



2021 Annual Report

ADVANCING
CREATIVE
CONSERVATION

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PERC partnered with the popular TV series "Yellowstone" to explore contentious conservation issues in the west.



Above: PERC staff left to right: Shawn, Sarah, Kat, Jack, Amy, Brian, Hannah, Jonathan, Amberlee, Sharon, and Rupert. Not pictured: Catherine, Colleen, Gro, and Tate.

On the cover: Bull bison graze along an ephemeral pool in the Lamar Valley. © Jacob W. Frank / NPS

By now, most Americans know there are two Yellowstone.

There is, of course, the world's first national park, now turning 150 years old—the birthplace of public land conservation. It saw record visitation numbers in 2021.

And then there's the other Yellowstone. The made-for-television "Yellowstone"—one that features Kevin Costner and the Yellowstone Dutton Ranch, the largest private ranch in the United States set in Paradise Valley, Montana. The other Yellowstone has become, at least fictionally, a symbol of working lands ranching and private land stewardship. It saw record viewership in 2021.

Capitalizing on timely issues related to the public and private Yellowstones, PERC was excited to partner with both this past year to advance our market-based and incentive-oriented approaches to conservation.

As Yellowstone National Park continues to grapple with challenges related to increased visitation, mainly in the form of impacts to the park's natural resources and infrastructure, PERC has joined with Superintendent Cam Sholly to explore the importance of market-based entry fees. The work this year featured a short film with the superintendent entitled "Tending National Parks: What Would You Pay?"

At the same time, as a way to highlight western water rights, endangered species policies, stream access and fencing laws, and other natural resource issues uniquely experienced by those of us in the Rocky Mountain West, PERC hosted a workshop on "Yellowstone," the television series that brought together leading western resource researchers with the show's creator, Taylor Sheridan and one of its lead actors, Luke Grimes (AKA Kayce Dutton). That culminated in one of our most read issues of *PERC Reports* ever.

In a nutshell, 2021 was a year to showcase PERC's creativity in leveraging ideas and diverse partners to drive our creative brand of conservation.

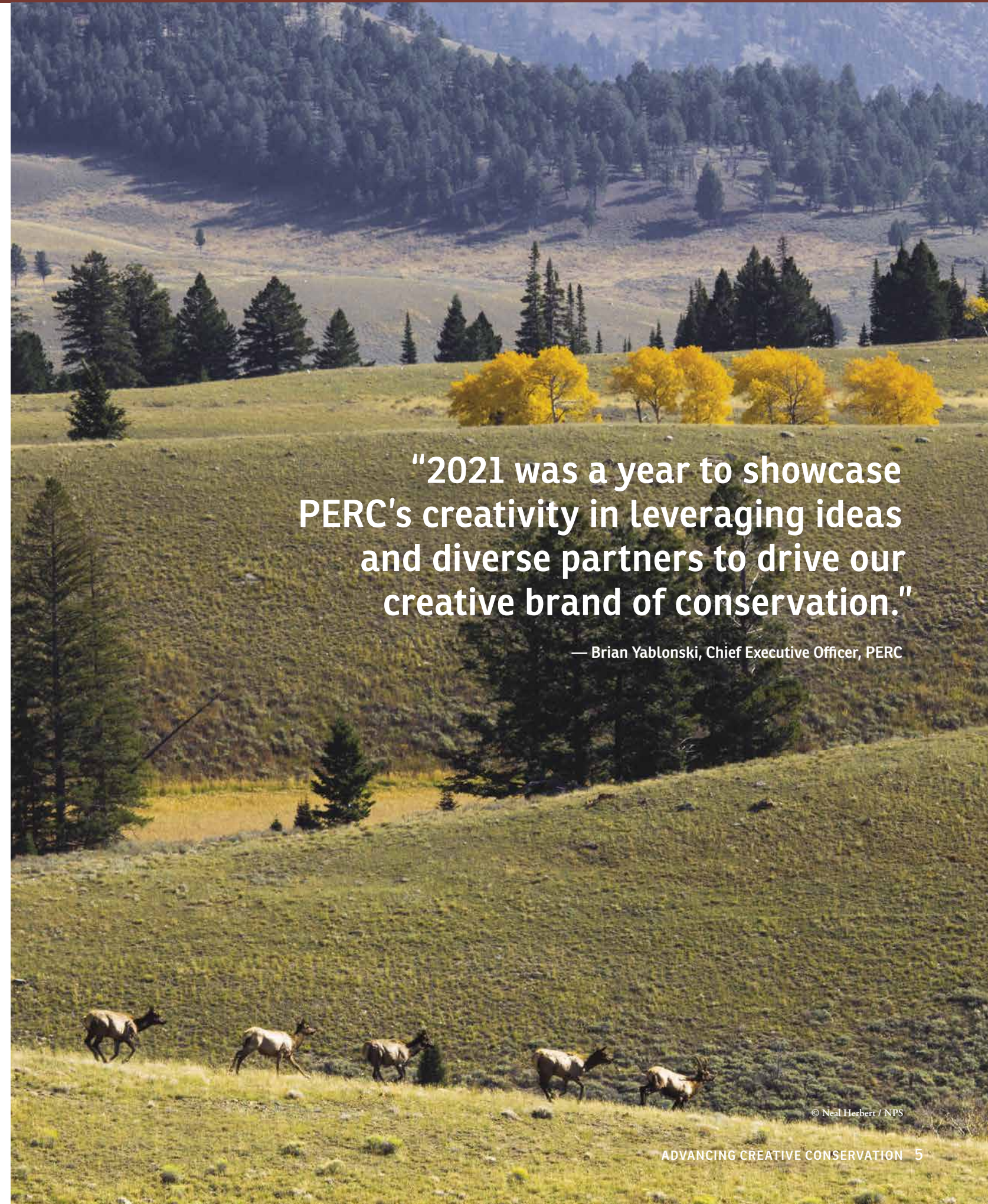
But our partnership with the two Yellowstones is just a small window into a year of ideas, influence, and impact.

For the first time in PERC's 41-year history, our research was published in *Science* magazine, the preeminent science journal in the nation. PERC researchers wrote about conservation leasing, an innovative market-based tool for public land conservation. We released a ground-breaking report on the wildfire crisis, *Fix America's Forests*, with concrete policy recommendations for better forest management. We engaged with the new administration in its America the Beautiful initiative to ensure voluntary, incentive-based conservation that respects property rights and private landowners was front and center. And, sticking with the Yellowstone theme, we worked with a real-life multi-generation Paradise Valley cattle ranching family and the Greater Yellowstone Coalition to establish Montana's first privately-funded elk occupancy agreement.

From the national stage to our own backyard and everywhere in between, PERC continues to perform above its weight with an outreached hand and a smile on our faces. In a world full of division and conflict, it is a good time to find common ground in common sense conservation.



Brian Yablonski
Chief Executive Officer



"2021 was a year to showcase PERC's creativity in leveraging ideas and diverse partners to drive our creative brand of conservation."

— Brian Yablonski, Chief Executive Officer, PERC



Southeastern Oregon’s Sycan Marsh Preserve is a privately managed forest that avoided catastrophic impact from wildfires thanks to proactive restoration efforts.

Nature provides the clues to mitigate raging wildfires

The Fremont-Winema National Forest lies 15 minutes from the town of Beatty in Southeastern Oregon. With its striking caldera, dense forests, and vibrant ecology, it’s not surprising the forest is home to more than 300 species from elk and pronghorn to bears, cougars, and badgers, as well as nearly 1,000 varieties of vascular plants.

But last summer, this thriving ecosystem faced a challenge that’s getting harder to escape in the American West: catastrophic wildfire. Sadly, it’s a threat that could have been reduced.

What started as a lightning strike sparking vegetation—something that’s happened for millennia—gave rise to a raging inferno that went on to become the Bootleg Fire, the largest in the United States during the 2021 wildfire season. The fire consumed 413,000 acres and destroyed more than 400 buildings.

