_\_\_  
**750 THIRD AVENUE** Phone no. \_\_\_\_\_  
**NEW YORK, NY 10017-2703**

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),  
or 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information - (See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

**2006**

Name of the organization

**ENVIRONMENTAL DEFENSE, INC.**

Employer identification number

**11-6107128**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 53				

Total number of other employees paid over \$50,000 . . ▶ **203**

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 54		

Total number of others receiving over \$50,000 for professional services . . . . . ▶ **44**

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 55		

Total number of other contractors receiving over \$50,000 for other services . . . . . ▶ **37**

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ 1,406,525. (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? .SEE. 990. PART V.

2d X

e Transfer of any part of its income or assets?

2e X

3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b X

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c X

d Enter the total number or donor advised funds owned at the end of the tax year ▶

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts ▶

NONE

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶

NONE

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ► \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III - Functionally Integrated       Type III - Other

**Provide the following information about the supported organizations.** (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
N/A					
<b>Total</b> . . . . .					

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2005, (b) 2004, (c) 2003, (d) 2002, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied; 21 Value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12.

**Part V Private School Questionnaire** (See page 9 of the instructions.) **NOT APPLICABLE**  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
<b>29</b>	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .	<b>29</b>	
<b>30</b>	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .	<b>30</b>	
<b>31</b>	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? . . . . . If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ----- ----- -----	<b>31</b>	
<b>32</b>	Does the organization maintain the following:		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	<b>32a</b>	
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	<b>32b</b>	
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	<b>32c</b>	
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	<b>32d</b>	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
<b>33</b>	Does the organization discriminate by race in any way with respect to:		
<b>a</b>	Students' rights or privileges? . . . . .	<b>33a</b>	
<b>b</b>	Admissions policies? . . . . .	<b>33b</b>	
<b>c</b>	Employment of faculty or administrative staff? . . . . .	<b>33c</b>	
<b>d</b>	Scholarships or other financial assistance? . . . . .	<b>33d</b>	
<b>e</b>	Educational policies? . . . . .	<b>33e</b>	
<b>f</b>	Use of facilities? . . . . .	<b>33f</b>	
<b>g</b>	Athletic programs? . . . . .	<b>33g</b>	
<b>h</b>	Other extracurricular activities? . . . . .	<b>33h</b>	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
<b>34 a</b>	Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	<b>34a</b>	
<b>b</b>	Has the organization's right to such aid ever been revoked or suspended? . . . . . If you answered "Yes" to either 34a or b, please explain using an attached statement.	<b>34b</b>	
<b>35</b>	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation . . . . .	<b>35</b>	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 10 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>	570,049.
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	<b>37</b>	836,476.
<b>38</b>	Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>	1,406,525.
<b>39</b>	Other exempt purpose expenditures . . . . .	<b>39</b>	68,211,574.
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>	69,618,099.
<b>41</b>	Lobbying nontaxable amount. Enter the amount from the following table -		
	<b>If the amount on line 40 is -</b> <b>The lobbying nontaxable amount is -</b>		
	Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .		
	Over \$500,000 but not over \$1,000,000 . . . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . . . \$175,000 plus 10% of the excess over \$1,000,000	<b>41</b>	1,000,000.
	Over \$1,500,000 but not over \$17,000,000 . . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 . . . . . \$1,000,000		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41) . . . . .	<b>42</b>	250,000.
<b>43</b>	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 . . . . .	<b>43</b>	320,049.
<b>44</b>	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 . . . . .	<b>44</b>	406,525.

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
 See the instructions for lines 45 through 50 on page 13 of the instructions.)

	<b>Lobbying Expenditures During 4-Year Averaging Period</b>				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					6,000,000.
<b>47</b> Total lobbying expenditures	1,406,525.	1,000,000.	423,463.	846,701.	3,676,689.
<b>48</b> Grassroots nontaxable amount . . . . .	250,000.	250,000.	250,000.	250,000.	1,000,000.
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) . . . . .					1,500,000.
<b>50</b> Grassroots lobbying expenditures . . . . .	570,049.	250,000.	240,910.	215,064.	1,276,023.

**Part VI-B Lobbying Activity by Nonelecting Public Charities** NOT APPLICABLE  
 (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
<b>a</b> Volunteers . . . . .			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .			
<b>c</b> Media advertisements . . . . .			
<b>d</b> Mailings to members, legislators, or the public . . . . .			
<b>e</b> Publications, or published or broadcast statements . . . . .			
<b>f</b> Grants to other organizations for lobbying purposes . . . . .			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
<b>i</b> Total lobbying expenditures (Add lines c through h.) . . . . .			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.





FORM 990 - GENERAL EXPLANATION ATTACHMENT  
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ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
PART III PAGE 3

ENVIRONMENTAL DEFENSE FUND IS INSPIRING AN INNOVATION REVOLUTION, DISCOVERING NEW WAYS TO PROTECT THE NATURAL WORLD WHILE GROWING OUR ECONOMY. WE CREATE POWERFUL INCENTIVES THAT BRING OUT THE BEST OF HUMAN POTENTIAL—TAPPING INTO PEOPLE'S ASPIRATIONS AND DREAMS TO DEVELOP NEW SOLUTIONS TO OUR TOUGHEST ENVIRONMENTAL PROBLEMS.

THROUGH OUR TRADITION OF WORKING WITH MARKET LEADERS TO ADVANCE ENVIRONMENTAL PROGRESS, WE ACHIEVE AMBITIOUS RESULTS BY RELYING ON RIGOROUS SCIENCE AND HARNESSING ECONOMIC ENGINES. IN THIS WAY, WE CAN LOOK FORWARD TO A FUTURE WHERE PEOPLE AND THE PLANET FLOURISH TOGETHER.

FORM 990 - GENERAL EXPLANATION ATTACHMENT  
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STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS  
 PART III PAGE 3

A. GLOBAL WARMING:

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 THIRDMOST- 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."

MAJOR CORPORATIONS JOIN THE FIGHT ON 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

## FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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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.

