

# Annual Report 2010



## Our Mission

Friends of the Earth defends the environment and champions a more healthy and just world. We're progressive environmental advocates who don't pull punches and speak sometimes uncomfortable truths to power. It's an approach that for four decades has yielded victories protecting our planet and its people.

Our current campaigns focus on promoting clean energy and solutions to climate change, keeping toxic and risky technologies out of the food we eat and products we use, and protecting marine ecosystems and the people who live and work near them.

## Our Guiding Principles

- Friends of the Earth is a force fighting for the sustainable and fair use of the Earth's resources.
- We believe that the movement to restore, preserve and protect the planet and the fight for justice are part of the same struggle.
- We believe that the problems we face demand systemic change.
- And we believe that this transformation can only happen when we work together for policies that protect people and ecosystems for all of us and for future generations.

## What Makes Us Different

- We fight for what's needed over the longer term for all creatures on our planet, not for what is easy or popular in the short term.
- We are a loud and fearless voice for the environment — and have been one for 41 years.
- We are acting globally and locally. Worldwide collaboration is a powerful tool, which is why we are a part the world's largest environmental network, with activists in 76 countries.
- We know that solving deep-rooted environmental problems requires exposing and fighting the economic forces that fuel them.



*This year we demanded accountability from elected officials for the contributions they received from Big Oil in the wake of the BP oil disaster. We also protested a U.S. Department of Agriculture announcement for increased funding of biofuels with a demonstration "thanking" taxpayers for funding our Biofuels for Billionaires.*



# letter of introduction

Dear Friends,

We are pleased to present our 2010 annual report and hope that within these pages you will discover how your support has helped Friends of the Earth create positive change.

At the state level, in South Carolina we are fighting to stop taxpayer money from being used to build dangerous new nuclear reactors. In California, we won a ban on sewage dumping along the entire 1,600 mile California coastline and within San Francisco Bay. We also won a ban on cruise ships dumping wastewater while docked at the Port of Seattle.

Nationwide, we successfully campaigned to limit air pollution from ships along U.S. coastlines, winning new regulations that the EPA says will prevent millions of illnesses and 14,000 premature deaths by 2020. When Sen. Lisa Murkowski (R-Alaska) introduced a resolution to cripple the Clean Air Act, we launched a successful grassroots, media and public education campaign to defeat it. We found common ground with fiscal conservatives, including Tea Party founders, to fight corn ethanol subsidies. We also published a new Green Scissors report, which identifies \$200 billion in environmentally harmful and wasteful subsidies that should be cut from the federal budget.

Internationally, we helped unite a coalition of 287 groups spanning 54 countries calling on President Obama to support a global climate fund. This fund will provide support to developing countries seeking to build clean energy economies. We collaborated with groundWork (Friends of the Earth South Africa) to expose and fight international funding for two massive coal projects in South Africa.

However, the results of the 2010 election are a stark reminder that we have much work to do. Bedrock environmental laws such as the Clean Air Act are under fierce attack and key social programs are on the chopping block – while Big Oil continues to receive billions of dollars in tax breaks and handouts each year. To defend against these threats, we are expanding our campaign expertise on tax and budget policy. And in the coming year we'll be taking our "Green Scissors" to the federal subsidies that prop up the fossil fuel industry instead of supporting clean energy and efficiency. In 2009 we founded the Climate Reality Coalition, a coalition of more than 20 groups working towards solutions to climate change. Plans are underway for a major push in the year ahead to ensure that the American public understands the true reality of this threat.

Institutionally we will be increasingly emphasizing economic and social justice. This is important because at the root of many environmental problems is a global economic and financial system that seeks to put a price on the planet's natural systems and people.

This shift in priorities is crucial in light of the tragedies of the past year. The BP oil spill in the Gulf of Mexico was the largest ecological disaster in U.S. history, and the reports coming in point to a system that rewarded risk, cutting corners and carelessness. It also illustrated an all-too-common practice of regulatory agencies bending to the will of the very industries they are meant to regulate.

As we look to the year ahead we are buoyed by the knowledge that we are not alone in our struggle. We have the support of our international network of Friends of the Earth groups and of members like you.

Thank you for helping make our work possible.



Erich Pica,  
President



Arlie Schardt,  
Chair

Cover photo: Sixteen Friends of the Earth groups sent staff to Cancun in December to participate in the international climate negotiations.

*With your support we promote clean energy and efficiency, and fight to end the use of harmful energy sources that endanger people, cause pollution, and exacerbate the climate crisis. At the international level, we work to hold the United States accountable to its responsibility as the world's biggest historical emitter of global warming pollution to lead in forging equitable solutions to the climate crisis.*

*The Dirty Fuels campaign targets unconventional and extremely polluting fuel sources such as tar sands, oil shale and liquid coal, which cause even more climate and air pollution than normal oil and carry serious environmental and social impacts:*

- We mounted an aggressive campaign to stop the Keystone XL pipeline, which would

local State Department hearings, organizing protests with allies in New York City, Chicago and Washington, D.C., and helping to rally 51 members of the U.S. House of Representatives and 12 U.S. Senators to speak out about the pipeline's dangers. Our efforts have blocked Big Oil's hopes for a swift rubber stamp for the pipeline, and we continue our fight to stop it altogether.

Seventeen pipelines cross the [Houston ship] channel carrying gasoline and diesel fuel. In 1994 there was an explosion and the river blazed for a week. There was arsenic in the air and the barges burned and the police evacuated the neighborhood.