Yet on the other side of the mountain range at the Sycan Marsh Preserve—a forest privately managed by the Nature Conservancy—a very different outcome occurred. Instead of a raging inferno devastating the tree canopy, the fire stayed down on the forest floor, burned at a lower intensity, and did far less damage.

So how did we get these two wildly different outcomes? And how do we get more results like what we saw at the Sycan Marsh Preserve?

Fortunately, we already have the answers, and they come from looking to the past. Prior to our current forest management approach that seeks to immediately extinguish wildfires, Native American tribes knew the power of using fire to actively manage the forests. Today, we know that by harnessing prescribed burns and selectively thinning overgrown forests, we can mimic these time-tested practices and greatly reduce fuel loads, resulting in more of the lower-intensity “good fires” we saw at the Sycan Marsh Preserve.



In PERC’s 2021 report “Fix America’s Forests: Reforms to Restore National Forests and Tackle the Wildfire Crisis,” we outline eight key reforms that will drastically improve forest management and reduce catastrophic wildlife.



In short, these reforms would:

- **Encourage cooperation over conflict: By reducing litigation, “analysis paralysis,” and other regulatory barriers, we can reduce the yearslong fights over processes and bureaucracy that result in charred forests and lost wildlife habitat.**
- **Increase the U.S. Forest Service’s ability to partner with private organizations and local governments: At the current pace of forest restoration efforts, it will take decades to improve forest health. We can drastically speed up the work by allowing the Forest Service to engage in longer private-public partnerships and through “Good Neighbor” agreements with states, tribes, and counties.**
- **Open markets and get the incentives right: To ramp up forest restoration, we can promote innovative wood markets by establishing a Forest Service restoration fund for long-term cost-sharing partnerships and opening timber markets for export.**

The good news is that we’re already making strides in the right direction as PERC-inspired ideas are infusing better management practices in federal legislation. Encouragingly, there is growing bipartisan recognition that reducing more than a century’s worth of fuel load in our forests to help reduce extreme wildfire risks is the right place to start.

In the year ahead, PERC will continue to be heavily involved in this vital area of conservation, bringing fresh ideas and perspectives to the policymaking process and ensuring we reduce the wildfire crisis that is gripping America.



PERC creates an innovative solution to protect an ancient migratory route

Elk are heroic. The challenges they go through year in and year out as part of their seasonal migrations are astounding: running from grizzlies and wolves, navigating harsh weather, dangerous roads, and fragmented development. And nowhere is their feat more impressive than the Greater Yellowstone Ecosystem, a 22 million-acre expanse where you will see them scattered around the park and gathered in the valleys.

Elk are also critical as a keystone species in the ecosystem. Whether as prey for large iconic carnivores, sustenance for eagles and coyotes, or the lynchpin for outdoor industries such as hunting and tourism, elk play a vital role in this unique wilderness.

As they ride the seasons and best conditions for forage throughout the year, elk roam from the mountains and high-alpine areas such as Yellowstone in the summer before getting away from the deep snow into the surrounding valleys and plains in the winter. It's a network of migratory highways that have been alive and beating for centuries, a bloodline moving through the ecosystem.

But their epic migration—among the longest terrestrial voyages in the lower 48—also comes with costs that could threaten the very landscapes they depend on for survival.

Real Costs

The passages span public, private, and tribal lands, designations that are meaningless to the generations of elk that pass through them each year. For an elk with an evolutionary drive to survive, they simply seek habitat that suits their needs. National parks, tribal lands, state lands, and private lands are each managed differently, with implications for the health and sustainability of the elk, the landscape, and the dozens of other species who reside there. Nowhere is this more evident than on private ranches and farmlands in the Greater Yellowstone Ecosystem, which elk call home for up to 80 percent of their time on winter range.

For ranchers and farmers, elk come with real costs. Whether it's the loss of forage that sustain ranching operations or the continual repair of fences that are damaged when hundreds of elk march through a property, these expenses can add up quickly. But in the Yellowstone region there looms another serious threat: brucellosis.

This virulent disease—a zoonotic bacteria, *Brucella*, that can pass from Yellowstone bison to elk and then onwards to cattle—can push ranchers over the edge. While infection rates are fairly low, the impact can be deadly. One infection will shut down a ranch, force the herd into quarantine, and cost the business up to three times its yearly earnings.

In an industry working on tight margins surrounded by expanding urban growth, this can turn a large landscape of ranches that provide habitat and open space into subdivisions

and ranchettes overnight, threatening the landscape and migrations it supports.

Real Solutions

While many groups and government agencies have been quick to point to the problem, PERC has responded to the challenge with bottom-up solutions that are addressing the challenges on the ground.

Building on our work over the past two years, we partnered with the Greater Yellowstone Coalition to establish the first elk occupancy agreement in Montana with a local ranching family in Paradise Valley.

This innovative agreement conserves and enhances nearly 500 acres of elk habitat in an area critical to the herd as they move from public land down into the valley. Separated from cattle by more than a mile of wildlife-friendly fencing, the area provides prime winter habitat and allows for the free movement of elk.

Supporting the effort, the landowner is conducting habitat management and enhancement activities, including noxious weed treatments to maintain and enhance range conditions.

Early results are extremely positive, with a large bull elk spotted on the parcel for the first time in a generation. By working with the landowners who provide this critical habitat, as well as conservation groups and other interested parties, PERC is taking the unique approach of bringing together all the stakeholders and crafting solutions that are quick, actionable, and getting immediate results.

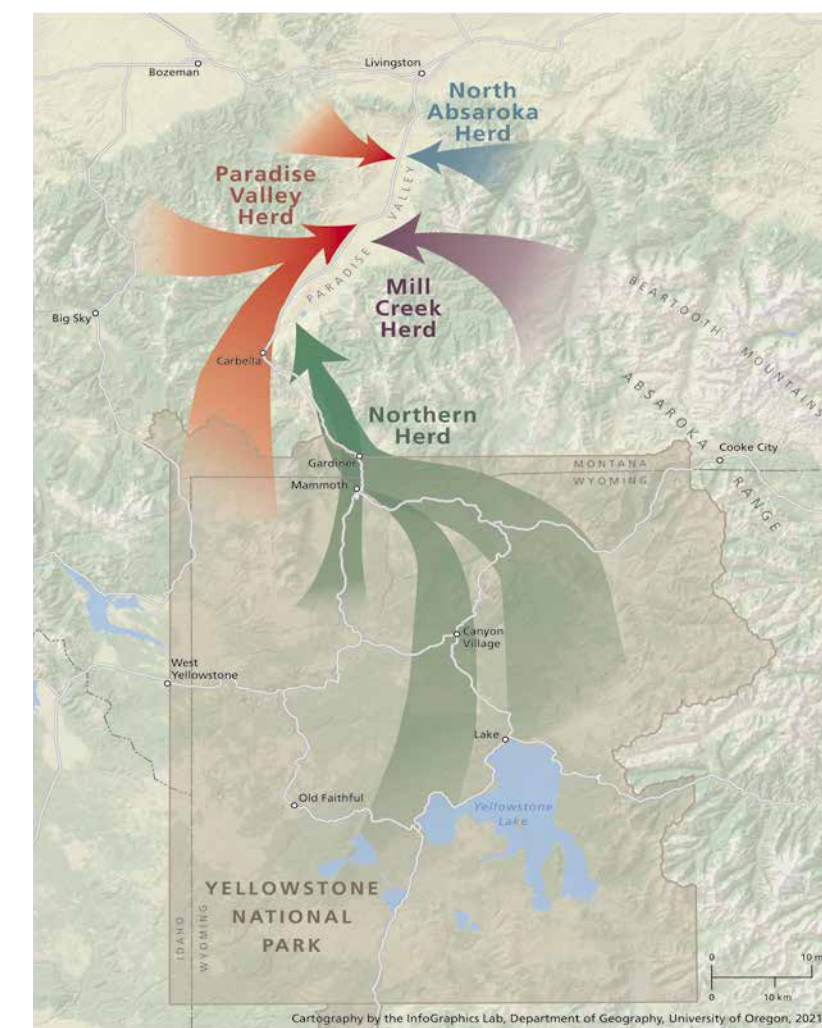
In doing so we are helping turn wildlife into an economic asset instead of a liability to ensure that rural communities and wildlife populations can thrive together for generations to come.

