



ENVIRONMENTAL DEFENSE FUND

# OSPREY

# WATCH

NEWS FROM  
THE OSPREY SOCIETY  
SPRING 2009

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## NAT KEOHANE: BANKING ON GREEN ECONOMICS

### **A lifelong investment in the environment**

This is the second tour of duty at Environmental Defense Fund (EDF) for economist Nat Keohane, director of our Economic Policy and Analysis group. As a newly-minted Yale graduate, Nat worked as an EDF intern from 1993 to 1994.

“The early ‘90s was an exciting time to be here,” says Nat. Arriving in the wake of the U.S. adopting EDF’s groundbreaking cap-and-trade system for sulfur dioxide — which ultimately resulted in dramatic reductions in acid rain — and our first innovative corporate partnership with McDonald’s, Nat quickly got hooked on the idea of harnessing markets to create environmental change.

But Nat’s dedication to the environment began even earlier — going on family backpacking trips in the Sierras and tagging along with his conservationist grandmother, who served as a docent at Point Lobos State Reserve. He also spent a semester of high school at

the Mountain School in Vermont, where students live and work on an organic farm.

### **Making the economic case for capping carbon**

Fast forward 15 years from Nat’s EDF internship. After a brief detour to collect a Ph.D. in political economy from Harvard and a six-year teaching and research stint at Yale, Nat returned to EDF in 2007, moving to New York City with his wife and two young daughters. He landed in the middle of another make-or-break moment in EDF’s

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Nat Keohane, Environmental Defense Fund Senior Economist



# SMART PLANNING FOR YOU AND THE ENVIRONMENT

It is essential that you create a smart estate plan, especially in difficult economic times like these. It is also crucial for Environmental Defense Fund to create plans for a clean, safe environment for future generations. Here are two “tax-smart” ways you can help EDF continue our work to find solutions for the most pressing environmental challenges.

## A “WIN-WIN” PROPOSAL: AN EDF CHARITABLE GIFT ANNUITY

Hoping to secure regular income for your lifetime might seem impossible in the current economic climate – but it is not. You can convert low-yielding investments into generous annual payments that will not decrease regardless of drops in interest rates or the stock market.

By making a gift to the EDF Charitable Gift Annuity Fund (minimum \$10,000) you and/or others will receive:

- **Fixed generous payments for your lifetime(s),**
- **An immediate charitable tax deduction for the value of your gift,**
- **The ability to avoid capital gains tax at the time of your gift, and**
- **Satisfaction knowing that you have created an environmental legacy.**

Some sample rates by age:

65	5.3%		75	6.3%		81	7.3%
71	5.8%		78	6.7%		86	8.3%

An EDF charitable gift annuity is an excellent way to create an environmental legacy, gain financial security and receive substantial tax benefits. For more than forty 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 us.

## YOUR IRA AND 401(K) STILL HAVE VALUE

Recent turmoil in the financial markets may have taken a bite out of your Individual Retirement Account (IRA) and 401(k), but using these accounts may still be one of the best ways to fund your legacy for the environment.

### Is your IRA / 401(k) a tax trap?

Although retirement plan accounts are great for accumulating retirement savings, they are not the best assets to pass on to your heirs. If you leave them to your spouse s/he will have to pay income tax on distributions – and a non-spouse, such as a child or friend, will have to pay both income tax and any estate tax that may be due. If you choose this route, you could end up losing about 70% of your gift to taxes.

### An estate gift to EDF of your IRA or 401(k)

By naming EDF as beneficiary of your retirement account you will ensure that 100% of your gift goes to preserving the environment, since no income tax will be due. Additionally, a gift from your account to EDF is deductible for estate tax purposes.

### How to change your beneficiaries

It is simple to change the beneficiaries of your retirement account. Just ask your plan administrator for a Change of Beneficiary form. You can name EDF as sole beneficiary or indicate the dollar amount or percentage that you wish to donate.