- Karla Land, of Channelview, Texas, aka "cancer alley," on why she's fighting the Keystone XL pipeline

carry tar sands oil from Canada to refineries in Texas, putting communities and ecosystems at risk of oil spills and air and water pollution and making climate change worse. We launched our campaign during the Olympics in Canada to draw attention to the ecological disaster unfolding in the country's tar sands oil extraction areas. Since then, we've increased pressure on the Obama administration to stop the Keystone XL pipeline, generating close to 60,000 messages from activists to the administration, turning out activists to

*The campaign against coal has a 40-year history at Friends of the Earth. Coal is responsible for one-third of our country's global warming emissions, and the extraction process destroys mountains, pollutes water, and poisons communities:*

- Since settling a groundbreaking lawsuit to compel the U.S. Export-Import Bank (Ex-Im) to consider the climate change impacts of its overseas lending, we are working to hold Ex-Im accountable for its exorbitant fossil fuel financing. This year we protested its

## THE NEXT BIG THING

We have learned that the Department of Energy is considering whether to back the construction of the nation's first liquid coal plant, a form of gasoline with twice the global warming emissions of gasoline from oil. The plant would jeopardize ranching operations, and consume a tremendous amount of water in southern Wyoming, in addition to setting a terrible precedent. In 2011, Friends of the Earth will be pressuring the Obama administration to stop the project from moving forward.



plans to support massive coal projects in South Africa and India. In a similar effort, we called on the World Bank to quit coal after it announced a more than \$3 billion loan for a separate coal plant in South Africa.

- Our dedicated activists attended EPA hearings in several states and sent more than 9,000 messages to the EPA urging it to enact strong federal regulations to safeguard communities from coal ash, a toxic waste.

*The campaign to prevent a nuclear resurgence is fighting the Obama administration's plan to preemptively bail out the construction of dangerous and risky reactors through loan guarantees that put taxpayers on the hook for billions. Nuclear reactors endanger public health and safety, and there continues to be no safe way to deal with radioactive waste:*

- We sounded the alarm about the Obama administration's proposal to back the construction of the first new nuclear reactors in the U.S. in 30 years with up-to-\$55 billion in taxpayer loan guarantees, launching TV ads in South Carolina and Georgia where new reactors are planned, and getting our "not another bailout" message out to the public through appearances on PBS's "The NewsHour" and "NBC Nightly News," as well as coverage in *USA Today*, the *New York Times* and CNN.
- We intervened in a case before the South Carolina Public Service Commission and encouraged citizens to testify at hearings to convince regulators that conservation, energy efficiency and alternatives should be the focus of sound energy planning and

### And the award goes to...

Rep. Collin Peterson (D-Minn.) won our annual Biofool of the Year award for consistently scheming to block EPA's authority to measure and address global warming emissions caused by biofuels production. A growing body of research indicates that some biofuels result in more emissions than conventional gasoline.



not pursuit of costly new nuclear reactors. Hundreds of people testified or submitted comments.

- We continue to work with the federal Blue Ribbon Commission on the fate of the nation's spent fuel, providing information and guidance urging the commission not to pursue reprocessing, a dirty and dangerous process which magnifies waste and proliferation concerns, and to concentrate on secure storage of commercial spent fuel at reactor sites and defense of high-level waste at Department of Energy sites.

*The Biofuels campaign challenges policy incentives for the production of unsustainable and dirty biofuels, particularly corn ethanol:*

- We sued the EPA for its failure to properly regulate biofuels through the Renewable Fuels Standard, which relies on outdated data to determine the lifecycle greenhouse gas emissions caused by biofuels (the total amount of pollution produced at each stage of biofuels production and use). We're asking the EPA to thoroughly account for the ecosystem destruction caused by growing crops for fuel.



Campaign against coal: We joined Appalachia Rising's mobilization in Washington, D.C., to call on the EPA and the Obama administration to stop the destructive mining practice of mountaintop removal.



Last December we sent several of our staff to Cancun, Mexico to participate in the UN climate negotiations. Some of you may have followed our blog posts at [www.foe.org/cancun](http://www.foe.org/cancun). We were disappointed by the inclusion in the final text of a paradigm that allows rich countries to continue polluting however much they like, and a failure to provide sufficient funding to a global climate fund. However we spent much of the last year campaigning for the establishment of this fund under the UN, and we were pleased that countries agreed to create it in Cancun. Though not perfect, the Green Climate Fund represents real progress and momentum. The next round of negotiations will take place in Durban, South Africa.

*Left: Karen Orenstein speaks at the negotiations.*

- We coordinated an unconventional coalition – including environmental groups, fiscal conservatives, humanitarian and hunger groups, meat processors, and even Tea Party backers – to oppose the Volumetric Ethanol Excise Tax Credit, a \$6 billion per year giveaway to the oil industry for blending ethanol into gasoline. Our activists sent more than 20,000 emails to Congress opposing biodiesel and biomass tax credits.
- We exposed how the Obama administration’s efforts to increase demand and infrastructure for biofuels would be bad for taxpayers and the planet through media outreach and a creative street theater demonstration featuring “Billionaires for Biofuels.”

*The International Finance campaign champions equity and justice in its work to secure sufficient funding for developing countries to address climate change impacts and transition to clean energy economies:*

- We generated momentum for the creation of a global climate fund under the authority of the UN Framework Convention on Climate Change (UNFCCC) as the best way to deliver funding to poor countries so they can address climate change. We helped unite 287 groups spanning 54 countries to call on President Obama to support a fund with no role for the World Bank and other multilateral development banks, which have long histories of funding projects that threaten local communities, human rights and ecosystems.