Up Next

This is just the beginning of our efforts in putting our ideas into action. In Paradise Valley alone—an area that is becoming a living laboratory for our research—we are actively developing expanded opportunities for additional occupancy agreements, a new private brucellosis compensation fund, and other exciting approaches for stewardship that makes sense for wildlife and people.

An elk occupancy agreement is a voluntary contract between wildlife interests and landowners to improve elk tolerance and voluntarily conserve elk habitat. In many cases, a landowner is willing to manage land for conservation but is unwilling to enter a conservation easement, which requires conservation in perpetuity. That is when an elk occupancy agreement or a shorter-term habitat lease can provide an alternative.

Elk Migrations of Paradise Valley



This map depicts the radio-collared and observational movement of elk to wintering areas in Paradise Valley and is not meant to represent all elk present in Paradise Valley.

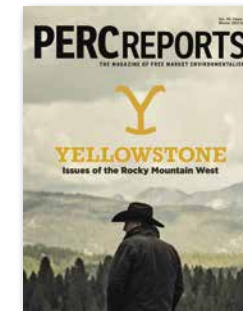


Acclaimed series has sparked a renewed interest in the American West

"Yellowstone," starring Kevin Costner, is one of the most popular shows on television. The action-packed drama takes place in Montana's Paradise Valley, not far from PERC's headquarters, and follows the travails of a prominent Montana ranching family as they confront an onslaught of challenges to their way of life.

The acclaimed series has sparked renewed interest in the American West—issues that PERC has been researching for years, including water rights, the Endangered Species Act, western fence law, stream access, indigenous rights, and, of course, property rights.

Building on the growing interest in both the show and these pressing western issues, PERC held a workshop pairing scenes from the series with the real-life policy implications they portray. Over the course of two days, researchers, practitioners, policy experts, and even some of the "Yellowstone" cast dug into the real-world issues portrayed on the show—albeit with fewer explosives and a lot more white papers than the show itself. PERC enjoyed hosting "Yellowstone" creator Taylor Sheridan as well as lead actor Luke Grimes, who joined the workshop for some of the sessions and discussions.



The result was spectacular. Culminating in the special edition of PERC Reports, the workshop caught the imagination of policymakers and the general public alike, bringing a heightened awareness to the challenges and PERC's solutions.

By harnessing the pop culture phenomenon of "Yellowstone" to advance PERC's distinct perspective on conservation, PERC continues to take a creative approach to both its research and broader public outreach.



A Note from 'Yellowstone' Star Luke Grimes December 16, 2021

When you spend time in Montana riding horses, moving cattle, and acting out the occasional gun fight, it's hard not to fall in love with Big Sky Country. After four seasons playing the role of Kayce Dutton in the show "Yellowstone," the towering landscapes and the rivers and wildlife that run through them have become part of me—it's why I've made Montana my home.

After being invited to PERC's "Yellowstone" workshop to explore the natural resource challenges faced by land managers in real life, I immediately saw that they're an organization rooted in western ways of life and understand conservation on a practical level. And I learned that "Yellowstone" had apparently provided plenty of fodder for their research on topics such as water disputes, wolf reintroduction, fencing laws, and everything in between. Their approach of bringing together conservation with property rights adds up to a distinct and thoughtful perspective to issues involving land, water, and wildlife. Even in Paradise Valley—the setting for our on-screen home, the Yellowstone Dutton Ranch—they are creatively resolving conflicts between livestock and migratory elk.

Now that I'm a Montana resident, I appreciate PERC's support for landowners and ranchers who conserve the West's natural resources and keep special places intact. As someone who grew up hunting, I also value their recognition and support of sportsmen and the stewardship they make possible.

My experience at PERC was unique and thought provoking, and it's clear they back up their work with substance over stereotypes. I hope readers enjoy the insights in this special edition and walk away, as I did, with a deeper understanding of the issues of "Yellowstone" and the Rocky Mountain West.

PERC publishes in *Science* with a bold idea: allow conservationists to lease public land

The federal government leases public lands for energy, timber, and grazing—but conservationists aren't allowed to participate. What if they could?

In much of the West, environmental groups have a reputation for suing to stop natural resource development on public lands. But some are attempting a new strategy of trying to purchase what they want to protect. The approach, sometimes called conservation leasing, could go a long way toward resolving bitter disputes over western lands through voluntary, market exchange instead of legal or political conflict.

The only problem: It's often illegal.

Technically, any U.S. citizen can bid for and hold leases for energy, grazing, or timber resources on public lands. But legal requirements usually preclude conservationists from participating in such markets. "Use it or lose it" rules typically require leaseholders to harvest, extract, or otherwise develop the resources, effectively shutting those who want to conserve resources out of the process.

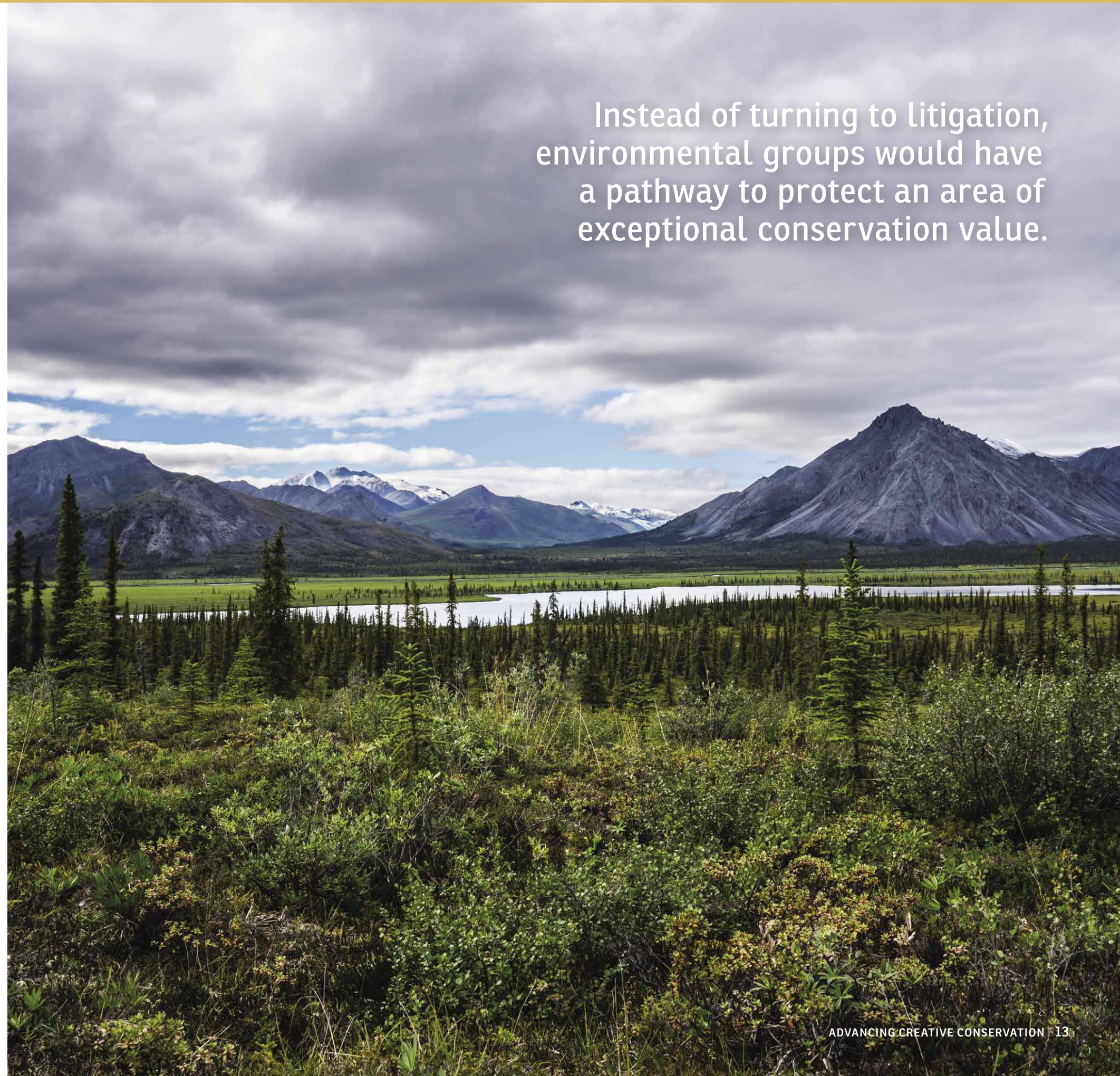
For this reason, people who want to conserve public lands often have no other option but to lobby for restrictive designations, regulate existing land practices, or file legal challenges. But shouldn't conservationists be able to spend money on the things they value, just like anyone else?



