

ENVIRONMENTAL DEFENSE FUND

OSPREY

WATCH

NEWS FROM
THE OSPREY SOCIETY
SPRING 2008

TOM GRAFF: THE GODFATHER OF THE ENVIRONMENT

BRINGING WARRING WATER FACTIONS TOGETHER IN CALIFORNIA

A stark reality was brought home to Californians this year when a federal court ruled that less water could be pumped from the ailing San Francisco Bay-Delta to quench the thirst of cities and farms. "Our water system is broken, unreliable and in crisis," declared Governor Arnold Schwarzenegger.

The ruling increased the pressure on all sides to meet water supply needs for the state's growing population without devastating the environment. The Schwarzenegger administration tapped Environmental Defense Fund staff to serve on key expert panels to protect the Delta ecosystem as well as its communities and fragile levees.

Heading up our efforts is California regional director Tom Graff. This is familiar territory for Graff. Water officials have called him "one of the best and brightest environmental minds." Others, like

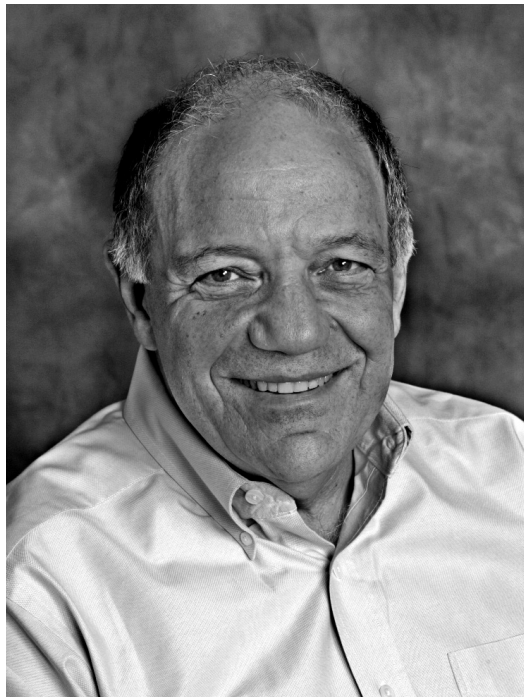
California Lawyer, just call him "the Godfather."

WATER PIONEER GRAFF FOUNDED THE FIRST CALIFORNIA OFFICE

In 1971, Graff founded our California office on the third floor of a former fraternity house in Berkeley. "We really didn't have a plan," he concedes. Back then, no one did; environmental

law was in its infancy. Educated at Harvard Law School, Graff learned quickly. Before long, he was chalking up victories and pioneering water-marketing arrangements that allowed farms and cities to meet their needs without damming California's wild rivers.

Although Graff would appear to be more comfortable outdoors than inside negotiating deals, looks belie the man. Known for his unpretentious manner and



Tom Graff, International Counsel

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CERTAINTY IN UNCERTAIN TIMES:

AN ENVIRONMENTAL DEFENSE FUND CHARITABLE GIFT ANNUITY

With the instability of the financial markets, hoping for secure annual payments for your lifetime might seem impossible. But it is not. By making a gift to our Charitable Gift Annuity Program you and/or others will receive a fixed income for life, while providing Environmental Defense Fund with the means to meet future challenges.

The concept of a charitable gift annuity dates back to 1843, when a merchant in Boston first made a donation to his favorite charity in exchange for a flow of income. This basic idea continues today, and has allowed us to make significant environmental progress while paying generous lifetime annuities to the members of our Charitable Gift Annuity Program. And a gift

annuity is easy to establish – with a gift of cash, stocks, bonds (minimum of \$10,000) or real estate (minimum of \$100,000), you will receive regular, secure payments for life.

Your payments from a charitable gift annuity are fixed at the time of your gift – they will neither decrease nor increase no matter what happens to interest rates or the stock market. In addition, you will receive an immediate income tax deduction at the time of your gift, one that can be spread out over 5 years if you are unable to use it in the first year of the gift.

Here are a few examples of situations that are particularly right for a charitable gift annuity donation:

■ You would like to count on fixed payments for your lifetime.

Your charitable gift annuity payments are set for life, not some set date in the future.