- We advanced creative and fair solutions for generating public funds for global climate action through the introduction of legislation by Rep. Pete Stark (D-Calif.) that would generate billions by levying an infinitesimal fee on foreign currency transactions by large corporations.

*The Clean Vehicles campaign works to reduce emissions from the transportation sector by promoting the development of clean and sustainable alternative fuels and vehicles:*

- We led coalition efforts in California to ensure that the state’s Low Carbon Fuel Standard promotes only the most sustainably produced biofuels, so it can act as a model to other states throughout the country that are implementing similar standards.
- We secured dozens of official endorsements from non-traditional allies in the public and private sector to strengthen California’s landmark fuel economy standards for passenger vehicles.
- We produced a report, “A Survey of Bay Area Permitting Procedures for Electric Vehicle Charging Infrastructure,” on how local governments across the nation can support the widespread adoption of electric vehicles.
- We filed a lawsuit challenging the EPA’s failure to regulate greenhouse gas emissions from ocean-going ships, aircraft and non-road vehicles and engines, which emit approximately 290,000 tons of soot every year.

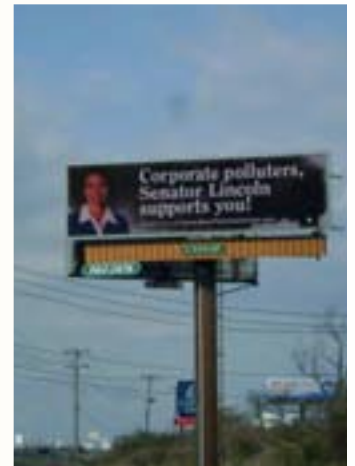


*The BP oil spill in the Gulf of Mexico destroyed lives and livelihoods, as well as ocean habitats. Recovery will likely take decades. Regulators can and should learn from their mistakes. Our response to the spill was a call to reverse course on energy policies that lock us into further reliance on dirty, destructive fossil fuels:*

- We aired “Drill, baby, drill means spill, baby, spill” TV ads in Florida and Virginia, where offshore drilling is being debated, and ultimately achieved a decision by the Obama administration to place a seven-year ban on drilling off the eastern coast of Florida.
- Our members and activists responded to our call for an end to dangerous drilling by contributing close to 23,000 signatures for a petition urging the president to reverse course on his drilling plans, and by joining with allied groups to stage a citizens’ arrest of BP at the company’s headquarters in Washington, D.C.
- We asked the EPA to prevent the use of oil dispersants made with nanoparticles in clean-up efforts, based on research that they could do more harm than good.
- We participated in a day of action in front of the U.S. Capitol on the three-month anniversary of the spill to urge lawmakers to pass legislation to move us toward an oil-free future and to donate oil money to Gulf recovery efforts.

*While Congress continued to punt on comprehensive climate and energy legislation, we built a strong front in the fight for policies that deliver cuts in pollution and a clean energy transition urgently needed to protect people and the planet:*

- We waged a successful advertising, media and public education campaign to save the Clean Air Act, the most powerful and effective existing tool for reducing climate-warming pollution in the U.S. Our activists contacted lawmakers to demand that they protect the Clean Air Act and voted on a billboard that was erected in Little Rock, Ark., to hold Sen. Blanche Lincoln (D-Ark.) accountable for supporting a measure to roll back the Clean Air Act. Our efforts paid off, as the Senate defeated 53-47 a resolution sponsored by Sen. Lisa Murkowski (R-Alaska) that would have rolled back Clean Air Act protections against climate pollution.
- We continued to collaborate with the Climate Reality Check coalition, an alliance of more than 20 groups dedicated to achieving progressive solutions to climate change that we co-founded in 2009. When Senators John Kerry (D-Mass.) and Joe Lieberman (D-Conn.) released a dangerous “climate” bill containing billions in giveaways to polluters and undermining the Clean Air Act, the coalition coordinated activist briefing calls to inform our members about the bill’s faults and produced a scorecard that graded the bill on key bottom-lines for progress and delivered it to the media and Congress.



From the top: Supporting the citizens' arrest of BP; Clean Air Act billboard ad in Little Rock, Arkansas; Uncle Sam standing tall for Appalachia Rising; Earth Day on the National Mall.



One of the bumper stickers on Marc Fried's 22-year-old car reads, "Question Consumption." This is a motto he lives by. He grows his own food, heats his house with wood from his land, gets most of his clothing at thrift stores, doesn't own a television, and has never had a credit card.

Says Marc, "There's a long-standing tension between increasing consumption of consumer goods, which brings an improvement in the economy and in employment, versus environmental imperatives, which demand a systematic decrease in consumption in affluent societies.

"This tension will only be resolved when the fundamental desire for excess material possession begins to evaporate, when society agrees to employ its wealth and its labor force in environmentally and socially productive enterprises, instead of war and the endless accumulation of stuff."

A historian and nature writer with five books published, and a columnist for a local newspaper, Marc's special interest is the

relationship of rural people to the land, particularly in New York's Shawangunk Mountain region, where he lives. Says Marc, "I hope to teach by example and to inspire others through what I write."

Another way that Marc is setting an example is through estate planning. His support of Friends of the Earth through annual contributions dates back many years, and Marc has made Friends of the Earth a beneficiary of a portion of his estate.

"After taking care of my family responsibilities, I've chosen Friends of the Earth, along with a few other charities, to be included in my will. Besides addressing immediate environmental issues, Friends of the Earth sees the bigger picture more clearly than some mainstream environmental organizations that are too ready to compromise in the name of pragmatism."