PERC is at the forefront of this discussion, demonstrating how conservation leasing can be an effective alternative to legal and political conflict. In a paper published in the prestigious journal *Science*—a first in our 41-year history—PERC researchers argued that narrowly defined “use it or lose it” rules should be reconsidered and that conservationists should be allowed to lease land to protect it, just as they can on private lands.

This foundational research has placed PERC at the cutting edge of conservation, and policymakers are already taking notice. In the year ahead, we are continuing to build on this core research, engage policymakers, and forge collaborative partnerships that replace costly and time-intensive litigation with a clear path forward for conservation and resource development alike.

Instead of turning to litigation, environmental groups would have a pathway to protect an area of exceptional conservation value.



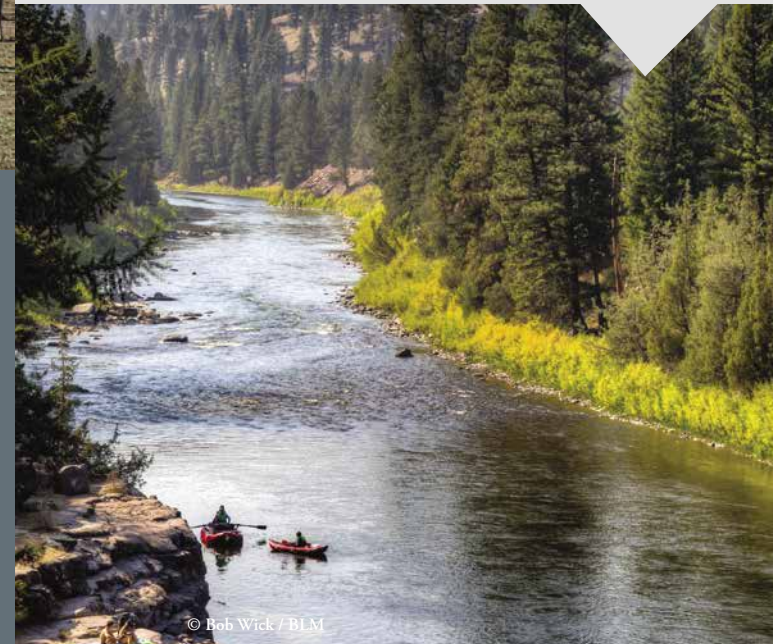
PROTECTING BIG WINS

In early 2021, the **Wild Horse and Burro Adoptions Incentive Program**—a program that PERC’s research helped inspire—came under attack by animal advocacy groups opposed to adoption efforts, despite a 200 percent increase in horse adoption since the program began in 2019. PERC fought to show support for this program through public comment, media engagements, as well as presentations to audiences nationwide. In July, the Bureau of Land Management announced plans to continue the program and build on its success.



NEW FRONTIERS

Building on our efforts in Montana, PERC has partnered with the **Frontier Institute** to provide monthly articles about conservation issues facing the state and how they can be solved using free market environmentalism.



A CONTINENT OF OPPORTUNITY

PERC co-sponsored a first-of-its-kind workshop on **Liberty and the Environment** for conservation leaders in Africa. For many of the participants, this was the first event that gave them in-depth understanding of how markets can enhance the environment. Due to the success of this program PERC is continuing to develop and engage more African conservationists in this way.

WEIGHING IN ON WILDLIFE POLICY

PERC’s **Jonathan Wood** testified before the Senate Committee on Environment and Public Works on the Recovering America’s Wildlife Act and endangered species policy. He was accompanied by respected leaders from the National Wildlife Federation, Association of Zoos and Aquariums, and the Association of Fish and Wildlife Agencies. Jonathan’s testimony focused on how successful wildlife conservation depends on respecting property rights and making species an asset rather than a liability.



ENGAGING STATE AGENCIES

PERC became an official member of the **Association of Fish and Wildlife Agencies**. AFWA represents North America’s wildlife agencies to advance sound, science-based management and conservation in the public interest. As a member, PERC has the ability to more effectively propose solutions to issues facing North American conservation efforts.



SHARING GLOBAL SOLUTIONS

Catherine Semcer testified before the U.S. House Committee on Natural Resources Subcommittee on Water, Oceans, and Wildlife hearing on “Wildlife Trafficking and the Growing Online Marketplace.” Catherine’s testimony focused on ways to reduce illegal wildlife trade, increase economic opportunity for people living in African and Asian conservation areas, and invest in public-private partnerships. The research contributed to an about-turn by German policymakers who were considering enacting importation bans that failed to meet their purpose.



ADVANCING MARKETS, NOT MANDATES

PERC brought together **Margaret Everson** (former acting director of the National Park Service and U.S. Fish and Wildlife Service), **Todd Myers** (director of the Center for the Environment at the Washington Policy Center), and our CEO **Brian Yablonski** at the State Policy Network’s annual meeting to discuss how markets and property rights, not mandates, are needed to tackle today’s biggest conservation challenges, including forest restoration, the “30x30 initiative,” and wildlife management.



FRIEND OF THE PARK

In Yellowstone National Park’s **State of the Park Annual Report**, PERC was recognized as a key partner for our work addressing deferred maintenance, enhancing transboundary wildlife management, and analyzing the park’s fee structure.

ROOTED IN RESEARCH



2021 visiting fellows expand PERC's impact

Conducting quality research is at the core of PERC's mission. Through our fellowships, PERC invites scholars to spend time at our headquarters in Bozeman, Montana, working on a research project addressing a pressing environmental problem.

These fellows have the opportunity to work with other experts, receive feedback on their work, and create a project that advances our knowledge of how property rights and markets can enhance environmental quality.

In 2021, PERC continued our long tradition of hosting in-residence fellowships. Fellows came from a variety of academic institutions and each brought a unique perspective and innovative ideas to enhance conservation policy and practice.

In addition to shaping research and policy, PERC's fellowship programs are key components to growing a pipeline of influential scholars and practitioners that will have long-lasting impacts on voluntary and market-based conservation approaches.

Graduate Fellows



Andrew Earle
Michigan State University
Examining the Determinants of Visitation to the National Park System



Samantha Maher
University of California, Berkeley
Improving Our Understanding of the Ecological Functions and Ecosystem Services Associated with Multi-Species Ungulate Migrations in the Greater Yellowstone Ecosystem



Julius Bright Ross
University of Oxford
The Assessment of the Impacts on Lion Populations of Programs That Compensate Communities for the Presence of Lions



Arthur R. Wardle
University of California, Berkeley
The Economic Value of a Rare and Endemic Bird Species

Arthur is the recipient of the 2022 "William S. Broadbent Family Graduate Fellow Award," made possible by the generosity of the William S. Broadbent Family Endowment, which recognizes excellence within PERC's Graduate Fellowship Program.

Arthur's research paper, "Estimating the recreation value of the Cassia Crossbill in Idaho," studies how a 2017 decision to recognize two distinct species of birds previously classified as one affected the recreational value of their habitat within the Sawtooth National Forest. Arthur's paper is currently being submitted to academic journals. An avid birder, he continues to work with PERC by participating in workshops and co-authoring articles for an upcoming report on the future of water markets.