## 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.

## 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

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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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.

GRANTS AND ALLOCATIONS: \$2,261,175  
PROGRAM SERVICE EXPENSES: \$23,767,333

B. LAND WATER AND WILDLIFE:

DEFENDING THE ENVIRONMENT BY REFORMING THE ARMY CORPS OF ENGINEERS:

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

## FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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AGAINST IT."

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."

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

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)  
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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.

GRANTS AND ALLOCATIONS: \$1,089,009  
PROGRAM SERVICE EXPENSES: \$13,167,594

C. PROTECTING HUMAN HEALTH:

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

## FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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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.

## WAKE-UP 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."

## 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

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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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.

GRANTS AND ALLOCATIONS: \$11,217  
PROGRAM SERVICE EXPENSES: \$3,702,818

D. SAFEGUARDING THE OCEANS:

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



## FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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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 ONETHIRD 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."

## PERMANENT PROTECTION FOR HAWAII'S OUTER KINGDOM:

ENVIRONMENTAL HISTORIANS WILL LOOK BACK AT THE CREATION OF THE PAPAHAŪNAUMOKUŪKEA 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

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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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."

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 NETWORK OF INTERSTATE 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.

KIDSAFE SEAFOOD.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.

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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GRANTS AND ALLOCATIONS: \$542,572  
PROGRAM SERVICE EXPENSES: \$10,779,944

E. EDUCATION AND MEMBERSHIP ACTIVITIES:

WE COMMUNICATE DIRECTLY WITH THE PUBLIC AND OUR MORE THAN 500,000 MEMBERS IN A VARIETY OF WAYS TO ENCOURAGE PUBLIC EDUCATION ON ENVIRONMENTAL PROBLEMS, AND GOOD STEWARDSHIP AND CONSERVATION OF NATURAL RESOURCES. DIRECT MAIL AND OTHER COMMUNICATION LIKE OUR NEWSLETTER AND ANNUAL REPORT NOT ONLY PUBLICIZE OUR OWN EFFORTS RESULTING IN SUPPORT FOR THEIR UNDERTAKING, BUT DRAW ATTENTION TO THE ISSUES AND INFORMS THE PUBLIC DEBATE, SPURRING READERS TO ACTION. THROUGH OUR WEBSITES, WE DISSEMINATE ENVIRONMENTAL INFORMATION DIRECTLY TO SCHOOLS, THE PUBLIC, AND OTHER SCHOLARS WHO ARE CONNECTED NATION-WIDE TO BETTER FACILITATE DEVELOPMENT OF ENVIRONMENTAL SOLUTIONS, AND ENCOURAGE CITIZEN ACTION ON BOTH NATIONAL AND LOCAL ISSUES THROUGH OUR ACTION NETWORK.

HUNDREDS OF PUBLICATIONS AND SPECIAL RESOURCES ARE DISTRIBUTED THROUGH CATALOGUES, THE INTERNET AND OTHER TARGETED EFFORTS AS A WAY OF AFFECTING PUBLIC OPINION AND CHANGING BEHAVIOR. DOCUMENTATION OF OUR RESEARCH, AS WELL AS HELPFUL INFORMATION AND LIFESTYLE CHANGES TO PROTECT THE ENVIRONMENT, LIKE BUYING RECYCLED OR ENVIRONMENTALLY PREFERABLE PRODUCTS (INCLUDING SEAFOOD) ARE PROMOTED THROUGH PUBLIC SERVICE ADVERTISING CAMPAIGNS, THE INTERNET AND OTHER MEDIA OUTLETS.

OUR MEMBERS HAVE ACCESS TO STAFF FOR ADDITIONAL INFORMATION ON WAYS TO SUPPORT AND PROTECT THE ENVIRONMENT AND WAYS IN WHICH THEY CAN AFFECT CHANGE. THEY CAN PARTICIPATE IN AN E-MAIL NETWORK THAT PROVIDES INFORMATION ON ENVIRONMENTAL ISSUES BEFORE CONGRESS, OTHER LEGISLATURES AND GOVERNMENT AGENCIES, AS WELL AS INDUSTRY, SO THEY CAN RESPOND DIRECTLY TO PUBLIC DECISION-MAKERS AND OPINION LEADERS.

GRANTS AND ALLOCATIONS: \$3,148  
PROGRAM SERVICE EXPENSES: \$4,412,524

TOTAL GRANTS AND ALLOCATIONS: \$3,907,121  
TOTAL PROGRAM SERVICE EXPENSES: \$55,830,213

FORM 990 - GENERAL EXPLANATION ATTACHMENT  
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GRANTS AND ALLOCATIONS SCHEDULE  
PART II PAGE 2 LINE 22B STATEMENT OF FUNCTIONAL EXPENSES

AMOUNT: \$5,000  
RECIPIENT: AET CONSULTING INC.  
PURPOSE: SUPPORT THE NUTRIENT USE EFFICIENCY WORK THROUGH CHESTER FARMS PROJECT

AMOUNT: \$5,000  
RECIPIENT: AFRICAPACITY / BUKAVU  
PURPOSE: SUPPORT LUBUMBASHI, DEC. JAN. SEMINAR TO ORGANIZE INDIGENOUS GROUP

AMOUNT: \$5,000  
RECIPIENT: ALASKA WILDERNESS LEAGUE  
PURPOSE: SUPPORT CLIMATE CRISIS DAY OF ACTION

AMOUNT: \$2,000  
RECIPIENT: AMAZON WATCH  
PURPOSE: HOUSTON TRIP; LILY LA TORRE

AMOUNT: \$5  
RECIPIENT: AMERICAN CANCER SOCIETY  
PURPOSE: DONATION

AMOUNT: \$348  
RECIPIENT: AMERICAN EXPRESS  
PURPOSE: PURCHASE OF AIR MONITORING DEVICE FROM AMAZON.COM TO SUPPORT ENVIRONMENTAL JUSTICE PROJECT