For more information on ways to include Friends of the Earth in your estate plans, please contact Erich Pica at 1-877-843-8687, ext. 740 or [erichpica@foe.org](mailto:erichpica@foe.org).

*Photo: Mt Ranier*

## Rapid Response

In addition to supporting our campaigns, occasionally we find ourselves responding to breaking news events that tug at our conscience. This year we want to thank all of our members and activists who joined us in action.



Our activists: sent messages to the Federal Communications Commission and Congress to stop a deal between Google and Verizon that would kill Net Neutrality; signed a Hip Hop Caucus petition calling for the restoration and rebuilding of New Orleans; and marched in support of comprehensive immigration reform.



*Emerging technologies and harmful chemicals are rampant in consumer products and in our communities. Through advocacy and grassroots organizing, our campaigners educate policymakers and the public about potential dangers and fight for the necessary regulations and safety measures to protect human health and the environment.*

*The Biotechnology Policy campaign works to safeguard people and ecosystems from dangers posed by emerging biotechnologies and practices, such as gene patenting, human genetic engineering, animal genetic engineering and synthetic biology:*

- We have become a leading voice on issues of synthetic biology. In the wake of a scientist's announcement that he had created the first fully synthetic organism, our response was covered in *The New York Times*, AP, Reuters, and an interview on BBC radio. We published the first report on the dangers of synthetic biology to produce biofuels, and we advocated at the UN Convention on Biological Diversity for an international review of the possible risks.
- Last March a court ruled that all genes and DNA sequences are naturally occurring and therefore cannot be patented. Unfortunately, the biotech industry is fighting back and trying to have this decision reversed. We are pushing for legislation to permanently ban the patenting of human genes and all naturally occurring DNA sequences to ensure that people can access medical tests and treatments without having to pay exorbitant prices to private corporations that "own" the rights to genes they did not invent.
- We netted nearly 14,000 public comments directed at the Food and Drug Administration (FDA) asking them not to approve AquaBounty's genetically engineered salmon, or if they do, to label it as such. Our press conference in front of the White House and testimony before the FDA, which was covered by "CBS Evening News," "NBC Nightly News" and CNN, led the agency to agree to update and strengthen its environmental assessment.

- We are fighting to stop genetic engineering and the cloning of animals, believing that this is a precursor to human genetic engineering and cloning. We are a part of the Tarrytown Meeting, which leads the world in addressing concerns with human biotechnologies. In addition to sitting on the steering committee, we present annually on the convergence of emerging technologies with attempts to re-engineer the human species.

*The Health and Environment campaign works to eliminate toxins from cosmetics and personal care products, as well as stem the unregulated use of potentially dangerous nanotechnologies:*

- We worked with several members of Congress to introduce the Safe Cosmetics Act of 2010, which gives the Food and Drug Administration authority to ensure that personal care products are free of chemicals linked to cancer, birth defects, learning disabilities and other illnesses. Consumers have a right to safe personal care products, companies have a responsibility to understand the health effects of the chemicals in their products, and the government should provide consumer protection. The legislation includes a provision for labeling nanomaterials in cosmetics and personal care products.
- We launched an online advertising campaign to alert the public to the risks posed by sunscreens that contain nanoparticles. We pressured sunscreen manufacturers to stop using nanoparticles and urged federal officials to mandate the labeling of such products. Manufactured nanoparticles may damage cells and have harmful health repercussions. They also pose risks to workers and the environment, and there's no evidence that they make sunscreens more effective at blocking the sun's harmful rays.

# oceans & vessels

The Oceans and Vessels campaign works to protect coastal communities and marine life from harmful vessel air pollution — including greenhouse gases and black carbon, and the sewage, oil and other water pollutants discharged from cruise ships, cargo ships, oil tankers and ferries.

*This year our campaign to regulate cruise ships and ocean-going vessels made the oceans safer:*

- We released the 2010 Cruise Ship Report Card, which compares the environmental footprint of 11 cruise lines and more than 100 cruise ships, allowing vacationers to choose a cruise based on its environmental and

ships. The low-pollution zone was approved by the international body governing the shipping industry in March of 2010 and will prevent millions of illnesses and 14,000 premature deaths by 2020. We continue to work with allies to protect the ECA from industry efforts to weaken it, and supported a proposal to include Puerto Rico and the

“A recent report on the cruise industry’s environmental performance clearly shows that not all companies are making an equal effort to safeguard the ocean waters on which they depend.”

- Rep. Sam Farr (D-Calif.)

human health impacts. The report generated more web traffic than ever before and led to hits in major outlets including *USA Today*, AOL and *The Washington Post*, causing a stir in the cruise industry. It was timed to coincide with the introduction of the Clean Cruise Ship Act, which would amend the Clean Water Act to regulate the millions of gallons of wastewater discharged in U.S. waters every day by cruise ships. Find the report here: [www.foe.org/cruisereportcard](http://www.foe.org/cruisereportcard).

- We won a decade-long battle to establish a North American zone, or Emission Control Area (ECA), to limit air pollution from

U.S. Virgin Islands in the protective zone to safeguard the highly sensitive ecosystems in the Caribbean region.

- We won a ban on sewage dumping along the entire 1,600 mile California coastline within three miles of shore and within San Francisco Bay. This victory built on our 2005 work to pass the California Clean Coast Act and 2009 call on the U.S. EPA to implement the ban, which it finally approved this year.
- We achieved a ban on discharges of wastewater from cruise ships docked at the Port of Seattle.



