



# ENVIRONMENTAL DEFENSE OSPREY WATCH

NEWS FROM  
THE OSPREY SOCIETY  
SPRING 2005

## VICTORY IN CONGRESS

*Quick action halts the worst assault on Clean Air Act in 30 years*

Concerted action from Environmental Defense members helped repel an assault on the Clean Air Act and preserve decades of progress toward healthier air. Nine senators on the Environment committee voted against the so-called "Clear Skies" bill, despite repeated attempts by chairman James Inhofe (R-OK) to force the bill through. Locked in a 9-9 vote, the bill failed in committee.

Inhofe touted Clear Skies as the best way to clean up power plant pollution, but the industry-backed bill would have undone key provisions of the Clean Air Act and postponed deadlines to restore healthy air. Some 150 million Americans still live in communities that fail to meet federal pollution standards.

"All Americans can breathe a little easier because nine courageous senators\* withstood a fierce lobbying effort to weaken the Clean Air Act," said Environmental Defense president Fred Krupp. Our members helped shore up the resistance with

personal phone calls and letters. Senators received more than 40,000 messages from our Action Network members, email activists who support our work.

"The vocal opposition of our supporters helped stall this bill," said Vicky Markell, our manager of leadership advocacy. "Senators notice when a constituent or political donor calls to say 'I am watching you. I want my kids and grandkids to have a healthy future.'"

Environmental Defense staff joined a united environmental community and state officials across the nation to block the bill. We assisted New England states with a letter of opposition; our California staff urged Los Angeles Mayor Hahn to sign on to resist; and in New York we helped usher through the city council a measure opposing the bill. This was important because Clear Skies would have made it harder for states to meet federal clean air requirements.

We also worked closely with key senators, equipping them with scientific reasons for rejecting the bill. "In the heat of this, we talked to senate staff three or four times a day," said our legislative director Elizabeth Thompson. "Senators like Max Baucus (D-MT), Thomas Carper (D-DE) and Lincoln Chafee (R-RI) deserve an enormous amount of credit. Despite political pressure, they took the time to 'stop, look and listen.' Once they had the facts, they stood firm against a bad bill."

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\*see list of senators on Page 4

# CHARITABLE REMAINDER TRUSTS – SMART PLANNING FOR THE FUTURE

As our generous supporter Worthington Mayo-Smith and others have learned, including Environmental Defense in your charitable trust provides you with important income and estate tax benefits, the security of lifetime income – and the knowledge that your gift will help ensure that the environmental progress we make today provides a sturdy, secure foundation that our children and grandchildren can continue to build on.

## WHAT IS A CHARITABLE REMAINDER TRUST (CRT)?

A CRT is a charitable strategy that provides for two separate beneficiaries — an income beneficiary (you or your loved ones) who receives an income stream from the trust and a remainder beneficiary (a charity like Environmental Defense) that receives the remaining trust assets at the end of the trust term. You receive a current income tax deduction, avoid paying capital gains tax on appreciated assets at the time of the transfer, and receive an income stream for either your lifetime (and/or others) or a term of years up to 20 years.

Here's how it works. You place assets, such as cash, appreciated stock, real estate or valuable collectibles such as art or antiques into a CRT. This separately managed trust provides you and/or your named income beneficiaries with income each year. Once in the trust, the assets can be sold and reinvested in a diversified portfolio to generate current income and long-term growth. If you use appreciated assets to fund the trust, you will not have to pay capital gains when the trust sells the assets.

You determine the percentage payout you would like your income beneficiaries to receive from the trust at the time you establish the trust, and this percentage is applied annually against the changing value of the trust. When the value of the trust increases, your income increases – likewise, your income will be less if the value declines.

## KEY BENEFITS OF A CRT:

- **Generate lifetime income**

CRT assets produce an income stream for you or anyone you designate, usually for the life of the income recipient, although it may also be established for a term of years.

- **Increase current income**

By selling highly appreciated assets, like stocks and real estate, that produce little or no income, you can invest the proceeds in a diversified portfolio with higher yielding assets, thus increasing your income stream.

- **Provide income tax deduction**

Receive a current-year income tax deduction based on the value of the assets gifted to the CRT and the amount of income or the percentage of principal paid annually by the trust.

- **May reduce estate taxes**

Establishing a CRT may reduce your overall estate taxes. In 2005, estates with assets above \$1.5 million are subject to estate tax rates as high as 47 percent.

With your CRT, you may receive the significant financial benefits described above while making a lasting contribution to Environmental Defense. Just as building a safe and healthful environment requires a sustained, long-term effort, so too does such work depend on meaningful, long-term financial support.

## DID YOU KNOW?

In most birds of prey, including Ospreys, the female is larger than the male. Female Ospreys do most of the incubating, receiving food from their mate. When the eggs hatch, females brood the young, while the male hunts for them all. As the young mature and need more food, the female leaves the nest more often and also brings fish to the young.

# WORTHINGTON MAYO-SMITH

A trip to the dentist's office resulted in more than a brighter smile for Worthington Mayo-Smith. In the waiting room he found some literature about Environmental Defense and, he says, "I read it and was so impressed that when I got home I sent them a check for \$50."