AMOUNT: \$290,035  
RECIPIENT: ASSOCIACAO FLORESTA PROTEGIDA  
PURPOSE: BLUE MOON FOUNDATION GRANT SUPPORT FOR ECONOMIC ALTERNATIVES WITH KAYAPO INDIGENOUS PEOPLE

AMOUNT: \$15,000  
RECIPIENT: ASSOCIACAO INDIGENA IAKIO  
PURPOSE: FOR THE LAKIO PANARA INDIGENOUS AGREEMENT, AS PER OUR AGREEMENT UNDER THE MOORE GRANT

AMOUNT: \$5,000  
RECIPIENT: ASSOCIATION AMETRA UCAYALI  
PURPOSE: SUPPORT TRAINING CENTER ESCUELA AMAZONICA SENEN SOI

AMOUNT: \$5,087

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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RECIPIENT: ASSOCIATION CIVIL LABOR  
PURPOSE: SUPPORT FOR ASSOCIATION CIUDADANIA CAMISEA

AMOUNT: \$1,000  
RECIPIENT: ASSOCIATION OF FISH AND WILDLIFE AGENCIES  
PURPOSE: CONTRIBUTION

AMOUNT: \$30,000  
RECIPIENT: AUDUBON  
PURPOSE: CONTRIBUTION FOR CARBON OFFSETS TO NEUTRALIZE ED'S CARBON EMISSIONS

AMOUNT: \$5,000  
RECIPIENT: BLANCHARD RIVER WATERSHED PARTNERSHIP, INC.  
PURPOSE: ATTEND P.F. SUPPORT MEETINGS & BANQUET

AMOUNT: \$1,200  
RECIPIENT: CATHOLIC CARITIES, DIOCESE OF STOCKTON  
PURPOSE: CONTRIBUTION

AMOUNT: \$1,500  
RECIPIENT: CEERT  
PURPOSE: 2007 CONTRIBUTION PLEDGE

AMOUNT: \$3,000  
RECIPIENT: CENTER FOR ENVIRONMENT AND DEVELOPMENT  
PURPOSE: SUPPORT TRANSITION OF INTERNATIONAL PROGRAM'S LATEST REPORT AND TRAVEL TO EUROPE

AMOUNT: \$1,310  
RECIPIENT: CENTER ON RACE POVERTY AND THE ENVIRONMENT  
PURPOSE: BUDGET REQUEST ITEMS: TRANSPORTATION FOR MEMBERS, FOOD, PRINTING FOR TRAINING AND STIPENDS

AMOUNT: \$1,472,304  
RECIPIENT: CHINA ASSOCIATION FOR NGO  
PURPOSE: \$32,120 TO ENFORCEMENT/HEWLETT, \$76,766 TO INSTITUTE/ TRAINING, \$259,190 TO GENERAL EXPENSES

AMOUNT: \$6,500  
RECIPIENT: CHRISTINA SUPRAPTI  
PURPOSE: PASS THROUGH GRANT TO NADI; ADB ADVOCACY

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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AMOUNT: \$450  
RECIPIENT: CLCV EDUCATION FUND  
PURPOSE: SPONSORSHIP OF CENTRAL VALLEY 2007 CLEAN AIR ACTION DAY

AMOUNT: \$450  
RECIPIENT: CLIMATE CONNECTION/INTERFAITH POWER & LIGHT  
PURPOSE: PARADE FLOAT EXPENSE REIMBURSEMENT

AMOUNT: \$2,500  
RECIPIENT: COALITION TO RESTORE COASTAL  
PURPOSE: PASS-THROUGH GRANT TO SPONSOR COALITION'S STEWARDSHIP AWARDS  
BANQUET

AMOUNT: \$100  
RECIPIENT: COLORADO CONSERVATION VOTERS EDUCATION FUND  
PURPOSE: DONATION

AMOUNT: \$1,020  
RECIPIENT: COMITE ASMA  
PURPOSE: ORGANIZATION SUPPORT

AMOUNT: \$1,220  
RECIPIENT: COMITE PARA EL BIENESTAR DE EARLIMART  
PURPOSE: SAC GRANT TO EJ GROUP FOR ORGANIZING

AMOUNT: \$(4,000)  
RECIPIENT: CONSELHO NACIONAL  
PURPOSE: FISCAL 2006 CONTRIBUTION WIRE TRANSFER RETURNED

AMOUNT: \$5,500  
RECIPIENT: DJIRAIBE, DELPHINE  
PURPOSE: SPONSOR TRAVEL TO UK FOR DEBATE ON CHAD CAMEROON OIL PROJECT  
AND TO MEET WITH NGO REPRESENTATIVES

AMOUNT: \$5,000  
RECIPIENT: DUCKS UNLIMITED, INC.  
PURPOSE: SUPPORT FOR RESTORATION OF WILDLIFE HABITAT IN THE BLANCHARD  
RIVER & TIFFIN RIVER WATERSHEDS IN OHIO

AMOUNT: \$300  
RECIPIENT: DUKE UNIVERSITY  
PURPOSE: SUPPORT FOR CONFERENCE ON FUTURE OF WATER IN NC

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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AMOUNT: \$5,000  
RECIPIENT: ECOAMERICA  
PURPOSE: DONATION TO SUPPORT FOR THE AMERICAN COLLEGE & UNIVERSITY PRESIDENTS CLIMATE COMMITMENT

AMOUNT: \$140,000  
RECIPIENT: ECOSECURITIES GROUP PLC  
PURPOSE: SUPPORT FOR EVALUATION OF STANDARDS FOR LAND SECTOR GHG REDUCTIONS AND OFFSETS

AMOUNT: \$250,000  
RECIPIENT: ENVIRONMENTAL DEFENSE ACTION FUND  
PURPOSE: GRANT AGREEMENT BETWEEN C3 AND C4

AMOUNT: \$96,785  
RECIPIENT: FUNDACAO VIVER PRODUZIR E PRESERVAR  
PURPOSE: BLUE MOON FOUNDATION GRANT

AMOUNT: \$20,000  
RECIPIENT: GEORGETOWN UNIVERSITY LAW CENTER  
PURPOSE: SUPPORT OF WORK ON AGRICULTURAL POLICY TOWARDS WRITING A COMPREHENSIVE BOOK ON AGRICULTURE AND THE ENVIRONMENT