An oil tanker run aground in Cook Inlet, Alaska (Photo credit: Bob Shavelson-Marine Photobank); an endangered Southern Resident killer whale observes an oil tanker passing through its critical habitat in Puget Sound (Photo credit: Fred Felleman); a container ship in Santa Barbara Channel (Photo credit: Wolcott Henry 2005-Marine Photobank).



## The Next **Big Thing**: Arctic Pollution

The Arctic is melting, exposing it to increased ship activity and pollution. Cargo ships looking to shorten their trips and governments vying for natural resources are creating new lanes for ship traffic by breaking through the thin sea ice. Friends of the Earth is working at the International Maritime Organization, the international body governing the shipping industry, to develop a Polar Code that would set rules for shipping at both poles to safeguard against pollution, accidents and emergencies, and to protect the marine environment.

- After four years of advocacy, Congress passed the Coast Guard Authorization Act with strong provisions for oil spill response and protection of the Arctic.
- We secured the installation of cruise ship shore-based power at the Port of San Francisco after many years of advocacy.
- We filed a petition with the National Oceanic and Atmospheric Administration (NOAA) to slow down ships in California's National Marine Sanctuaries.
- We sued the state of Alaska's Department of Environmental Conservation for its inadequate cruise ship permitting.

## Our International Network



*We are part of the world's largest grassroots environmental federation, Friends of the Earth International, which unites 76 national member groups and some 5,000 local activist groups around the globe.*

*Last fall two of our staff attended the Friends of the Earth International Biennial General meeting that brings together representatives from groups around the world to discuss the policies and activities of the federation, and during which all members have an equal say:*

- More than 80 people from 60 groups came together in Penang, Malaysia for a memorable meeting. This year was a turning point for Friends of the Earth U.S. for increasing collaboration with groups in Central and South America; the meeting also marked the addition of seven new member groups.
- The assembled group elected the new Executive Committee, of which our own Ian Illuminato is a part, in addition to Nnimmo Bassey (Chair, FoE-I), Karin Nansen (FoE Uruguay), Jagoda Munic (FoE Croatia), Meena Raman (FoE Malaysia), Sarah-Jayne Clifton (FoE England, Wales and Northern Ireland), Bobby Peek (groundWork / FoE South Africa), Ricardo Navarro (FoE El Salvador), and Hemantha Withanage (FoE Sri Lanka).

# economic policy

*Friends of the Earth promotes the wise use of money to alleviate climate change, halt air and water pollution, reduce poverty, and end injustice. We recognize that the common root of many environmental and social problems is an economic system that favors polluters and corporations over the protection of people and natural resources.*

*The Green Scissors campaign works to expose unnecessary funding for environmentally destructive projects and hold our elected officials accountable to saving taxpayers' money and the planet:*

- Our “Green Scissors 2010” report identified \$200 billion in environmentally harmful federal spending; most of the \$36 billion in subsidies for fossil fuels that President Obama called for the repeal of were included in our report. Sen. Menendez (D-N.J.) and Rep. Blumenauer (D-Ore.) introduced separate bills to eliminate many of the oil and gas subsidies that we identified.

*Our Carbon Trading campaign works to counter the false notion that climate change can be mitigated by Wall Street-driven approaches. We expose the loopholes and opportunities for manipulation often rife in market-based systems for pollution reduction:*

- We successfully educated members of Congress about the risks of carbon markets. The result was that leading Senate climate bills proposed a smaller role for Wall Street in carbon trading, and the Frank-Dodd financial reform bill requires a government study on carbon market regulation.

Carbon offsets are a way for corporations to pass the buck – allowing them to send money overseas for projects that promise to reduce emissions so they can continue to pollute in the United States. To have any benefit, carbon offset projects need to result in real reductions in climate-disrupting emissions. But we've seen that not all offset projects clearly lead to reductions.

- We released a report, “Ten Ways to Game the Carbon Market,” which serves as a warning about the fraud, corruption and gaming abuses that are inherent to carbon trading systems. We have helped regulators and law enforcement agencies such as FBI, Interpol and the Commodities Future Trading Corporation prepare to combat market malfeasance.

*Our Trade and Forests campaign works to enact climate policies that achieve lasting forest protections while safeguarding the rights of indigenous peoples and forest-dependent communities:*

- We championed protections for the rights of indigenous peoples and the full participation of local communities in the UN climate



We joined our coalition partners on Capitol Hill to release the “2010 Green Scissors” report; we demonstrated against World Bank coal funding; and we marched to end subsidies to dirty fuels.



negotiations on Reducing Emissions from Deforestation and Forest Degradation (REDD+), a policy framework for assisting poor countries in managing and restoring forests and measuring the carbon they lock away. Our advocacy prevented the inclusion of forest carbon offsets as the primary means of funding forest protection.

*Our campaign on Trade and Investment challenges investment provisions in trade agreements that threaten environmental and health protections:*

- After a Canadian mining company sued the government of El Salvador for not giving it a mining permit, we brought Salvadoran allies (including the sibling of a slain mining activist) to Washington, D.C., to meet with policymakers and the press. The mining project didn't receive its permit because of a shoddy environmental assessment and fierce popular opposition to the project, prompting the company to sue the government for lost profits under the Central American Free Trade Agreement.
- We continued to intervene in current trade negotiations, such as the Korea Free Trade Agreement and the Transpacific Partnership, in an effort to stop companies from having the ability to veto environmental, labor and public health laws.

