



## DUCHEсне COUNTY COMMISSION

*Irene Hansen: Chairperson, Greg Miles: Member, Tracy Killian: Member*

P.O. Box 270  
Duchesne, Utah 84021-0270  
Phone (435) 738-1100

December 18, 2023

*Submitted electronically via: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)*

Vanessa Countryman, Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549-1090

Subject: 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 (SEC No. SR-NYSE-2023-09)

Dear Secretary Countryman:

On October 4, 2023, the Securities and Exchange Commission (SEC) issued a proposed rule to approve the creation of a new investment vehicle, the “Natural Asset Company (NAC).” (88 Fed. Reg. 68811 (Oct. 4, 2023)). This new vehicle was created by the Intrinsic Exchange Group (IEG) in partnership with the New York Stock Exchange (NYSE). The IEG was founded by the Rockefeller Foundation with supporting partners including international environmental organizations such as the World Wildlife Fund.

The purpose for this new investment product is to provide a vehicle for domestic and foreign investors and governments to profit from the protection of our nation’s natural resources under the guise of combating the so-called “climate crisis.” These same proponents have been calling for the permanent protection of at least 30 percent of the world’s lands and oceans by 2030 - the “30x30” agenda. These same actors are also pushing “net zero” and decarbonization policies that are threatening jobs, energy supplies and quality of life around the world. Their objective is not the conservation of the land. They seek total political and financial control of the world’s natural resources particularly those of the United States.

Duchesne County, Utah (County) has reviewed the Federal Register notice containing the Proposed Rule, and the County has several concerns regarding this Proposed Rule and its stated purpose.

Overall, the County encourages the responsible and appropriate development/use of natural resources to promote economic development for the benefit of its citizenry and to support the State of Utah’s energy plan and the energy policies within the Duchesne County Resource Management Plan. Further, the State of Utah has adopted an “any-of-the-above” energy approach, meaning the State supports all forms of responsible energy production, both conventional and renewable. To date, this any-of-the-above energy policy has served Utahns well, and the County supports all reasonable forms of energy development and generation available within its borders and within the borders of the State of Utah.

In support of the energy policies above, responsible and non-burdensome regulation is necessary to ensure the continued success of the County’s natural resources industries/activities - particularly those that rely on federal land managed by the U.S. Department of the Interior’s Bureau of Land Management (“BLM”) and the U.S. Department of Agriculture’s Forest Service (“USFS”). Because Utah is a public

land state (Duchesne County contains only 28% private land) the continued success of economic and recreational activities such as grazing, logging, and OHV use are critical to the State's and County's economic success. Many of the small/family businesses and other business entities rely on these resources for a living, and this Proposed Rule has the potential to negatively affect the users of the state's and county's working landscapes. Accordingly, the County provides the following comments and recommendations on the Proposed Rule for the SEC's consideration at this time.

Typically, Duchesne County's mission would not lend itself to commenting on a Proposed Rule involving financial markets or securities. However, because the Proposed Rule is attempting to create standards and guidelines for companies that are involved in natural resources and natural asset ownership, the County is inclined to take a stance. With these overarching concerns and suggestions expressed, the County now turns to specific comments regarding the Proposed Rule.

### **The Proposed Rule**

The stated intent of the Proposed Rule is "...to adopt a new subsection of Section 102 of the NYSE Manual (to be designated Section 102.09) to permit the listing of common equity securities of Natural Asset Companies (or "NACs"). The Proposed Rule further states:

*"The value of nature to life on earth is readily apparent. Healthy ecosystems produce clean air and water, foster biodiversity, regulate the climate, and provide the food on which our existence depends... These and other benefits derived from ecosystems are called **ecosystem services**, and in aggregate, economists estimate their value at more than US \$100 trillion dollars per year"* (emphasis added).

Here, the County whole-heartedly agrees with this statement in terms of ensuring the continuity of these essential ecosystem services and recognizing the value they provide. However, as well meaning as this statement may be, the rest of the Proposed Rule contains various latent defects that threaten the viability of working landscapes; not only in Duchesne County and Utah, but across the West.

### **The Intrinsic Exchange Group and Natural Asset Companies**

The Proposed Rule defines a "Natural Asset Company" or "NAC" as:

*"...a corporation whose primary purpose is to actively manage, maintain, restore (as applicable), and grow the value of natural assets and their production of ecosystem services. In addition, where doing so is consistent with the company's primary purpose, the company will seek to conduct sustainable revenue-generating operations. Sustainable operations are those activities that do not cause any material adverse impact on the condition of the natural assets under a NAC's control and that seeks to replenish the natural resources being used."*

Important to note here is that the "NAC" is a completely new type of public company being created by the NYSE, as conceptualized by a private company founded in 2017 called Intrinsic Exchange Group Inc. ("IEG"). The IEG claims the new natural asset economy will be a \$500 Trillion economy, over four times larger than today's economy, which is \$105 Trillion. This is because they are creating an entirely new set of values — quantifying and monetizing "natural processes" and "ecosystem services" which every human being must have to live, and no one has a right to own. They are quite literally attempting to profit from, and control, the air we breathe, the water we drink, the food we eat, and the fuels, timber and fiber we utilize in many aspects of our lives.