AMOUNT: \$5,000  
RECIPIENT: GILA WATERSHED PARTNERSHIP OF ARIZONA  
PURPOSE: SUPPORT FOR WITH PRIVATE LANDOWNER ALONG THEUPPER GILA RIVER TO DEVELOP MGMT PLANS TO IMPROVE RIPARIAN HABITAT

AMOUNT: \$40,000  
RECIPIENT: GRUPO DE TRABALHO AMAZONICO  
PURPOSE: PASS-THROUGH FOR OPERATING COSTS FOR INDIGENOUS PEOPLES, SEMINAR IN BRAZIL

AMOUNT: \$10,000  
RECIPIENT: HARVARD UNIVERSITY  
PURPOSE: HONORARIUM FOR CEO PUBLIC NARRATIVE TRAINING IN CHICAGO, IL JUNE 11-12, 2007

AMOUNT: \$2,000  
RECIPIENT: HAZLET AREA QUALITY OF LIFE ALLIANCE  
PURPOSE: HELP CREATE REGIONAL DREDGED MATERIAL MANAGEMENT PLAN FOR RARITAN BAY

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

=====

AMOUNT: \$119,000  
RECIPIENT: HEIDELBERG COLLEGE  
PURPOSE: CONTRIBUTION TO FUND WATER QUALITY MONITORING AND ANALYSIS  
IN THE BLANCHARD RIVER AND TIFFIN WATERSHED

AMOUNT: \$5,000  
RECIPIENT: HUMAN RESOURCE DEVELOPMENT FOUNDATION  
PURPOSE: SUPPORT OF PEOPLES INDEPENDENT TRIBUNAL ON WORLD BANK

AMOUNT: \$45,000  
RECIPIENT: INSTITUTO SOCIOAMBIENTAL  
PURPOSE: TERRA DE MERO

AMOUNT: \$70,000  
RECIPIENT: IPAM  
PURPOSE: SUPPORT FOR FELLOW WORKING IN BRASIL

AMOUNT: \$1,800  
RECIPIENT: JAPAN INTERNATIONAL VOLUNTEER CENTRE  
PURPOSE: SMALL GRANT; ORGANIZATION OF WATER SAMPLING IN DAM-AFFECTED  
RIVERS

AMOUNT: \$530  
RECIPIENT: JCA CONSULTING INC.  
PURPOSE: REIMBURSEMENT FOR TRAVEL EXPENSES. CIG GRANT PASS THROUGH

AMOUNT: \$10,417  
RECIPIENT: KEEP ANTIBIOTICS WORKING COALITION  
PURPOSE: ORGANIZATION SUPPORT

AMOUNT: \$1,962  
RECIPIENT: BOULDER CREEK FESTIVAL  
PURPOSE: ADVANCE TO PURCHASE CFL LIGHTING FOR THE BOULDER CRECK  
FESTIVAL

AMOUNT: \$25,000  
RECIPIENT: LAKE PONTCHARTRAIN BASIN FOUNDATION  
PURPOSE: SUPPORT FOR OUTREACH PROGRAMS FOR CAOSTAL LOUISIANA WETLAND  
RESTORATION

AMOUNT: \$1,020  
RECIPIENT: LATINO ISSUES FORUM  
PURPOSE: SAC EJ MINI GRANT FOR SAN JOAQUIN VALLEY ORGANIZING FOR



FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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SIP (AIG)

AMOUNT: \$15,000
RECIPIENT: LENAWEE CONSERVATION DISTRICT
PURPOSE: CONTRIBUTION TO IMPROVE WATER QUALITY AND RESTORE WILDLIFE
HABITAT IN MICHIGAN'S WESTERN LAKE ERIE BASIN WATERSHED

AMOUNT: \$600
RECIPIENT: M. NINGA ROY DAVY
PURPOSE: RESEARCH AND TRANSLATION - CHAD CAMEROON REPORT

AMOUNT: \$2,500
RECIPIENT: NATURAL RESOURCES COUNCIL OF AMERICA
PURPOSE: DONATION

AMOUNT: \$75,000
RECIPIENT: MERIDIAN INSTITUTE
PURPOSE: PROFESSIONAL SERVICES & ASSOCIATED DIRECT COSTS - SUPPORT
U.S. CLIMATE ACTION PARTNERSHIP (2/1/07-12/31/07)

AMOUNT: \$60,000
RECIPIENT: MICHIGAN DEPARTMENT OF AGRICULTURE
PURPOSE: CONTRIBUTION TO IMPROVE WATER QUALITY AND RESTORE WILDLIFE
HABITAT IN MICHIGAN'S WESTERN LAKE ERIE BASIN WATERSHED

AMOUNT: \$2,500
RECIPIENT: NATIONAL PRESS FOUNDATION
PURPOSE: FUNDS WILL BE USED TO BENEFIT JOURNALISTS IN THE NEW ORLEANS
AREA WHO ARE STILL RECOVERING FROM HURRICANE KATRINA

AMOUNT: \$50,000
RECIPIENT: NATIONAL WILDLIFE FEDERATION
PURPOSE: SUPPORT FOR WORK IN ACCORDANCE WITH THE COLLABORATIVE
PROPOSAL FUNDED BY THE WALTON FAMILY FOUNDATION

AMOUNT: \$250,000
RECIPIENT: NATURAL RESOURCES DEFENSE COUNCIL
PURPOSE: THEIR PORTION OF \$500K GRANT FROM DOLCE FOUNDATION