We encourage you to contact us: toll-free, 1-877-OSPREYS (1-877-677-7397); or at [ospreys@edf.org](mailto:ospreys@edf.org).

PLEASE REMEMBER ENVIRONMENTAL DEFENSE FUND IN YOUR ESTATE PLANS

# ART COOLEY: ENVIRONMENTAL PIONEER AND FOUNDING TRUSTEE

## Early days: Saving the osprey

Anybody who's been around Environmental Defense Fund long enough has heard the story: a handful of local scientists gathered in a living room on Long Island, worried that the pesticide DDT threatened the very survival of the osprey. The pesticide made the birds' eggs so fragile that they broke in the nest under the parents' weight. That meeting touched off a chain of events that led to a nationwide ban on DDT, the resurgence of the osprey and bald eagle ... and the birth of Environmental Defense Fund.\*

The year was 1967, and the scientists met that day in the East Patchogue, New York home of Art Cooley, a young high school biology teacher.

"We had no clue what we were starting but we were sure that putting a lawyer and a scientist together would bring new insights and successes," says Cooley, who has sat on the EDF Board of Trustees for 42 years.

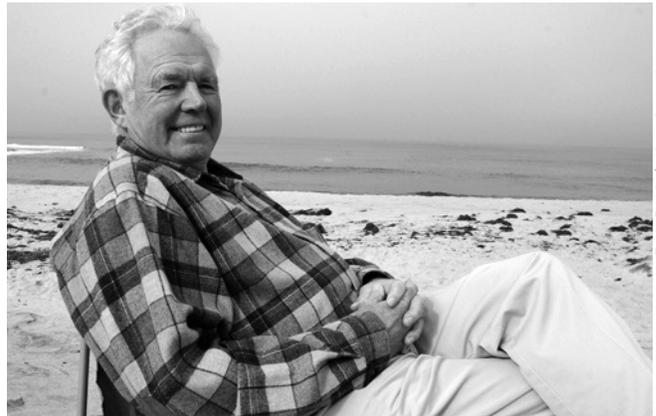
## Finding the ways that work

The young organization eventually added economists and legislative experts to its core group of scientists and lawyers and set to work changing regulations, helping shape laws and developing innovative new market tools like cap-and-trade. From the beginning, EDF made a commitment not only to oppose ill-conceived policies, but to propose substantial alternatives.

**"Art Cooley helped mold EDF into a world-class environmental organization through his profound vision, charismatic personality and insightful intellect."**

— Jim Tripp, General Counsel

At 74, Cooley still finds inspiration in the beauty of the natural world. He grew up exploring woods and wetlands on Long Island. Along with fellow EDF founder and bird-watching enthusiast Dennis Puleston, Cooley saw the damage that humans were having on the precious bird habitats



Rob Davis/voiceofsandiego.org

that he and his students loved to visit. Since then he has seen EDF restore some of those very same habitats. Retired from teaching, Cooley now lives on the California coast in La Jolla, where he keeps a close eye on the brown pelican. Happily, the species is rebounding.

## The greatest challenge

"Global warming is the greatest challenge facing the planet today; it threatens the fabric of human existence," says Cooley. He has witnessed the effects of climate change firsthand. As an expedition leader and naturalist with Lindblad Expeditions for 20 years, he traveled the world, including twelve trips to Antarctica where he met his wife, Bev Grant, "on top of an iceberg."

Art Cooley's passion for the mission set forth in his living room so many years ago continues. And he has invested in our future, by including EDF in his estate plans. There's still so much to be done.

"We're dealing with many serious issues: global climate change, the extinction of species and the restoration of fisheries," notes Cooley. "But if we can get cap-and-trade passed this year in Congress, we will have taken a huge step forward."