Julian Simon Fellows



Chris Costello
University of California, Santa Barbara
A Global Market for Marine Conservation



Urs Kreuter
Texas A&M University
The Effectiveness of Private Conservation Areas in Southern Africa's Great Limpopo Park Trans-frontier Park (GLTP)



Temple Stoellinger
University of Wyoming
Maximizing Species Conservation Efficiently



Margaret Walls
Resources for the Future
The Economics of the National Park System



Christian Dippel
Western University's Ivey Business School
The Unintended Ecological Consequences of the Northwest Forest Plan



Daniel Willard
Environmental Defense Fund
Impact of Marine Fisheries Reform on China's Post-Harvest Sector

Lone Mountain Fellows



Eric Edwards
North Carolina State University
A Statistical Analysis of Forest Service NEPA Decisions



Caroline Cecot
George Mason University
Agency Analysis of Environmental Policy



Justin Gallagher
Montana State University
Financial Access and Recovery from Natural Disasters



Teevrat Garg
University of California, San Diego
Agricultural Productivity and Deforestation



Alexey Kalinin
Harvard University
Fiscal Impacts of Private Land Conservation



Kailin Kroetz
Arizona State University
Landscape-Scale Migratory Species Corridor Planning Models to Support Voluntary Conservation Program Design

"The PERC summer fellowship was the most productive research environment I've ever been a part of. The seminar format is more conducive to feedback than typical seminars, and the participants in the room are all sharp and invested in improving the papers. I found the research discussions to be genuinely interdisciplinary, with economists trying hard to get the ecology right, lawyers trying hard to get the economics right, etc. I'd be back next summer if I could."

— Arthur Wardle



Zach Raff
University of Wisconsin-Stout
Water Quality Trading



Jennifer Raynor
Wesleyan University
The Benefits and Costs of Wolves to Private Landowners



Sara Sutherland
Duke University
A Statistical Analysis of Forest Service NEPA Decisions



PERC LONE MOUNTAIN SOCIETY

We invite you to become a partner who empowers PERC to advance our mission to improve our lands, waters, and wildlife by joining the Lone Mountain Society with a gift of \$1,000 or more.

The Lone Mountain Society was named for the foundation on which PERC's success was built. Upon this, we have revitalized the health of marine fisheries and strengthened conservation of our lands, and we continue to protect wildlife across the country. Members share our vision of conservation successes built on collaboration and free exchange and also provide the investment from which we will advance these ideas to new heights.

As a member of the Lone Mountain Society, you will join conservationists and outdoor enthusiasts across the country who are dedicated to developing practical solutions to conservation challenges.

Join the Lone Mountain Society today.

TRAILHEAD	\$1,000 – \$4,999
EXPLORER	\$5,000 – \$9,999
ALPINE	\$10,000 – \$24,999
SUMMIT CIRCLE	\$25,000+

To learn more, please visit perc.org/lms

PERC advances voluntary, locally led, incentive-based stewardship that honors property rights

Few issues stir up quite as much emotion as the environment, so it's no surprise that the Biden administration's "America the Beautiful" initiative has been met with equal levels of applause and derision.

The signature initiative has a simple goal: conserving 30 percent of America's lands and waters by 2030. Yet with 60 percent of the United States under private ownership, the initiative could have far-reaching consequences for the nation's private landowners. But one thing is certain: more regulation is not the best path forward.

Jumping into action, PERC had the opportunity to engage directly with policymakers in the new administration, members of Congress, journalists, stakeholder groups, and others on issues related to the initiative, sharing our expertise and helping to promote win-win solutions. With so much at stake, it was critical that PERC had a seat at the table.

Building on relationships we've built over the past few years, PERC testified before a U.S. House Natural Resources Committee forum, participated in high-level panel discussions, published multiple op-eds, appeared in dozens of articles, and met with decision-makers and staffers to highlight the important role that private landowners play in conservation today.

Fortunately, PERC's engagement is helping to move the administration's conservation goals in a direction that protects and respects private property rights and recognizes the vital role of working landowners.

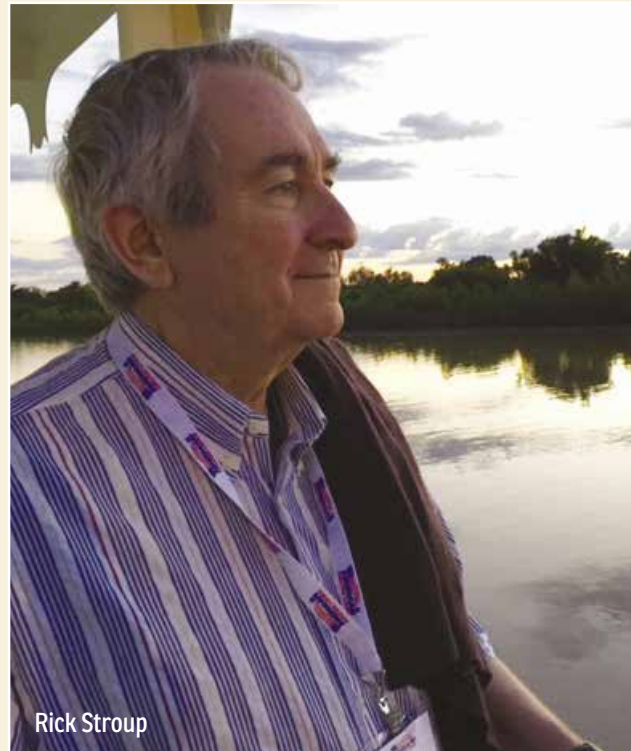
In the first "America the Beautiful" report released in the spring of 2021, a guiding principle articulated was: "Honor private property rights and support voluntary stewardship efforts of private landowners and fishers."

In the year ahead, we will continue to be a key voice at the table, shaping lofty goals into sensible conservation outcomes.

Private landowners provide critical habitat for healthy ecosystems.



Remembering Iconic PERC Legends



Rick Stroup

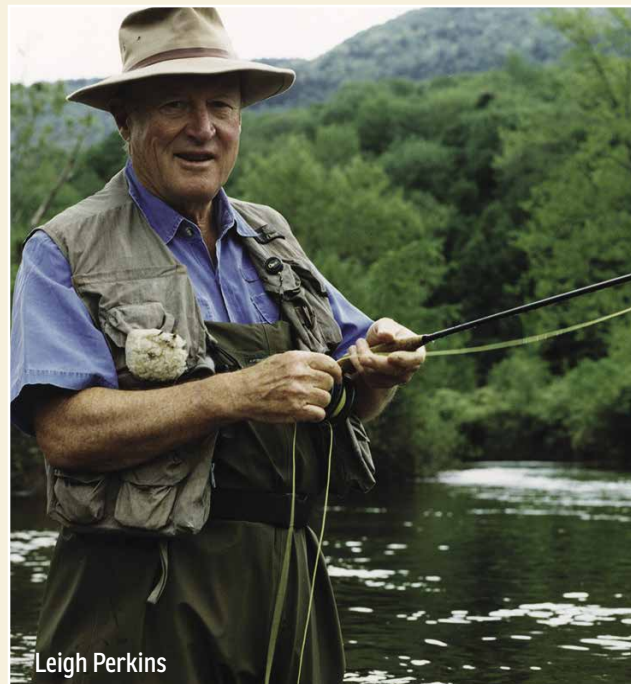
We were saddened to lose three members of the PERC family in the past year.

As one of PERC's founders, **Richard "Rick" Stroup** developed key pieces of our intellectual underpinnings, writing countless papers and articles that build what is now known as free market environmentalism.

Leigh Perkins, our longest-serving board member and a proud PERC financial supporter, was the driving force behind the outdoor company Orvis. Leigh led efforts to elevate PERC's research into real-world conservation practice and policy.

William "Bill" Broadbent was an active member of PERC's board of directors and steadfast supporter of our work, establishing an endowment that continues to support our graduate research efforts to this day.

We are humbled by the passion and dedication each brought to PERC and seek to honor their legacy by ensuring PERC's work makes an impact in conservation that will last for generations to come.