AMOUNT: \$3,062
RECIPIENT: NC ENVIRON JUSTICE NET
PURPOSE: COMMUNITY OTUREACH SUPPORT

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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AMOUNT: \$48,275  
RECIPIENT: PANORAMA LAND RC&D, INC.  
PURPOSE: SUPPORT FOR LARGE LANDOWNER WORKSHOP & TRAVEL EXPENSES FOR THE UTAH PRAIRIE DOG COORDINATOR& OTHER OUTREACH GROUPS

AMOUNT: \$15,000  
RECIPIENT: PHEASANTS FOREVER, INC  
PURPOSE: CONTRIBUTION TO FUND WATER QUALITY MONITORING AND ANALYSIS IN THE BLANCHARD RIVER AND TIFFIN WATERSHED

AMOUNT: \$75,000  
RECIPIENT: PINE VIEW ENTERPRISE  
PURPOSE: GRANT FOR BAY FARMS PROJECT IN PA-HOOD STRUCTURE

AMOUNT: \$100,050  
RECIPIENT: PRONATURA NORESTE, A.C.  
PURPOSE: PASS-THROUGH GRANT - WALTON FAMILY FUND

AMOUNT: \$66,666  
RECIPIENT: PUBLIC CITIZEN FOUNDATION, INC.  
PURPOSE: PASS-THROUGH FUNDING FROM HEWLETT FDN. SECOND YEAR OF FUNDING

AMOUNT: \$3,500  
RECIPIENT: PUBLIC EMPLOYEES FOR ENVIRONMENTAL RESPONSIBIL  
PURPOSE: SUPPORT ED'S COASTAL OCEAN COALITION PROJECT

AMOUNT: \$4,480  
RECIPIENT: RAECO  
PURPOSE: GRANT FOR PURCHASE OF P-TRAK FOR EJ COMMUNITY AIR SAMPLING IN NYC

AMOUNT: \$30,000  
RECIPIENT: ROCKY MOUNTAIN BIRD OBSERVATORY  
PURPOSE: SUPPORT FOR CONSERVATION RESERVE PROGRAM FOR LESSER-PRAIRIE CHICKENS

AMOUNT: \$350  
RECIPIENT: RURAL EMPOWERMENT ASSOC  
PURPOSE: SUPPORT FOR ENVIRONMENTAL JUSTICE COMMUNITY RALLY

AMOUNT: \$20,000  
RECIPIENT: RUSSELL SHAW LP

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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PURPOSE: DALLAS MORNING NEWS PLACEMENT, WACO TRIBUNEHERALD PLACEMENT

AMOUNT: \$450

RECIPIENT: S.LAWRENCE- N. NKOTTO

PURPOSE: TRAVEL GRANT TO ATTEND HGO IN JAPAN

AMOUNT: \$2,000

RECIPIENT: SAVE AMERICA'S FORESTS FUND

PURPOSE: CONTRIBUTION

AMOUNT: \$66,666

RECIPIENT: SEED COALITION

PURPOSE: COALITION PLATAFORMA SAOBORLIVRE

AMOUNT: \$5,000

RECIPIENT: SERENA WYNN-SHIN LIN

PURPOSE: SUPPORT FOR WORK ON SOUTH CALIFORNIA 710 FREEWAY INITIATIVE TO REDUCE CARBON EMISSIONS

AMOUNT: \$30,000

RECIPIENT: SOUTHERN ENVIRONMENTAL LAW CENTER

PURPOSE: SUPPORT FOR WORK ON CONSERVATION INCENTIVES IN SOUTHERN FOREST ECOSYSTEMS

AMOUNT: \$50,000

RECIPIENT: STONY BROOK FOUNDATION

PURPOSE: ENVIRONMENTAL DEFENSE ARCHIVE

AMOUNT: \$1,000

RECIPIENT: SURFRIDER FOUNDATION

PURPOSE: ORGANIZATION GRANT

AMOUNT: \$50,000

RECIPIENT: SUSTAINABLE CONSERVATION

PURPOSE: PASS THROUGH FROM HEWLETT FOUNDATION

AMOUNT: \$5,000

RECIPIENT: SYRL

PURPOSE: FIR SPONSORSHIP OF THE WILD & SCENIC FILM FESTIVAL IN NEVADA CITY

AMOUNT: \$96,628

RECIPIENT: TEXAS TECH UNIVERSITY

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

=====

PURPOSE: GRANT AGREEMENT - PROTECTING & RESTORING MARINE & FISHERY RESOURCES

AMOUNT: \$18,750

RECIPIENT: THE NATURE CONSERVANCY

PURPOSE: CONTRIBUTION FOR SEEDLINGS OF NATIVE SHRUB AND TREE SPECIES FOR THE ECOSYSTEMS RESTORATION PROGRAM

AMOUNT: \$3,500

RECIPIENT: UNIVERSITY OF MICHIGAN

PURPOSE: ERB INSTITUTE - INTERNSHIP OF MARC WEATHERILL

AMOUNT: \$5,000

RECIPIENT: UTAH FARM BUREAU FEDERATION

PURPOSE: SUPPORT FOR PLANS TO IMPROVE RIPARIAN HABITAT FOR THE SOUTHWEST WILLOW FLYCATCHER

AMOUNT: \$2,500

RECIPIENT: WEST HARLEM ENVIRONMENTAL ACTION (WEACT)

PURPOSE: SUPPORT OF EARTH DAY CELEBRATION IN HARLEM. PEGGY SHEPARD'S WE ACT

AMOUNT: \$19,000

RECIPIENT: THE WILDERNESS SOCIETY

PURPOSE: GREEN GROUP CONTRIBUTION

AMOUNT: \$500

RECIPIENT: WILDLIFE HERITAGE FOUNDATION OF WYOMING

PURPOSE: BRONZE SPONSORSHIP FOR WYOMING WILDLIFE SUMMIT

AMOUNT: \$300

RECIPIENT: WITNESS, INC.

PURPOSE: CHARITABLE EVENT, 12/11/06; FOCUS FOR CHANGE

AMOUNT: \$10,000

RECIPIENT: WORLD MEDIA FOUNDATION, INC.