Twenty-five years later, Mayo-Smith's contributions have grown from the original \$50 to include his consistent annual contributions, his designation of Environmental Defense as a beneficiary of his IRA and his will, and the generous charitable remainder trust (CRT) that he established with Environmental Defense in 1999.

With his CRT, Mayo-Smith was able to make a significant gift of appreciated securities, gain a generous income tax deduction and receive income each year — most of which he donates to Environmental Defense for an additional income tax deduction.

One of the things Mayo-Smith appreciates most about Environmental Defense is its influence in Congress and ability to work with different administrations. "They have always adopted the philosophy that they need to be unbiased," he says.

He also likes the 'finding the ways that work' approach Environmental Defense takes with private corporations. Mayo-Smith cites McDonald's as the classic example of this, but adds that working with farmers in the West on water rights and helping oil

companies become more environmentally sensitive is more effective than seeking out confrontation. He says, "The thing that separates Environmental Defense from other organizations is that they prefer to use the carrot, but will use the stick. I like that balance."

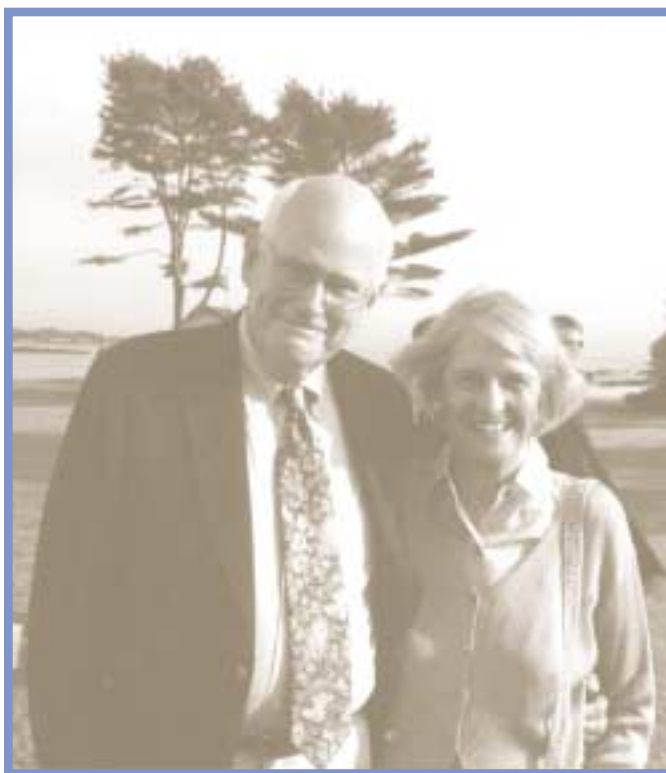
Mayo-Smith also believes perseverance is one of the organization's strongest characteristics. "We lost on Kyoto," he says, "but rather than throwing up their hands, their experts went right to work and played a key role in

helping Russia join the Kyoto treaty."

Growing up in the country instilled in Mayo-Smith a love of nature, and with his late wife Margaret, he traveled all over the world, hiking, sailing and animal watching. "The more we saw, the stronger our feelings about the environment became," he says. The Mayo-Smiths enjoyed discovering the pristine beauty of Alaska, their favorite state. Further afield they have been piranha fishing in Peru, hiked the Inca trail up to Machu Picchu, and completed the three-country tour around Mont Blanc. They were also treated to an unex-

pected visit from some big cats one night while on safari in Africa. He describes it as, "A bit of excitement, when you're lying down on the ground and you look up and there is a lion staring down at you."

A self-described poster child for Environmental Defense, he says of his involvement with the organization over the years, "It's been an interesting journey from that original \$50!"



Worthington Mayo-Smith with his wife Margaret

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Senators opposed Clear Skies in part because it did nothing to address power plant greenhouse gas emissions that are warming the Earth. "The demise of Clear Skies shows the game in Congress has changed," said Thompson. "You can no longer address pollution without dealing with global warming."

Now America must pass comprehensive global warming legislation. Environmental Defense is leading the campaign to enact the Climate Stewardship Act, sponsored by Joseph Lieberman (D-CT) and John McCain (R-AZ). The bill would be the first time national caps were set on global warming pollution. We will keep you updated on its progress.

*\*The nine Senators who voted against the bill are: Jim Jeffords (I-VT), Max Baucus (D-MT), Joseph Lieberman (D-CT), Barbara Boxer (D-CA), Thomas Carper (D-DE), Lincoln Chafee (R-RI), Hillary Clinton (D-NY), Frank Lautenberg (D-NJ), and Barack Obama (D-IL).*

*Are you a community or business leader?  
Do you know someone in Congress?  
Are you willing to use your influence to help us protect the environment? Please contact our manager of leadership advocacy, Vicky Markell, at 202-387-3500 or [vmarkell@environmentaldefense.org](mailto:vmarkell@environmentaldefense.org).*

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ENVIRONMENTAL DEFENSE

finding the ways that work

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