Leigh Perkins



Brian Yablonski (left) and Bill Broadbent

Advance Creative Conservation with a monthly gift to PERC

PERC has already seen huge success with key wins on Endangered Species Act reforms, public land management, wild horse adoptions, and conservation of migration pathways—but together we can do so much more.

By becoming a monthly supporter, you are helping us develop positive environmental outcomes that don't come at the expense of economic growth. With a hassle-free monthly gift of \$10, \$20, or even \$50, you join passionate conservationists from across the country who equip PERC to write the next chapter of free market environmentalism!

To become a monthly member, please visit perc.org/monthly



© Bob Wick / BLM

PERC's new short film wins prestigious film festival award

PERC's short film *Elk in Paradise: Rancher, Ecologist, Hunter* won the Atlas Network's "Lights, Camera, Liberty" Film Festival Award in December 2021. This international competition highlights successful videos that promote innovative solutions to public policy challenges based on the principles of collaboration, trade, and entrepreneurship.

The widely popular film was also screened at the Bozeman International Film Festival and the Wildlife Conservation Film Festival in New York City.

Based on original PERC research, *Elk in Paradise* tells the story of how private lands hold the key to conserving elk migration corridors in the Greater Yellowstone Ecosystem. As one of the last wild areas of its kind, the region provides habitat for a diverse set of species. Migrating species, such as elk, also impose significant costs on the private landowners on which their survival depends.

As the film highlights, these costs are threatening the livelihoods of private landowners, and new solutions are needed to keep these large landscapes intact. *Elk in Paradise* presents different sides of the issue and discusses the potential of a partnership between private landowners, sportsmen, and conservation groups.


The award-winning film premiered at Bozeman's Museum of the Rockies in July with more than 200 guests in attendance. The film premiere also featured a panel discussion led by journalist Todd Wilkinson with participants including Randy Newberg, host of the *Fresh Tracks* hunting TV show, prominent elk ecologist Arthur Middleton, and local Paradise Valley rancher Druska Kinkie.

Building on the success of *Elk in Paradise*, we also launched *What Would You Pay?*, a short film exploring the need for effective funding mechanisms for our national parks. Featuring Yellowstone National Park superintendent Cam Sholly, the video provides solutions for the growing challenge of funding public lands that face failing infrastructure and exploding visitation.



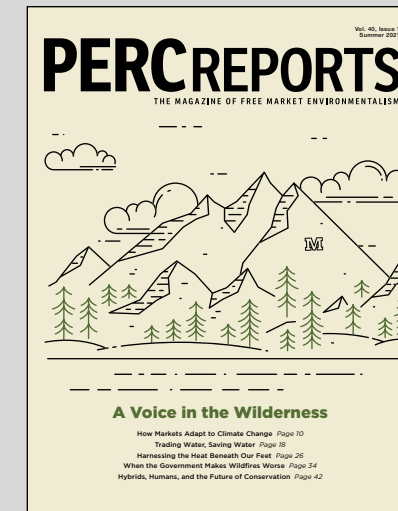
PERC supporter and past board member Gerry Ohrstrom accepts the award with PERC team members Rupert Munro (center) and Hannah Downey (right) at the "Lights, Camera, Liberty" film festival. Photo used with permission © Atlas Network.



 Together, these videos are part of PERC's *Markets for Conservation* series, which have already been viewed more than 260,000 times.

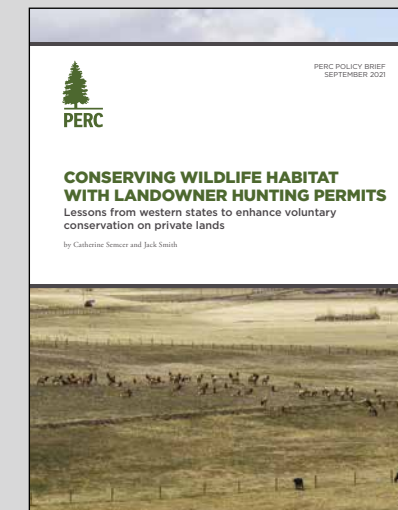
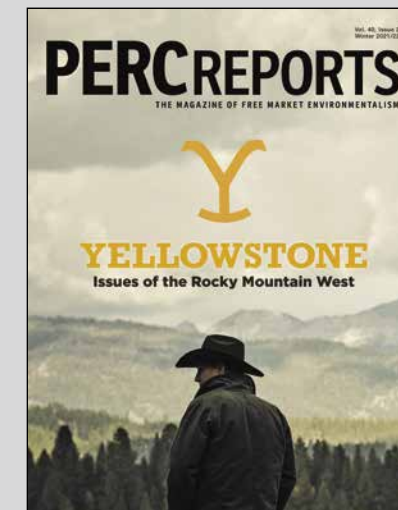


PERC's major publications in 2021



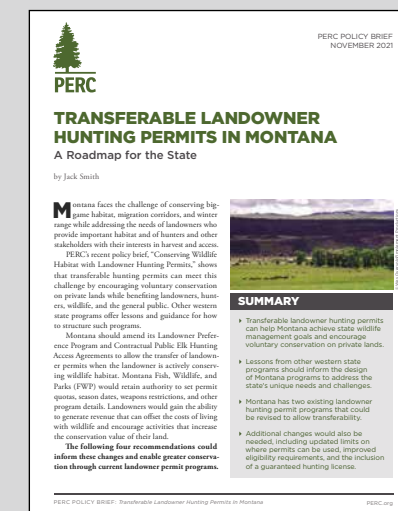
"The PERC team takes environmental issues and turns them into a tool for lawmakers, communicators, and advocates across the United States. *PERC Reports* has become key to advancing the goals of the Congressional Western Caucus, and we use the research and real-world analysis to not only inform policy decisions but to help paint a picture about why these policy changes are so important."

— Elizabeth Daniels, Communications Director, Congressional Western Caucus



PERC's publications continue to disseminate ideas to our key audiences of policymakers, journalists, and practitioners, as well as the general public. In 2021, our major publications explored reforms to restore national forests to reduce extreme wildfire risks, how to give conservationists a seat at the natural resources table to reduce litigation, and hunting incentive programs that address the needs of landowners while enhancing wildlife conservation.

We continue to pioneer exciting new research that is driving free market environmentalism to new heights, advancing our ideas into action, and providing a unique approach to natural resource management.





Jack Wlezien
Vice President of Marketing and Communications, PERC

How did your career path lead you to join PERC in December 2021?

I've always been involved with wildlife conservation in one form or another. Prior to joining PERC, I was Head of Communications at Bass Pro Shops and Cabela's at their headquarters in Springfield, Missouri, where I helped simplify and amplify their conservation commitment. Earlier in my career, I supported dozens of conservation organizations, museums, zoos, and aquariums at a marketing and communications agency based in Chicago.

What are your goals for PERC?

PERC has an amazing story to tell. Until now, markets and incentives have largely been a missing tool in the conservation toolbox. As pressures on our land, water, and wildlife intensify, these ideas can make a critical difference—but only if key stakeholders understand and embrace them. I'm excited to partner with incredibly talented team members, fellows, and board members to elevate the conversation.

How does PERC's approach differentiate from other conservation organizations?

At a time when our country is terribly polarized, I respect PERC's thoughtful, outcome-oriented approach. As an organization, we believe in the power of bringing together groups that don't always see eye to eye in order to produce positive outcomes for people and the environment. We need this more than ever.

What's one aspect of PERC you want others to better understand?

Everyone involved with PERC is driven by a remarkable shared passion for conservation. It's been the primary motivation behind all the innovative ideas PERC has produced over the past 40 years, and it continues to fuel our creativity for the future. Ensuring future generations can enjoy land, water, and wildlife is a very inspiring call to action.



Sara Sutherland
Sanford School of Public Policy, Duke University; PERC Lone Mountain Fellow

What does your research focus on?

My research focuses on how the distribution of the benefits and costs of efforts to protect the environment affect the politics of adoption. I have done work on commercial fisheries in Alaska to examine how the adoption of individual fishing quotas affects rural communities. I also study public land management from a similar perspective: I have a current project that examines the political economy of national park funding and another that examines the causes of delay in Forest Service wildfire mitigation.