PURPOSE: SUPPORT LIVING ON EARTH

AMOUNT: \$3,500

RECIPIENT: YAYASAN KEADILAN RAKYAT

PURPOSE: CONTRIBUTION TOWARDS MONITORING AND ADVOCACY ON ECA PAPER AND PULP OPERATIONS

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

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TOTAL:           \$3,907,121.00

FORM 990 - GENERAL EXPLANATION ATTACHMENT  
=====

CURRENT, OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES  
PART V-A LINE 75B PAGE 6

THE FOLLOWING LIST OF TRUSTEES AND KEY EMPLOYEES OF THE ENVIRONMENTAL DEFENSE ACTION FUND ALSO SERVE AS MEMBERS OF THE ENVIRONMENTAL DEFENSE, INC. BOARD OF TRUSTEES OR ARE CONSIDERED TO BE KEY EMPLOYEES OF ENVIRONMENTAL DEFENSE, INC.

TRUSTEES

JAMES W B BENKARD  
N J NICHOLAS, JR  
LEWIS S RANIERI  
KIRSTEN J FELDMAN  
DOUG SHORENSTEIN  
JEANNE DONOVAN FISHER  
ADELE SMITH SIMMONS  
ROBERT E GRADY  
JOHN H T WILSON  
CHARLES J HAMILTON, JR  
PAUL JUNGER WITT

KEY EMPLOYEES

FREDERIC D KRUPP  
GWENDOLYN M SOMMER  
DAVID YARNOLD  
PETER ACCINNO  
BEVERLY ATKINS

FORM 990 - GENERAL EXPLANATION ATTACHMENT  
 =====

COMPENSATION FROM RELATED ORGANIZATION  
 PART V-A LINE 75C PAGE 6

	FREDERIC KRUPP	MARCIA ARONOFF	PETER ACCINNO
TOTAL SALARY	\$406,827	\$243,810	\$207,562
ALLOCATION TO ENVIRONMENTAL DEFENSE, INC.	\$403,092	\$242,827	\$206,523
ALLOCATION TO ENVIRONMENTAL DEFENSE ACTION FUND	\$3,735	\$983	\$1,039
	DAVID YARNOLD	PAULA HAYES	TOTALS
TOTAL SALARY	\$288,589	\$179,365	\$1,326,153
ALLOCATION TO ENVIRONMENTAL DEFENSE, INC.	\$285,654	\$176,828	\$1,314,924
ALLOCATION TO ENVIRONMENTAL DEFENSE ACTION FUND	\$2,935	\$2,537	\$11,229
	FREDERIC KRUPP	MARCIA ARONOFF	PETER ACCINNO
TOTAL BENEFITS	\$51,788	\$33,431	\$20,395
ALLOCATION TO ENVIRONMENTAL DEFENSE, INC.	\$51,313	\$33,296	\$20,293
ALLOCATION TO ENVIRONMENTAL DEFENSE ACTION FUND	\$475	\$135	\$102

## FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)

=====

	DAVID YARNOLD	PAULA HAYES	TOTALS
TOTAL BENEFITS	\$40,471	\$31,828	\$177,913
ALLOCATION TO ENVIRONMENTAL DEFENSE, INC.	\$40,059	\$31,378	\$176,339
ALLOCATION TO ENVIRONMENTAL DEFENSE ACTION FUND	\$412	\$450	\$1,574



FORM 990, PART I - OTHER INCREASES IN FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
NET UNREALIZED GAINS AND LOSSES	4,912,605.
TOTAL	----- 4,912,605. =====

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

=====

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
-----	-----	-----	-----
GRANTS PAID			
=====			
SEE STATEMENTS - ATTACHED			3,907,121.
C/O ENVIRONMENTAL DEFENSE, INC.			
257 PARK AVENUE SOUTH			
NEW YORK, NY 10010			
		TOTAL CONTRIBUTIONS PAID	3,907,121.
			=====

FORM 990, PART II - OTHER EXPENSES  
 =====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
OTHER PERSONNEL RELATED EXP	775,023.	364,637.	96,340.	314,046.
SUBSCRIPTION AND DUES	506,992.	426,761.	12,149.	68,082.
ADVERTISING AND PROMOTION	2,121,448.	2,101,352.	1,230.	18,866.
DATA MANAGEMENT, LIST RENTAL FULFILLMENT	4,269,124.	3,249,907.	105,823.	913,394.
MISCELLANEOUS	366,583.	138,344.	124,575.	103,664.
PROFESSIONAL FEES	11,881,313.	11,765,122.	116,191.	
INVESTMENT EXPENSES	96,285.		96,285.	
TOTALS	20,016,768.	18,046,123.	552,593.	1,418,052.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
=====

TO PROTECT THE ENVIRONMENTAL RIGHTS OF ALL PEOPLE.

SEE ATTACHED STATEMENTS

FORM 990, PART III - OTHER PROGRAM SERVICES (LINE E)

=====

DESCRIPTION

-----

EDUCATION AND MEMBERSHIP ACTIVITIES

TOTALS

GRANTS AND  
ALLOCATIONS

-----

EXPENSES

-----

3,148.

4,412,524.

-----  
3,148.

-----  
4,412,524.