\* DDT on Long Island was sprayed from airplanes, blanketing entire areas and leading to a heavy buildup of the long-lasting pesticide in the environment and the food chain. Because of its effectiveness, EDF supports the use of DDT on the interior walls of homes in some malaria-infested countries. You'll find more at [www.edf.org/ddt](http://www.edf.org/ddt).

fight to save the planet from global warming.

Economic issues are front and center in this year's debate over cap-and-trade legislation to reduce carbon emissions, with skeptics asking whether it makes sense to pass a climate bill in the middle of a deep recession.

Nat maintains that the economic downturn makes it even more urgent to put a cap on carbon. He and his team of economists are busy crunching the numbers and working the phones with congressional staffers and journalists to show how cap-and-trade legislation will rapidly drive investment in a new clean energy infrastructure — windmills, solar panels, LED lightbulbs, home insulation and more — which will, in turn, create jobs and grow the economy.

### The opportunity and the challenge

Nat is excited by the once-in-a-lifetime opportunity to proactively design a carbon market that will meet the needs of the environment over the long run, and his economic and policy analysis group is working overtime analyzing what incentives will most effectively align the interests of the private sector with public interest.

The biggest challenge Nat sees is the nation's temporary loss of faith in the market model, brought on by the many revelations of market

manipulation and financial failure over the past year. So he is redoubling his focus on the best ways to create a simple yet robust framework that increases transparency — as well as strong enforcement mechanisms with stiff penalties attached for violators.

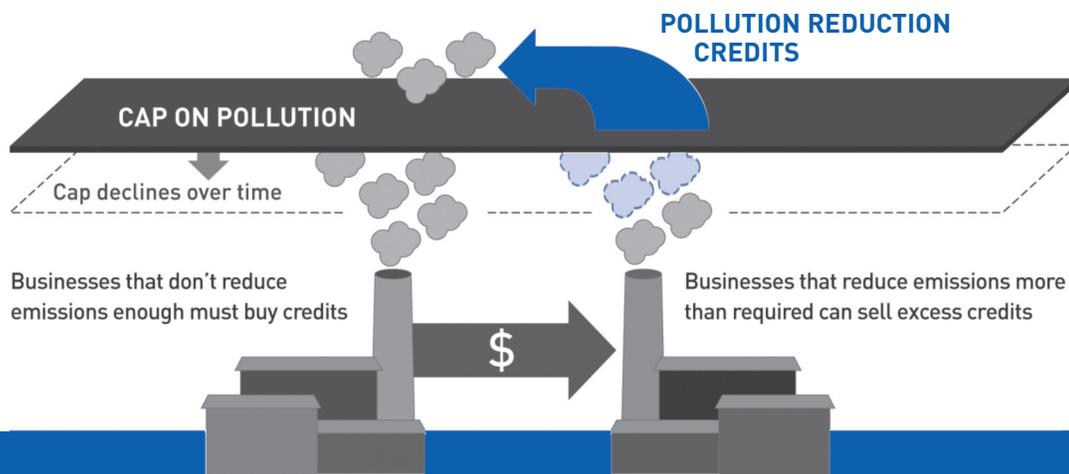
### A major league player

EDF's Climate and Air Program Director Peter Goldmark is one of Nat's biggest fans. "Nat Keohane has been one of the most powerful forces shaping our approach to national climate legislation. He is recognized as a major league player — and he has also brought some of our most talented newcomers on board to build the depth and range we need in the areas of policy and analysis, both domestically and internationally, as we move into our busiest and most challenging period of engagement on both those fronts."

With the economic and environmental costs of inaction growing greater with each passing day, Nat believes, "The most important thing the U.S. can do for the international climate negotiations in Copenhagen in December is pass a strong U.S. climate bill."

For more on cap-and-trade, log on to [www.edf.org/capandtrade](http://www.edf.org/capandtrade)

## HOW CAP-AND-TRADE WORKS



A cap-and-trade system limits the amount of carbon emissions (**the cap**) and allows clean technology users to sell their carbon credits to businesses that do not meet their targets (**the trade**).