What drives your passion for environmental research?

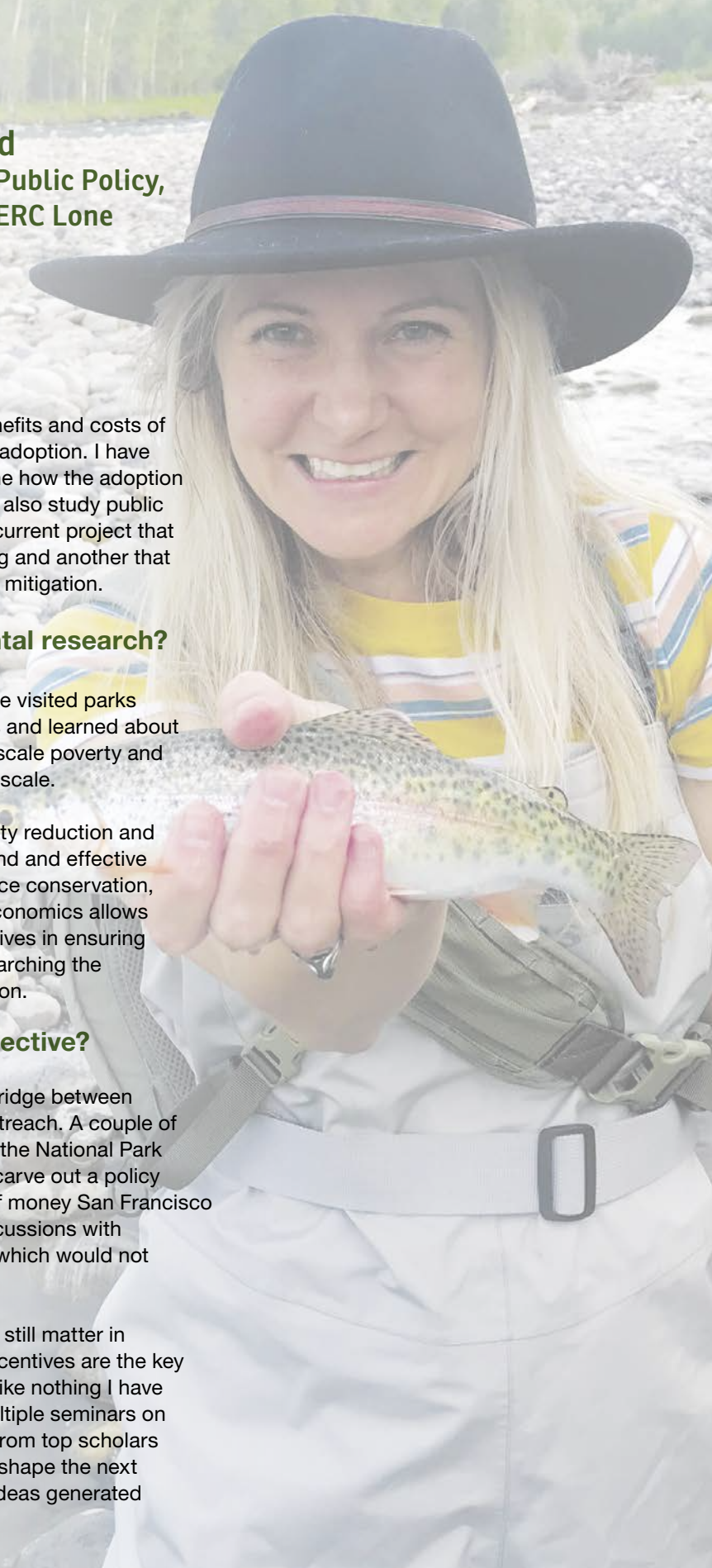
In college, I took a study abroad trip to Madagascar. We visited parks and forest preserves in search of lemurs and rare birds and learned about community centered conservation. We also saw wide-scale poverty and deforestation, leading to biodiversity loss at a massive scale.

It seemed clear that the way I had thought about poverty reduction and environmental protection were not the full picture. Sound and effective policy needed to align individual incentives with resource conservation, but there was a disconnect. Studying environmental economics allows me to work directly on understanding the role of incentives in ensuring conservation. As an avid hiker and fly-fisher I love researching the management of the resources I enjoy using for recreation.

How has PERC helped inform your perspective?

More than anything, PERC has allowed me to build a bridge between academic research and policy-relevant outputs and outreach. A couple of summers ago I was working on an academic paper on the National Park Service and discussions with folks at PERC led me to carve out a policy piece about Hetch Hetchy and the miniscule amount of money San Francisco pays for its use as a water supply. The piece led to discussions with important officials, like national park superintendents, which would not have happened without PERC.

PERC has also reinforced to me how much good ideas still matter in convincing policymakers and the general public that incentives are the key to good resource stewardship. Summers at PERC are like nothing I have experienced anywhere else in academia. Attending multiple seminars on topics relevant to the preservation of the environment from top scholars is inspiring and working with the PERC grad fellows to shape the next generation of research is very rewarding because the ideas generated here actually do good in the world.





A World of Endless Opportunities for Future Generations

A legacy gift is a tremendous gesture of hope—a belief in a better future beyond our own lives. This hope is no idle wishing: it's grounded in the concrete steps we take. We hope that the world we leave our descendants will be better because of the actions we take now.

As you think about the future, please consider remembering PERC in your will or estate plans, helping ensure that PERC remains strong in its mission and that future generations embrace creative conservation as they care for the natural world.

Those who choose to make a planned gift to PERC become members of the PERC Legacy Society and join with others who are making a lasting commitment to free market environmentalism. This helps ensure that PERC continues to shape environmental policy for generations to come.

PERC Legacy Society members receive acknowledgement in PERC's printed materials, regular updates, visits from the PERC leadership team, and invitations to special events.

Drafting our legacies is an important decision, and we are here to help. If you would like to discuss this opportunity further, please contact our Chief Operating Officer, Rupert Munro, at rupert@perc.org or call (406) 587-9591.





Highway 89 in Montana might just be the most spectacular drive in the country.

As you meander through Paradise Valley, the northern range of the Rockies juts upward to the sky like skyscrapers reaching to the clouds. The glorious Yellowstone River follows by your side, a shimmering ribbon in the sun. And at its southern conclusion you reach Yellowstone National Park and the imposing Roosevelt Arch.

Squint your eyes just a little and you can even imagine mammoths and mastodons roaming the prehistoric landscape millennia before you. And while this trail includes some of my favorite activities—from hiking Pine Creek to fly fishing and wildlife watching—as well as hosting ranches critical to the ecosystem and the western way of life, it offers a glimpse of something much bigger.

Because Paradise Valley is a microcosm of everything we do at PERC.

The rising peaks of the Absaroka Range shepherd elk from Yellowstone to their winter range, showcasing innovative efforts including occupancy agreements and our forthcoming brucellosis compensation fund that break down barriers between landowners and wildlife. The forests pinpoint the need for better management to reduce wildfire and also the opportunities to engage outdoor recreationists. Even the river, with its world-class fishing, links to our work on in-stream flows and sustainable resource management.

And at the base of the valley, Yellowstone National Park, the jewel in the National Parks Service crown, offers ecological majesty despite ongoing funding challenges and growing infrastructure needs to accommodate growing visitation.

Throughout this landscape, PERC's impact, made possible only by generous support, is clearly visible. It's a crucial balance: public land and private; landowner and wildlife and visitor. The need for collaboration could not be clearer. But just like the changing seasons, the balance of the valley is always in a state of movement, and PERC's creative voice is needed now more than ever. With a clear focus and proven strategy, we are ready to adapt to the challenges ahead and set a course that supports both wildlife and communities.

We're grateful for everything you make possible, and I'm excited for what we will continue to achieve together. I hope you can come and experience the challenges and our solutions for yourself—we'd love to go and explore with you. Most importantly, just like Bozeman, PERC is getting attention from coast to coast. Our impact has never been greater, and our reach continues to grow.

It's a very exciting time to be at PERC.