The IEG Framework states:

*“Natural assets like forests, wetlands, or grasslands, provide a wealth of goods and services to people that not only sustain economic activity but that make life on Earth possible. These goods and services are called ecosystem services and include benefits such as clean air, water, productive soils for agriculture, food, climate stability, habitat for wildlife, genetic materials, medicines, and food.” (Exhibit 3, IEG Framework, page 2)*

It appears to the County that natural processes such as clean air, clean water, ecosystem services and other natural functions — those essential processes that are required by every human to live — are being arbitrarily monetized and the exclusive rights to these are being assigned to the NACs.

The IEG states that it is the act of protecting the resources, thereby increasing ecosystems services from nature, that will give the NAC its value and the shareholders an investment return. It is not the production of traditional consumer goods. In fact, they specifically prohibit a NAC from engaging in “unsustainable extractive activities.”

Three categories of lands make up a NAC: Natural (protected), Working (some productive uses highly regulated) and Hybrid (a mix of Natural and Working). They state that the investment return will come from “ecotourism revenue or carbon credit sales on natural lands and commodity crop production on working lands.” (IEG Website)

Ultimately, the NACs must hold rights to fixed assets such as land, water, conservation easements, federal protected lands, and crops to offer exclusive rights to the intrinsic elements they claim will be produced by protecting the area.

The County is concerned that a private company, IEG, created the concept of a NAC. IEG then created what is called the “Ecological Performance Reporting Framework” (or simply the “Reporting Framework”) which NACs are required to utilize to remain in compliance with various reporting requirements imposed by the Proposed Rule. Once they created a new type of company, and a reporting framework to accompany it, IEG then entered into exclusive licensing agreements with the NYSE that ensured it maintained a monopoly on the monetization of NACs. To further cement itself into the process, IEG then entered into revenue sharing agreements with the NYSE, which as stated in the Proposed Rule, “IEG will be entitled to a share of the revenues generated by the Exchange from the listing and trading of NACs on the NYSE.”

In short, the County is concerned that a private company created a brand new type of public company, created an associated reporting framework, and then entered into agreements with the NYSE monopolizing its framework and ensuring revenue sharing for all NAC-associated activities on the NYSE. This type of excessive interference by the IEG into the NYSE’s trading activities is concerning to the County and the County would encourage the SEC to be cautious in allowing this type of behavior.

### **NAC Management Authority Over Public Lands**

The proposed rule gives the NAC corporate board “management authority” over all the assets within the NAC. It is extended to all the assets controlled by the NAC, including federal lands, private lands, conservation easements, and State lands providing the asset base for the NAC. This raises a fundamental constitutional question: *How can a private investment company have management authority over federal lands Congress has the exclusive Constitutional authority to manage — authority it has delegated to the land management agencies?*

Nevertheless, the SEC is moving forward to authorize this action. The plain language of the SEC proposed rule gives the private investment company management authority over the “ecological performance” of the enrolled federal natural assets. This authority is baked into the NAC’s definition set forth in the proposed rules:

*“Natural Asset Companies (NACs) — Corporations that hold the rights to the ecological performance of a defined area and have the authority to manage the areas for conservation, restoration, or sustainable management.” (Fed. Reg. Vol. 88, No. 191, 10/4/2023, page 68814)*

This definition makes clear that not only will the NAC have the controlling management authority over the assets, but that this must be carried out to ensure the assets are conserved and sustainably used. This eliminates any productive uses necessary for human flourishing and the functioning of rural economies, such as in Duchesne County and across the West.

The County is further concerned that conservation easements held by Environmental and Agriculture Land Trusts, as well as Federal Agencies, can be enrolled into the NAC with or without the landowner’s permission. This includes the federal conservation easements such as the Wetlands Reserve Program and the Agriculture Conservation Easement Program funded through the Farm Bill. If this is allowed, these land trusts stand to gain a huge profit off the backs of America’s private landowners.

#### **Unauthorized Accounting Scheme for Natural Assets**

The IEG Framework will be using the “natural capital accounting standards established in the United Nations System of Environmental-Economic Accounting— Ecosystem Accounting Framework (“SEEA EA”).” This is the only system that has placed a value on natural processes and ecosystem services. According to the IEG document, over 90 countries have signed on to use SEEA to “measure and track natural assets, including the United States.”

The Biden Administration released the “National Strategy to Develop Statistics for Environmental Economic Decisions” in January of 2023. They are creating “Natural Capital Accounts (NACs)” to track the intrinsic values of nature and place these alongside traditional assets on the federal balance sheet. The report describes the purpose as follows:

*“It creates a U.S. system to account for natural assets—from the minerals that power our tech economy and are driving the electric-vehicle revolution, to the ocean and rivers that support our fishing industry, to the forests that clean our air—and quantify the immense value this natural capital provides. This National Strategy will help us understand and consistently track changes in the condition and economic value of land, water, air, and other natural assets. It will also help the federal government fulfill its responsibility to the American people to provide a fuller understanding of our economy. And it will provide data to guide the federal government and the economy through the transition we need for sustainable growth and development, a stable climate, and a healthy planet.” (Report Introduction)*

Along with adopting the UN accounting system, the Biden Administration has been gathering data on every natural element and process. The American Conservation and Stewardship Atlas initiated under 30x30 is quantifying the natural resources and their protected status. The recent USDA farm survey required landowners to provide more information about their operations than ever before. Failing to do so would be a violation of law.