#### *The problems with forest carbon offsets:*

- They allow developed countries to buy up forests while continuing to pollute.
- Buying forests to prevent them from being cut down may simply shift deforestation elsewhere and fuel land-grabs at the expense of the lives of forest-dependent people and indigenous peoples.
- They allow forests to be replaced by monoculture plantations that have appalling social and environmental impacts.



The Supreme Court ruling in *Citizens United v. Federal Election Commission* was a disaster for democracy. Corporate special interests had far too much influence in Washington prior to this ruling, and now they can buy off elected officials with unlimited independent campaign expenditures. Another example of too much corporate influence in elections came in the midterm elections, with a California ballot measure supported by Texas Big Oil that would stop California from implementing its emissions-reducing law AB 32. We sent out an alert, asking our members in California to "vote no on Prop 23" and when the results came in, the measure had been overwhelmingly shot down.

*As Wall Street banks and Chinese financiers become increasingly influential in international development, we promote ecological and social standards in the international financial sector to improve banks' and investors' impacts on environments and communities in developing countries:*

- Fresh from Friends of the Earth-sponsored trainings on green finance and advocacy, 11 Chinese NGOs called on the Hong Kong and Shanghai stock exchanges to improve information disclosure regulation of Chinese listed companies. Their letter was prompted by a major chemical spill at a gold mine owned by Zijin Mining Group, a nine-day delay by the company in reporting the accident, and attempts to bribe journalists covering the news.
- After five years of our publishing reports on how companies were failing to adequately disclose climate change risks to their investors, the Securities and Exchange Commission (SEC) issued interpretive guidance to U.S.-listed companies on the need to disclose climate risks in SEC filings.

# financials

## Balance Sheets

	June 30, 2010			June 30, 2009		
	Unrestricted Operating Fund	Temporarily Restricted	Total	Unrestricted Operating Fund	Temporarily Restricted	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash and Cash Equivalents	\$145,382	\$1,709,363	\$1,854,745	-	\$1,471,866	\$1,471,866
Accounts Receivable:						
Grants, Contributions and Bequests	21,651	-	21,651	266,463	-	266,463
Other	32,728	-	32,728	36,152	-	36,152
Total Accounts Receivable	54,379	-	54,379	302,615	-	302,615
Due from Friends of the Earth (Action), Inc.	128,065	-	128,065	59,403	-	59,403
Due (To) From Funds	-	-	-	(320,314)	320,314	-
Promises to Give, Current Portion	-	391,915	391,915	-	430,510	430,510
Prepaid Expenses and Other Assets	69,153	-	69,153	97,057	-	97,057
Total Current Assets	396,979	2,101,278	2,498,257	138,761	2,222,690	2,361,451
<b>FIXED ASSETS</b>						
Furniture and Equipment	970,259	-	970,259	809,822	-	809,822
Leasehold Improvements	478,556	-	478,556	-	-	-
Less Accumulated Depreciation and Amortization	778,379	-	778,379	712,759	-	712,759
Total fixed assets	670,436	-	670,436	97,063	-	97,063
<b>OTHER ASSETS</b>						
Promises to Give, Net of Current Portion	-	20,000	20,000	-	30,000	30,000
Pooled Income Fund, at Market Value	-	-	-	-	1,881	1,881
Charitable Gift Annuity, at Market Value	69,433	-	69,433	67,294	-	67,294
Investments	57,627	-	57,627	-	-	-
Deposits	64,024	-	64,024	30,979	-	30,979
Total Other Assets	191,084	20,000	211,084	98,273	31,881	130,154
<b>Total Assets</b>	<b>\$1,258,499</b>	<b>\$2,121,278</b>	<b>\$3,379,777</b>	<b>\$334,097</b>	<b>\$2,254,571</b>	<b>\$2,588,668</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable and Accrued Expenses	\$167,082	-	\$167,082	\$114,575	-	\$114,575
Accrued Leave	113,569	-	113,569	116,490	-	116,490
Capital Lease Obligation	10,428	-	10,428	10,428	-	10,428
Total Current Liabilities	291,079	-	291,079	241,493	-	241,493
<b>OTHER LIABILITIES</b>						
Capital Lease Obligation	22,988	-	22,988	29,893	-	29,893
Deferred Revenue - Pooled Income Fund	-	-	-	-	55	55
Deferred Rent	118,611	-	118,611	7,682	-	7,682
Leasehold Improvement Allowance	517,236	-	517,236	-	-	-
Charitable Gift Annuity Liability	41,241	-	41,241	42,563	-	42,563
Total Other Liabilities	700,076	-	700,076	80,138	55	80,193
<b>Total Liabilities</b>	<b>991,155</b>	<b>-</b>	<b>991,155</b>	<b>321,631</b>	<b>55</b>	<b>321,686</b>
<b>COMMITMENTS</b>						
<b>NET ASSETS</b>						
Unrestricted	267,344	-	267,344	12,466	-	12,466
Temporarily Restricted:						
Operating Fund	-	1,922,857	1,922,857	-	2,056,095	2,056,095
Reserve Fund	-	145,000	145,000	-	145,000	145,000
Endowment Fund	-	53,421	53,421	-	53,421	53,421
Total Net Assets	267,344	2,121,278	2,388,622	12,466	2,254,516	2,266,982
<b>Total Liabilities and Net Assets</b>	<b>\$1,258,499</b>	<b>\$2,121,278</b>	<b>\$3,379,777</b>	<b>\$334,097</b>	<b>\$2,254,571</b>	<b>\$2,588,668</b>