Rupert Munro
Chief Operating Officer

REVENUES	2019	2020	2021
Foundation	2,454,053	2,709,931	2,664,968
Individual	366,681	417,864	529,986
Other	70,955	41,022	35,331
Revenues	2,891,689	3,168,817	3,230,285
Prior Restricted Program Funds	787,901	864,459	1,145,009
Total Revenues	3,679,590	4,033,276	4,375,294

EXPENSES	2019	2020	2021
Program	1,716,036	1,502,078	1,862,929
General/Admin	662,235	794,378	627,684
Fundraising	328,983	192,836	322,967
Expenses	2,587,644	2,489,292	2,813,580
Future Restricted Program Funds	808,415	852,699	1,183,782
Total Expenses	3,515,669	3,341,991	3,995,732

ASSETS	As of December 31, 2021
Current Assets	
Cash and Cash Equivalents	\$ 3,711,002
Pledges	225,000
Endowment Fund	116,903
Prepaid Expenses and Undeposited Funds	207,924
Total Current Assets	4,260,829
Property & Equipment	
Net of Accumulated Depreciation	1,344,288
Other Assets	
Endowment Assets	116,903
Total Assets	\$ 5,605,117

LIABILITIES AND NET ASSETS	As of December 31, 2021
Current Liabilities	
Accounts Payable	\$ 32,848
Accrued Liabilities	94,843
Total Current Liabilities	127,691
Net Assets	
Without Donor Restrictions	
Undesignated	4,649,876
Board Designated	33,109
Total Net Assets without Donor Restrictions	4,682,985
With Donor Restrictions	
Purpose Restricted	677,540
Endowment	116,903
Total Net Assets with Donor Restrictions	794,443
Total Net Assets	5,477,428
Total Liabilities and Net Assets	\$ 5,605,119



To maintain our independence and in line with our principles, we accepted no government funding.

PERC's 990 and audited financials are available upon request. PERC does not solicit or accept government funding. Presented revenues and expenses are based on cash accounting methods.

Staff

Brian Yablonski
Chief Executive Officer

Rupert Munro
Chief Operating Officer

Shawn Regan
Vice President of Research

Jonathan Wood
Vice President of Law
& Policy

Jack Wlezien
Vice President of Marketing
& Communications

Sarah Lutiger
Director of Operations

Hannah Downey
Policy Director

Gro Lunde
Finance Director

Kat Dwyer
Marketing & Media Manager

Tate Watkins
Managing Editor,
Research Fellow

Catherine Semcer
Research Fellow

Colleen Lane
Senior Program Coordinator

Amberlee Burrows
Development Associate

Amy Kimmel
Administrative Associate

Sharon Williams
Administrative Associate

Board of Directors

Loren D. Bough, Chair
Private Investor

Reg Brown
Kirkland & Ellis LLP

Henry N. Butler, Secretary
George Mason University,
Antonin Scalia Law School

Robert Clement
Accenture (retired)

Chris Corr
Rayonier

Kimberly Dennis
Searle Freedom Trust

James Huffman
Lewis & Clark Law School
(emeritus)

Kristina Kendall, Treasurer
Kristi Kendall and Co.

Kameron Onley
The Nature Conservancy

Adam Putnam
Ducks Unlimited Inc.

Gary Rieschel, Vice Chair
Qiming Venture Partners

K.C. Walsh
Simms Fishing Products

Chris Wright
Liberty Oilfield Services

Brad M. Levine
Tellus LLC

Christopher Costello
University of California,
Santa Barbara

Senior Fellows

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Spencer Banzhaf
Daniel K. Benjamin
Christopher Costello
P.J. Hill
Gary D. Libecap
Bobby E. McCormick
Roger E. Meiners
Andrew P. Morriss
Sheila M. Olmstead
Dominic P. Parker
Randy R. Rucker
Randy T. Simmons
Thomas Stratmann
Walter N. Thurman
Matthew A. Tuner
Bart J. Wilson

Senior Fellows Emeritus

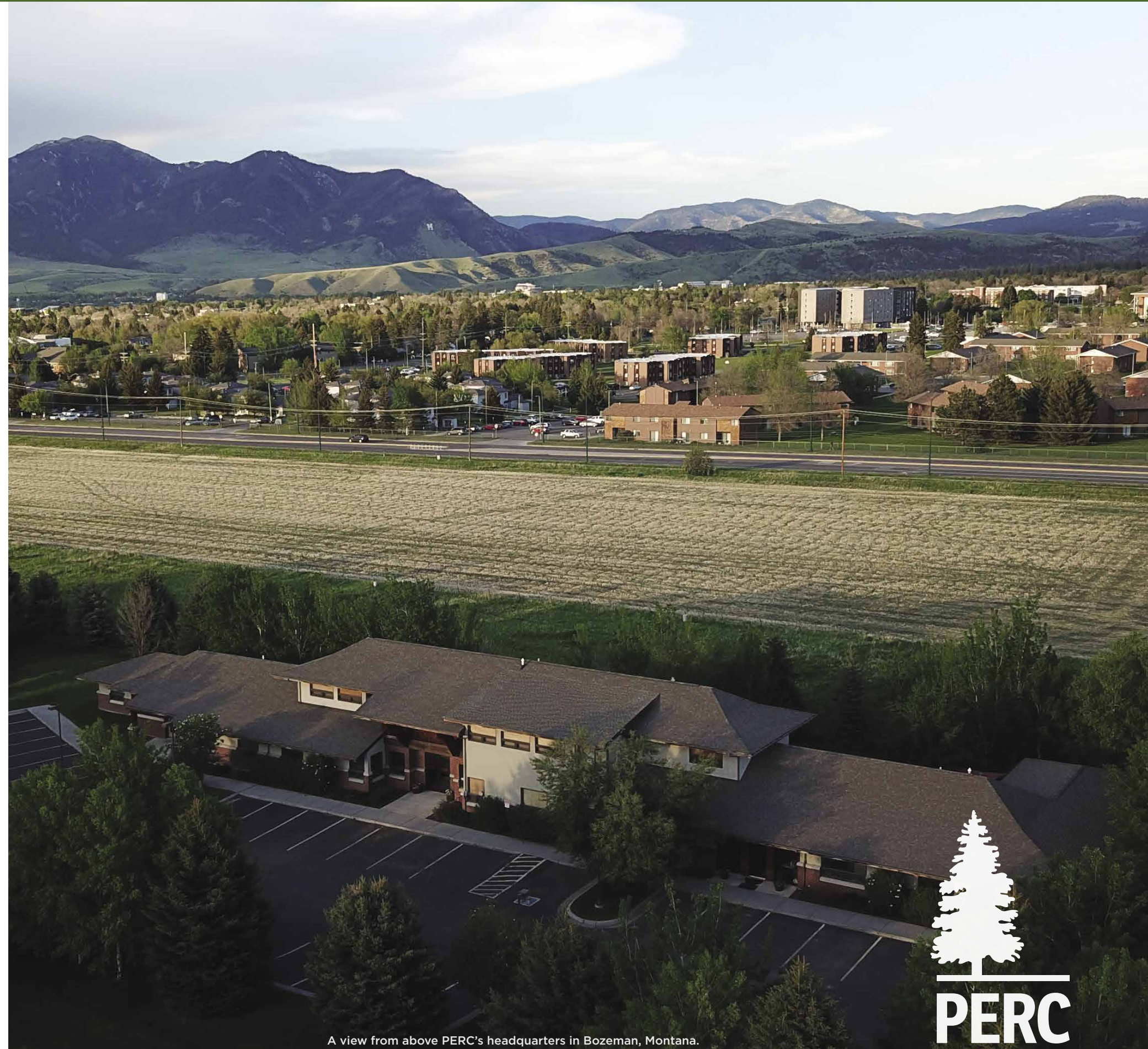
David Haddock
Donald Leal
Jane Shaw
Bruce Yandle

Senior Research Fellows

Bryan Leonard
Kurt Schnier

Research Fellows

Ben Foster
Holly Fretwell
Laura Huggins
Michael 't Sas-Rolfes



A view from above PERC's headquarters in Bozeman, Montana.





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