■ Your stocks and/or mutual funds have significantly appreciated in value, and while you would like to sell them, you do not want to incur a prohibitive capital gains tax liability.

You are not liable for capital gain taxes at the time of your gift. Instead, the capital gains tax liability is reduced and spread out over the lifetime of your charitable gift annuity with us.

■ Your retirement has reduced your annual income – you would like to continue supporting Environmental Defense Fund but you also want to increase your annual income.

As your age increases, charitable gift annuity payment rates and the benefit of tax-free income from these payments also increases. By establishing a charitable gift annuity with us, you generally are able to convert assets such as low-yielding CDs or other fixed income investments into higher annual income for you, and a significant gift for Environmental Defense Fund.

The annuity rate you will receive is determined by your age nearest to the date of your gift. Here are some sample rates:

60	5.7%	70	6.5%	80	8.0%	90 and over	11.3%
65	6.0%	75	7.1%	85	9.5%		

Charitable gift annuities are an excellent way to achieve your philanthropic goals, gain financial security and receive substantial tax benefits. For more than 40 years Environmental Defense Fund has worked to secure a sustainable future for our environment – let us work together to create a secure and sustainable future for you too.

To receive a no obligation personalized proposal, please complete the attached reply card and return it to our offices, or call us at 1-800-Ospreys (1-877-677-7397.)

DR. ROBERT PORTER: A LIFETIME OF GIVING

It was in the California foothills behind Stanford University that 12-year old Robert Porter first began collecting plants, butterflies and beetles. The year was 1932. Porter's father had moved his large family to Palo Alto from the Seattle area so he could work on his master's degree. Porter spent long afternoons ambling through the warm grass, exploring everything that moved. His mother, a botany teacher, taught him the Latin names of his treasures.

"The Silicon Valley back then was all orchards: apricots, prunes and walnuts," Porter recalls.

After studying chemistry and zoology at UC Berkeley, Porter went to medical school to become a psychiatrist. It was war time, and his services were desperately needed by young soldiers returning from the front. Many had brain injuries or suffered from psychoses, what we now call post-traumatic stress syndrome. At the U.S. Army Hospital in Martinsburg, West Virginia, Porter – now Dr. Porter – learned first hand how the brain can regenerate and shift functions after a severe injury. There, he also met Mary Kay Thornton, a Red Cross worker who became his wife.

After the war, Dr. Porter moved to New York City, where he practiced as an adolescent and child psychiatrist for nearly 6 decades. Mary continued working with the Red Cross, eventually running its Youth Program in Washington, D.C. She and Dr. Porter shared a love for their work and for the time they spent exploring nature at their country home in Sharon, CT.

Now a widower, Dr. Porter's passion for the

outdoors has waned little since those early days of hiking, fishing and canoeing. He became a Sierra Club member in the 1940's while he was still

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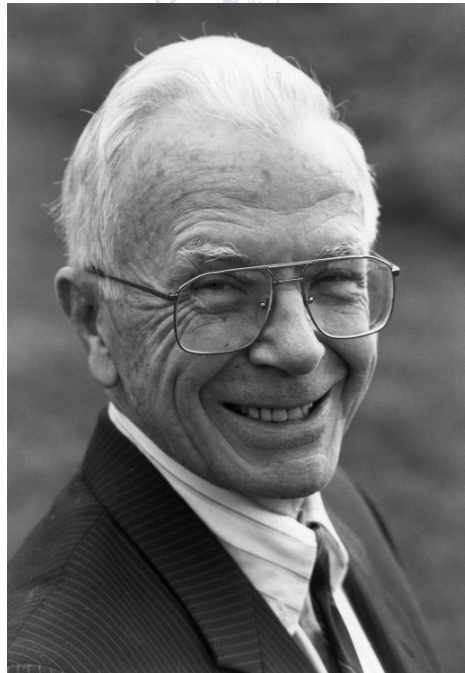
doing his internship. He joined Environmental Defense Fund in 1973 and has generously supported our work ever since.

"I like the fact that Environmental Defense Fund tries to bring people and industry together to do something about the environment. And, they are very savvy politically."