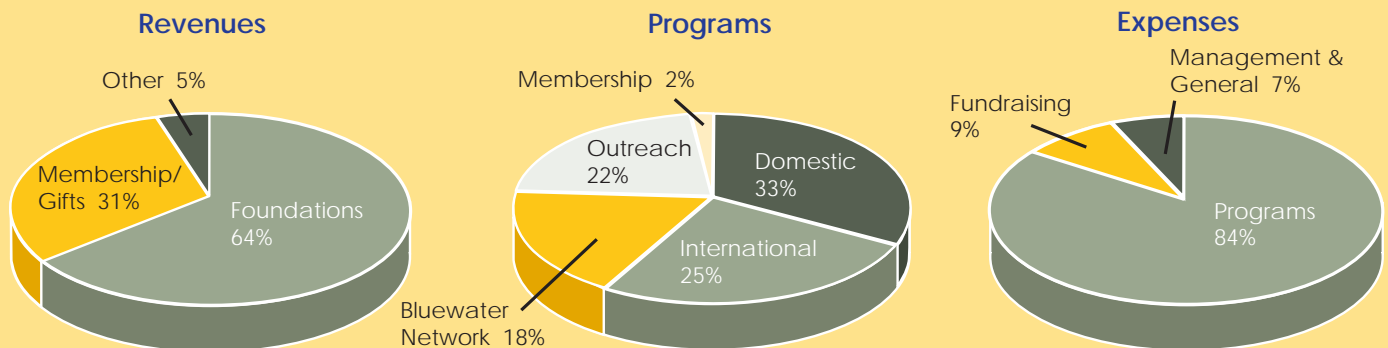


## Statements of Activities

For the years Ended June 30,

	2010			2009		
	Unrestricted Operating Fund	Temporarily Restricted	Total	Unrestricted Operating Fund	Temporarily Restricted	Total
<b>REVENUE</b>						
Grants, Bequests and Member Contributions	\$1,471,263	\$2,784,869	\$4,256,132	\$1,387,548	\$3,322,491	\$4,710,039
Investment Income	17,286	-	17,286	(12,443)	-	(12,443)
Rental Income	64,123	-	64,123	56,921	-	56,921
Mailing List Sales	2,286	-	2,286	6,785	-	6,785
Administrative Fees	199	-	199	37,575	-	37,575
Other	129,877	-	129,877	146,743	-	146,743
Net Assets Released from Restrictions	2,918,107	(2,918,107)	-	2,744,803	(2,744,803)	-
<b>Total Revenue</b>	<b>4,603,141</b>	<b>(133,238)</b>	<b>4,469,903</b>	<b>4,367,932</b>	<b>577,688</b>	<b>4,945,620</b>
<b>EXPENSES</b>						
<b>Program Expenses:</b>						
Domestic	1,209,355	-	1,209,355	1,204,874	-	1,204,874
International	928,415	-	928,415	927,165	-	927,165
Bluewater Network	648,037	-	648,037	653,241	-	653,241
Outreach	789,360	-	789,360	925,871	-	925,871
Membership	72,524	-	72,524	96,981	-	96,981
<b>Total Program Expenses</b>	<b>3,647,691</b>	<b>-</b>	<b>3,647,691</b>	<b>3,808,132</b>	<b>-</b>	<b>3,808,132</b>
<b>Supporting Expenses:</b>						
Management and General	320,284	-	320,284	337,941	-	337,941
Fundraising	380,288	-	380,288	372,167	-	372,167
<b>Total Supporting Expenses</b>	<b>700,572</b>	<b>-</b>	<b>700,572</b>	<b>710,108</b>	<b>-</b>	<b>710,108</b>
<b>Total Expenses</b>	<b>4,348,263</b>	<b>-</b>	<b>4,348,263</b>	<b>4,518,240</b>	<b>-</b>	<b>4,518,240</b>
<b>CHANGE IN NET ASSETS</b>	<b>254,878</b>	<b>(133,238)</b>	<b>121,640</b>	<b>(150,308)</b>	<b>577,688</b>	<b>427,380</b>
<b>Net Assets - Beginning of Year</b>	<b>12,466</b>	<b>2,254,516</b>	<b>2,266,982</b>	<b>162,774</b>	<b>1,676,828</b>	<b>1,839,602</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$267,344</b>	<b>\$2,121,278</b>	<b>\$2,388,622</b>	<b>\$12,466</b>	<b>\$2,254,516</b>	<b>\$2,266,982</b>

For the year ended June 30, 2010:



Small changes can make a big difference.

This report is an opportunity for us to demonstrate our commitment to making the most of your gifts. If you would prefer to receive an electronic version of the annual report rather than the print version, please email us at [lmattes@foeorg](mailto:lmattes@foeorg).



**Annual Report**  
Winter 2010: Volume 40, Number 4

1100 15th St. NW, 11th Floor  
Washington, DC 20005

PERIODICALS  
POSTAGE PAID AT  
WASHINGTON, DC  
AND ADDITIONAL  
MAILING OFFICES



*Friends of the Earth* (ISSN: 1054-1829) is published quarterly by Friends of the Earth, 1100 15th St NW, 11th Floor, Washington, DC 20005, phone 202-783-7400, fax 202-783-0444, e-mail: [foe@foe.org](mailto:foe@foe.org), website: [www.foe.org](http://www.foe.org). Annual membership dues are \$25, which includes a subscription to *Friends of the Earth*. The words "Friends of the Earth" and the Friends of the Earth logo are exclusive trademarks of Friends of the Earth, all rights reserved. Requests to reprint articles should be submitted to Lisa Matthes at [lmattes@foe.org](mailto:lmattes@foe.org). Periodicals postage paid at Washington, DC.

