

# United States Senate

WASHINGTON, DC 20510

November 2, 2023

United States Securities and Exchange Commission 100 F Street, NE  
Washington, D.C. 20549

Dear Commissioners,

We write to express our concerns relating to Natural Asset Companies (or “NACs”) and request clarification on the proposed rule: “Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend the NYSE Listed Company Manual to Adopt Listing Standards for Natural Asset Companies.”

The creation of an entirely new corporate taxonomy based on protecting public natural resources by placing them under the direction of NACs raises significant questions about asset valuation, investment risk, and corporate accountability. We believe that a comprehensive evaluation of the unique listing requirements relating to NACs is critical to safeguard the interests of potential investors and that the Commission has not sufficiently demonstrated that it has the capabilities to oversee appropriate disclosures around land and water stewardship.

The proposed rule would allow for federal lands, including national parks and other publicly owned lands, to be included in private investment portfolios. The proposed rule also allows for NACs to have management authority over assets held in the portfolio, including our public lands. In the proposed rule, the SEC is creating a new incentive for non-government corporate control over our publicly shared lands.

We are concerned that corporate involvement in the stewardship and control of our federal lands would create unintended consequences. The proposed rule could lead to a preservationist-only approach to federal land management instead of an “all-of-the-above” working lands approach as intended by the creation of our federal land programs.

We are also alarmed by the SEC’s allowance under the proposed rule of foreign investment in these uniquely U.S. assets. At a time in which we are actively working to deter our adversaries, we should not be open our federal lands up to investment from the same adversaries.

This rule-making comes as other federal agencies work to bolster permanent federal conservation acres. The U.S. Fish and Wildlife Service (FWS) is creating conservation areas surrounding existing National Wildlife Refuges. These areas can be used to create NACs. The Intrinsic Exchange Group Inc. (IEG) calls these “Conservation Areas” and describes them to include protected lands, private lands with easements, and sustainable communities. The Bureau of Land Management (BLM) also issued a proposed rule that prioritizes conservation of the federal lands

over the multiple uses authorized by Congress under the Federal Land Policy and Management Act (FLPMA). We have concerns about the intentions of prioritizing conservation over the multiple-use approach on our federal lands in tandem with financial incentives for corporate management.

Therefore, we request that the SEC thoroughly assess the proposed unique listing requirements for NACs and provide members of Congress and the public with a detailed evaluation of the potential risks and benefits associated with such investments, as well as how the Commission's disclosure requirements for NACs will appropriately account for the unique nature of land management and stewardship.


Meanwhile, due to our concerns regarding the proposed listing requirements and their potential implications, we request that you answer the following questions by no later than November 30, 2023:

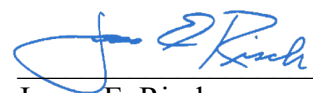
1. Regarding the New York Stock Exchange (NYSE) approval request from the SEC for "unique listing requirements tailored to NACs and incorporating IEG's accounting methodology," what are the "unique listing requirements" the NYSE is seeking, and how are these different from traditional listings?
2. The proposed rule indicates SEC will use the United Nations System of Environmental and Economic Accounting—Ecosystem Accounting Framework (SEEA EA)—in its financial disclosure reports. Does the SEC find the SEEA EA framework to be consistent with U.S. Generally Accepted Accounting Principles (GAAP) and U.S. law?
3. The rule shares examples of revenue-generating operations, including eco-tourism, production of regenerative food crops, and carbon credits. If NACs are deemed eligible for federal conservation dollars, such as under the United States Department of Agriculture (USDA) Conservation Reserve Program, will these federal funds be counted as revenue?
4. The proposed rule requires the submission of an Ecological Performance Report (EPR). Will these EPRs be reported to Congress or otherwise be made publicly accessible?
5. What specific oversight activities will the SEC maintain over NAC implementation?
6. Under what statute is the SEC specifically authorized to confer "management authority" over federally owned lands and natural resources to private investment companies?

Your prompt attention to this matter is greatly appreciated. Please do not hesitate to contact us should you have any questions.

Sincerely,

  
Pete Ricketts  
United States Senator

  
Mike Crapo  
United States Senator

  
James E. Risch  
United States Senator