=====

=====

FORM 990, PART IV - OTHER NOTES AND LOANS RECEIVABLE

=====

BORROWER: ENVIRONMENTAL DEFENSE ACTION FUND

BEGINNING BALANCE DUE .....	1,192,598.
ENDING BALANCE DUE .....	NONE

-----

TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE	1,192,598.
--	------------

=====

TOTAL ENDING OTHER NOTES AND LOANS RECEIVABLES	NONE
--	------

=====

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
EQUITY SECURITIES	12,913,280.	14,605,935.
MUTUAL FUNDS	3,674,934.	7,077,222.
DEBT FUNDS	6,007,243.	6,833,982.
	-----	-----
TOTALS	22,595,457.	28,517,139.
	=====	=====

## FORM 990, PART IV - INVESTMENTS - OTHER

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
OFFSHORE HEDGE FUND	2,527,941.	2,874,440.
LIMITED PARTNERSHIP	3,795,559.	5,785,075.
POOLED INCOME FUND	925,918.	939,617.
CHARITABLE REMAINDER UNIT TRST	1,009,895.	996,637.
CHARITABLE GIFT ANNUITIES	2,991,777.	4,372,674.
	-----	-----
TOTALS	11,251,090.	14,968,443.
	=====	=====



LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

=====

FIXED ASSET DETAIL

ACCUMULATED DEPRECIATION DETAIL

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL				ACCUMULATED DEPRECIATION DETAIL			
		BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
BUILDING		393,319.			393,319.	NONE	NONE		NONE
LEASEHOLD IMPR.,		8,997,554.			8,997,554.	5,854,390.	1,207,722.		7,062,112.
FURNITURE & EQUIP	CS	3,064,700.			3,064,700.	1,858,983.	236,717.		2,095,700.
CONST., IN PRGR.,		743,316.			743,316.	NONE	NONE		NONE
COMPUTER EQUIPMENT		10211259.			10211259.	8,860,154.	713,672.		9,573,826.
SOFTWARE DEVELOP		480,575.			480,575.	13,276.	93,830.		107,106.
TOTALS		23890723.			23890723.	16586803.			18838744.

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
EMPLOYEE ADVANCES	10,509.	12,640.
RECEIVABLE FROM BROKERS	10,157.	2,597.
DEFERRED COMP FUND ASSETS	442,740.	678,191.
SECURITY DEPOSITS	152,994.	152,994.
	-----	-----
TOTALS	616,400.	846,422.
	=====	=====

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: NOTE PAYABLE - DR. JOHN FRANZ
ORIGINAL AMOUNT: 100,000.
DATE OF NOTE: 06/01/1998
REPAYMENT TERMS: MATURES ON DEMAND
SECURITY PROVIDED: NO SECURITY

BEGINNING BALANCE DUE 100,000.
ENDING BALANCE DUE 100,000.

LENDER: NY RENOVATION LOAN
ORIGINAL AMOUNT: 2,250,000.
INTEREST RATE: 5.980000
DATE OF NOTE: 09/01/1998
MATURITY DATE: 04/01/2009
SECURITY PROVIDED: SECURED BY CERTAIN INVESTMENTS

BEGINNING BALANCE DUE 581,250.
ENDING BALANCE DUE 356,250.

LENDER: DC RENOVATION LOAN
ORIGINAL AMOUNT: 1,000,000.
INTEREST RATE: 6.050000
DATE OF NOTE: 10/01/2001
MATURITY DATE: 10/01/2011
SECURITY PROVIDED: SECURED BY CERTAIN INVESTMENTS

BEGINNING BALANCE DUE 535,084.
ENDING BALANCE DUE 429,820.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE 1,216,334.

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE 886,070.

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
OTHER DEPOSITS	873.	4,138.
DEFERRED RENT	934,859.	725,750.
FISCAL AGENT ADVANCED FUNDS		
ANNUITIES PAYABLE	1,143,026.	1,421,258.
SPLIT INT AGREEMENT LIABILITY	870,113.	881,033.
RETIREMENT PLAN LIABILITY	442,740.	678,191.
DUE TO ENVIRONMENTAL DEFENSE ACTION PLAN	NONE	1,843,279.
	-----	-----
TOTALS	3,391,611.	5,553,649.
	=====	=====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION	AMOUNT
-----	-----
INCOME ATTRIBUTABLE TO CONSOLIDATED ENTITY ENVIRONMENTAL DEFENSE ACTION FUND	8,407,966.
	-----
TOTAL	8,407,966.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION	AMOUNT
-----	-----
EXPENSES ATTRIBUTABLE TO CONSOLIDATED ENTITY ENVIRONMENTAL DEFENSE ACTION FUND	4,534,758.
	-----
TOTAL	4,534,758.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON RETURN BUT NOT ON BOOKS

=====

DESCRIPTION	AMOUNT
-----	-----
GRANT ALLOCATION TO CONSOLIDATED ENTITY ENVIRONMENTAL DEFENSE ACTION FUND	250,000.
	-----
TOTAL	250,000.
	=====

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
NICHOLAS J NICHOLAS C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	CHAIRMAN 2.00	NONE	NONE	NONE
JANE LUBCHENCO C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	VICE CHAIRPERSON 2.00	NONE	NONE	NONE
ROBERT W WILSON C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	VICE CHAIRPERSON 2.00	NONE	NONE	NONE
ARTHUR P COOLEY C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	SECRETARY 2.00	NONE	NONE	NONE
BEVERLY ATKINS C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH	ASSISTANT SECRETARY 2.00	NONE	NONE	NONE



## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
17TH FLOOR NEW YORK, NY 10010				
CYNTHIA HAMPTON C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	CHIEF COMMUNICATIONS OFFICER 50.00	223,392.	24,765.	NONE
FREDERIC D KRUPP C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	PRESIDENT 50.00	403,092.	51,788.	NONE
DAVID YARNOLD C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	CHIEF OPERATIONS OFFICER 50.00	285,654.	40,471.	NONE
PETER ACCINNO C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	CFO & TREASURER 50.00	206,523.	20,395.	NONE

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
MARCIA ARONOFF C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	VICE PRESIDENT 50.00	242,827.	33,431.	NONE
PAULA HAYES C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	VP CIO & OPERATIONS PLANNING 50.00	176,828.	31,828.	NONE
ELIZABETH HENSHAW C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	VP CIO & OPERATIONS PLANNING 50.00	213,523.	34,789.	NONE
G LEONARD BAKER C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
ROD A BECKSTROM C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH	TRUSTEE 2.00	NONE	NONE	NONE