At 88, Dr. Porter still thinks about the future. He believes global warming is the greatest threat facing the planet. Recently, he decided to establish two generous charitable gift annuities with Environmental Defense Fund. With these annuities, he received an immediate tax deduction and he is guaranteed regular income for life. But that's not all.

"My gift not only allows me to receive substantial income payments during my lifetime, it ultimately supports a cause I care very deeply about."

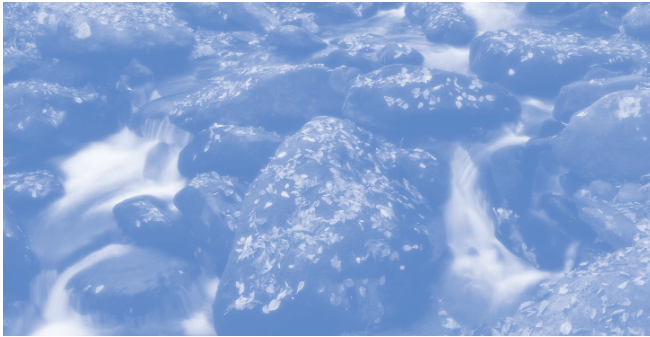
Dr. Porter's legacy will help secure his future and the future of the planet.



Godfather of the Environment, Continued from Page 1

uncanny ability to bring together disparate people, Graff has been a “go-to” resource on water issues for more than three decades.

Graff recently received the Jean Auer Award for his lifetime devotion to restoring the San Francisco Bay-Delta. The award is named after



noted ecologist Jean Auer, the first woman appointed to the State Water Quality Board and one of Graff’s mentors.

Graff’s efforts towards restoring the Bay-Delta – the largest estuary in the West and an area of unsurpassed ecological importance for salmon,

migratory waterfowl and more than 750 plants and animals – are needed now more than ever. Years of record-high diversions have contributed to a severe decline in the estuary’s fisheries, including the near-extinction of Delta smelt, a keystone species. Collapse of the Delta’s long-neglected levees could also endanger the region’s water supply and flood nearby communities.

As part of the solution, Environmental Defense Fund favors alternatives to new dams, such as water conservation, recycling and especially, purchasing supplies on the open market. “If a resource is scarce, we ought to put a price on it that reflects its value,” explains Graff. “Otherwise there’s an incentive to over-consume the resource.”

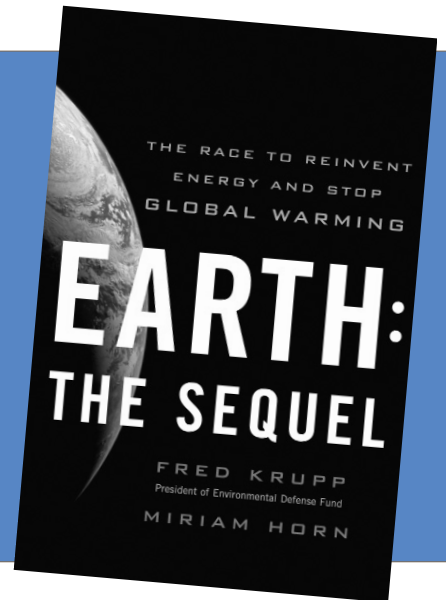
As Graff sees it, the current crisis offers California an opportunity to be more rational in how it manages its water. “We cannot repeat the water wars of the past,” he notes. “We have to find a way to work together, or we’ll all lose.”

Earth: The Sequel

A new book by Environmental Defense Fund president Fred Krupp details his personal search to find the best solutions to global warming. The book introduces us to the high-stakes race that has begun among the smartest minds in America, from venture capitalists in Silicon Valley to scientists in the Alaskan wilderness to inventors in garages, transforming the \$6 trillion world energy economy.

A federal cap on carbon pollution will unleash private capital to fund a new era of clean energy. Innovations such as flying windmills and artificial carbon-eating trees will save the planet if Congress gives them a fair chance to compete.

“American entrepreneurs are reinventing energy,” concludes Krupp. “We have every reason for hope.” For more information go to earththesequel.edf.org/book



ENVIRONMENTAL DEFENSE FUND

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

PLEASE REMEMBER ENVIRONMENTAL DEFENSE FUND IN YOUR ESTATE PLANS