**Board of Directors**

Arlie Schardt, Chair; Clarence Dittlow, Vice Chair; Marlon Edey, Secretary; David Zwick, Treasurer; Jayni Chase; Harriett Crosby; Dan Gabel; Jeffrey Glueck; Mike Herz; Russell Long; Patricia Matthews; Avis Ogilvy Moore; Soroush Shehabi; Doria Steedman; Rick Taketa; Peyton West.

Brent Blackwelder, President Emeritus and Ex-Officio.

**Staff**

Erich Pica, President  
Nick Berning, Director of Communications  
Michelle Chan, Director of Economic Policy Project  
Tom Clements, Southeastern Nuclear Campaign Coordinator  
Rebecca Connors, Deputy Director of Communications and Online Communications Manager  
Kenney Elkomous, Federal Transportation Policy Coordinator  
Caely French, Development Associate  
David Hirsch, Managing Director  
Eric Hoffman, Biotechnology Policy Campaigner

Kate Horner, Trade and Forest Policy Analyst  
Ian Illuminato, Health and Environment Campaigner  
John Kaltenstein, California Clean Vessels Coordinator  
Marcie Keever, Director of Oceans and Vessels Project  
Selina Khakasa, Executive Assistant to the President  
Lisa Matthes, Publications Manager  
Adina Matisoff, China Banks Campaigner  
Kate McMahon, Biofuels Campaign Coordinator  
Damon Moglen, Director of Climate and Energy Project  
Alex Moore, Dirty Fuels Campaigner  
Karen Orenstein, International Finance Campaigner  
Sara Schedler, Clean Vehicles Campaign Coordinator  
Ben Schreiber, Tax Analyst  
Livia Shmavonian, Energy and Tax Policy Analyst  
Peter Stocker, Donor Services Manager  
Kelly Trout, Communications Associate

**Interns**

Scott Baumgartner, Communications  
Smita Biswas, Clean Vehicles  
Matthew Cain, Communications  
Kara Fedors, Stanback Clean Vehicles  
Heather Kangas, Dirty Fuels  
Kim Huynh, Communications

Sarah Mier, Communications  
Josef Palermo, Biofuels Communications  
Aaron Petcoff, Dirty Fuels  
Carly Pildis, Communications  
Angela Nicholas, Stanback Oceans and Vessels  
Lindsay Shade, Biofuels Research and Advocacy

**Consultants/Advisors**

Agiltpop Communications  
Michael Barnes  
Brent Blackwelder, Former President and Special Advisor  
Sue Claytor, The Personnel Office  
Fred Felleman, Pacific NW Consultant  
Kevin Fingeram  
Rebecca Goodman  
Robert Guild  
Harmon, Curran, Spielberg & Eisenberg, LLP  
Ira Horowitz, Firefly Partners, LLC  
Doug Koplow, EarthTrack  
Ross Klein  
Rubino & McGeehin  
Nick Simmons, Techgnome.org  
Laura Zylstra

**Our Mission: Friends of the Earth defends the environment and champions a healthy and just world.**



Friends of the Earth is printed on 100% recycled paper with 50% post-consumer content and processed without chlorine.



Copies of this report are available to the public by request. A copy of the latest Financial Report and Registration filed by this organization may be obtained by contacting us at Friends of the Earth, 1100 15th St., NW, 11th Floor, Washington, DC 20005. Toll-free number: 877-843-8687. Or, for residents of the following states, by contacting any of the state agencies: **CALIFORNIA** - A copy of the Official Financial Statement may be obtained from the Attorney General's Registry of Charitable Trusts, Department of Justice, PO Box 903447, Sacramento, CA 94203-4470 or by calling 916-445-2021. **FLORIDA** - A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, WITHIN THE STATE, 1-800-435-7352. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL OR RECOMMENDATION BY THE STATE. Florida registration # CH960. **KANSAS** - Annual financial report is filed with Secretary of State #258-204-7. **MARYLAND** - For the cost of copies and postage: Office of the Secretary of State, State House, Annapolis, MD 21401. **MICHIGAN** - MICS 10926. **MISSISSIPPI** - The official registration and financial information of Friends of the Earth, Inc. may be obtained from the Mississippi Secretary of State's office by calling 1-888-236-6167. Registration by the Secretary of the State does not imply endorsement by the Secretary of State. **NEW JERSEY** - INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING 973-504-6215. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT. **NEW YORK** - Office of the Attorney General, Department of Law, Charities Bureau, 120 Broadway, New York, NY 10271. **NORTH CAROLINA** - FINANCIAL INFORMATION ABOUT THIS ORGANIZATION AND A COPY OF ITS LICENSE ARE AVAILABLE FROM THE STATE SOLICITATION LICENSING BRANCH AT 1-888-830-4989. THE LICENSE IS NOT AN ENDORSEMENT BY THE STATE. **PENNSYLVANIA** - The official registration and financial information of Friends of the Earth may be obtained from Pennsylvania Department of State by calling toll-free within the state 1-800-732-0999. Registration does not imply endorsement. **UTAH** - Permit #C495. **VIRGINIA** - State Division of Consumer Affairs, Department of Agriculture and Consumer Services, PO Box 1163, Richmond, VA 23218; 1-800-552-9963. **WASHINGTON** - Charities Division, Office of the Secretary of the State, State of Washington, Olympia, WA 98504-0422; 1-800-332-4483. **WEST VIRGINIA** - West Virginia residents may obtain a summary of the registration and financial documents for the Secretary of State, State Capitol, Charleston, WV 25305. Registration does not imply endorsement.