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
17TH FLOOR NEW YORK, NY 10010				
JAMES W B BENKARD C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
SALLY G BINGHAM C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
SHELBY W BONNIE C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
NORMAN L CHRISTENSEN C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
MICHAEL W BROWN C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
LEWIS B CULLMAN C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
ANN DOERR C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
ROGER A ENRICO C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
KIRSTEN J FELDMAN C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH	TRUSTEE 2.00	NONE	NONE	NONE

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
17TH FLOOR NEW YORK, NY 10010				
CARL FERENBACH C/O ENVIRONMENTAL DEFENSE, INC 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
JEANNE DONOVAN FISHER C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
LYNN GOLDMAN C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
ROBERT E GRADY C/O ENVIRONMENTAL DEFENSE 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
JEREMY GRANTHAM C/O ENVIRONMENTAL DEFENSE, INC 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
CHARLES J HAMILTON JR C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
ARTHUR KERN C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
FRANK E LOY C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
SUSAN MANDEL C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH	TRUSTEE 2.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
17TH FLOOR NEW YORK, NY 10010				
GEORGE MONTGOMERY JR C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
DAVID O'CONNOR C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
SIGNE OSTBY C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
STEPHEN PACALA C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
ROBERT M PERKOWITZ C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
LEWIS S RANIERI C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
JULIAN H ROBERTSON JR C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
E JOHN ROSENWALD JR C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
DAVID ROUX C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH	TRUSTEE 2.00	NONE	NONE	NONE



## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
17TH FLOOR NEW YORK, NY 10010				
PEGGY M SHEPARD C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
DOUG SHORENSTEIN C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
ADELE SIMMONS C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
SAM WALTON C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
JOHN H T WILSON C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
PAUL JUNGER WITT C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
JOANNE WOODWARD C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
CHARLES F WURSTER C/O ENVIRONMENTAL DEFENSE, INC. 257 PARK AVENUE SOUTH 17TH FLOOR NEW YORK, NY 10010	TRUSTEE 2.00	NONE	NONE	NONE
GRAND TOTALS		1,751,839.	237,467.	NONE
		=====	=====	=====

FORM 990, PART VI, LINE 90A - STATES  
=====

AL, AK, AZ, AR, CA, FL, GA,  
IL, KS, KY, LA, ME, MD, MA, MI, MN, MS, NH, NJ, NM,  
NY, NC, ND, OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WV, WI,

FORM 990, PART VII - PROGRAM SERVICE REVENUE

=====

DESCRIPTION -----	BUSINESS CODE ----	AMOUNT -----	EXCLUSION CODE ----	AMOUNT -----	RELATED OR EXEMPT FUNCTION INCOME -----
PUBLIC SPEAKING					24,906.
ROYALTIES AND LIST RENTAL FEES			15	423,004.	
MEMBERSHIP FEES			13	287,571.	
		-----		-----	-----
TOTALS				710,575.	24,906.
		=====		=====	=====

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCOUNT -----
DANIEL J DUDEK C/O ENVIRONMNETAL DEFENSE, INC 257 PARK AVENUE SOUTH NEW YORK, NY 10010	ECONOMIST 50.00	239,156.	102,598.	NONE
JOEL E PLAGENZ C/O ENVIRONMENTAL DEFENSE, INC 257 PARK AVENUE SOUTH NEW YORK, NY 10010	ASSOCIATE DIRECTOR 50.00	202,212.	50,272.	NONE
DAVID H FESTA C/O ENVIRONMENTAL DEFENSE, INC 257 PARK AVENUE SOUTH NEW YORK, NY 10010	DIR OCEANS PROGRAM 50.00	200,000.	26,235.	NONE
NATHANIEL FUCHS C/O ENVIRONMENTAL DEFENSE, INC 257 PARK AVENUE SOUTH NEW YORK, NY 10010	50.00	188,413.	14,263.	NONE
STEPHEN W COCHRAN C/O ENVIRONMENTAL DEFENSE, INC 257 PARK AVENUE SOUTH NEW YORK, NY 10010	50.00	185,229.	27,547.	NONE
	TOTAL COMPENSATION	----- 1,015,010. =====	----- 220,915. =====	----- NONE =====

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

=====

LIBERTY PARTNERS OF FLORIDA P O BOX 1713 TALLAHASSEE, FL 32302	PUBLIC POLICY CONSUL	263,698.
MCELROY SULLIVAN AND MILLER LLP 1201 SPYGLASS, SUITE 200 AUSTIN, TX 78746-6925	LEGAL COUNSEL	333,133.
STRATEGIC SOLUTIONS 1869 PARK ROAD NW WASHINGTON, DC 20010	LEGISLATIVE ADVOCACY	360,000.
B AND D CONSULTING LLC 805 15TH STREET NW, SUITE 700 WASHINGTON, DC 20005	PROGRAMATIC WORK PLN	399,750.
VIA NOVO LP 327 CONGRESS, SUITE 450 AUSTIN, TX 78701	COMMUNICATION CONSUL	320,613.

TOTAL COMPENSATION	----- 1,677,194. =====
--------------------	------------------------------

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.

=====

A B DATA MARKETING SERVICES P.O. BOX 170062 MILWAUKEE, WI 53217-8000	DIRECT MAIL	2,482,345.
ADVERTISING COUNCIL INC 261 MADISON AVENUE NEW YORK, NY 10016-2303	AD PLACEMENT	422,217.
BANTA MARKETING GROUP P.O. BOX 809284 CHICAGO, IL 60680-9284	PRINT AND MAIL SVCS	390,574.
SOFTREK 30 BRYANT WOODS NORTH AMHERST, NY 14228	SOFTWARE SERVICES	319,359.
AMERICAN LIST COUNCIL NEED ADDRESS NEED CITY, NY 10000	MAILING LIST MGMT	302,160.
	TOTAL COMPENSATION	----- 3,916,655. =====

SCHEDULE A, PART IV-A - OTHER INCOME

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DESCRIPTION -----	2005 ----	2004 ----	2003 ----	2002 ----	TOTAL -----
OTHER INCOME	515,043.				515,043.
TOTALS	515,043.				515,043.
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