They are collecting data about the natural assets, natural processes, and ecosystem services for a reason — to establish these assets to be used as collateral to increase the national debt, as new vehicles to tax the American people, and as the asset base for an investment product.

Additionally, the land management agencies are clearing the way for our federal lands to be included in the private investment product. As mentioned above, the BLM's proposed "conservation" rule would position these lands to be enrolled in NACs.

As the Biden Administration revises the numerous federal resource management plans that govern the federal holdings, they are eliminating the productive uses and increasing the protected areas. This will make these lands eligible for enrollment into NACs.

The U.S. Fish and Wildlife Service is creating large "Conservation Areas" around National Wildlife Refuges, where the private land is targeted for acquisition and conservation easements in perpetuity. Most recently, they announced the creation of a 5.8-million-acre conservation area in Montana: The Missouri Headwaters Conservation Area. This was done without the knowledge of the State, even though 500,000 acres of State land and over two million acres of private land are included within the designated area.

The IEG website uses the example of "conservation areas" to describe how a NAC can be created in "Hybrid Areas" where there is a mix of protected and working lands, as well as small communities within the company's boundaries.

All the Biden Administration actions are being carried out for the purpose of conserving, restoring and sustainably managing the lands — the same objectives necessary for the formation of Natural Asset Companies. However, the above actions have not been authorized by Congress and will likely be struck down by the courts or by Congress if the SEC moves forward with the Proposed Rule.

### **Ecological Performance Rights**

The SEC Proposed Rule defines "Ecological Performance Rights" as follows:

*"The rights to the value of natural assets and the production or ecosystem services in a designated area, including the authority to manage the area. These rights are granted to a NAC, from a natural asset owner, as provided through a license agreement." (Fed. Reg. Vol. 88, No. 191, 10/4/2023, page 68813).*

If a potential NAC meets the definition conceptualized above, then the new NACs are then expected, under the Proposed Rule, to hold what are being referred to as "ecological performance rights." The NACs are expected to: "...acquire the ecological performance rights of a designated area by entering into an agreement with the natural asset owner (e.g., a governmental entity or private landowner) to obtain a license with respect to such rights."

The County is concerned about the holding of ecological performance rights (or "EPRs"). The Proposed Rule states that the NAC would acquire EPRs by obtaining a license concerning such rights from a government entity or a private landowner. This is extremely concerning to the County in light of the BLM's recently proposed "Public Lands Rule" or "Conservation and Landscape Health Rule." Under the BLM's "Conservation Rule," the BLM would be allowed to redefine multiple use of BLM land to include "conservation" as a use (unilaterally bypassing Congress to amend a statute in the process). To further "conservation" as a use, the BLM would then issue "conservation leases" to businesses, individuals, and arguably government bodies, who would hold the leases to further the conservation purposes.



The legality of both adding conservation as a use and the issuance of conservation leases is on shaky ground, at best. The BLM's Conservation Rule would arguably open the door for domestic or foreign entities to purchase a conservation lease (oddly enough which is for 10 years, the same as the licensing requirements imposed by the SEC's Proposed Rule) and thereby become eligible for NAC listing as they now hold ecological performance rights.

The County is adamantly opposed to the implementation of the BLM's conservation rule, and its conservation leasing provisions as these provisions open the door to eliminating critical access to federal land for multiple uses such as grazing, logging, mining, recreation, and energy production as envisioned by Congress when it passed the 1976 Federal Lands Policy and Management Act (FLPMA). The County is especially concerned with the Conservation Rule's potential to permanently take out of production federal lands necessary for the success and viability of livestock grazing operations, necessary energy production, and other multiple uses of the land.

As such, the County hereby urges the SEC to amend the NYSE's Proposed Rule in a manner that would prohibit companies seeking to qualify as NACs from using the purchase of BLM Conservation Leases to qualify as ecological performance rights. Allowing NACs to purchase BLM Conservation Leases as ecological performance rights simply allows companies to make money off of the well-meaning public (via an Initial Public Offering or the subsequent trading of stocks) to then purchase these leases from the BLM, all for taking that land completely out of use and allowing it to remain unused. This allows the BLM to make money for doing nothing and allows the NAC to make money for doing nothing, all at the expense of the American people who are being misled into believing they're making a difference, even though a growing body of scientific research points to the fact that removing all use of the land (particularly grazing animals) results in greater desertification in western, arid landscapes.

In short, if the SEC's finalized Rule allows NACs to purchase BLM Conservation Leases as "ecological performance rights," the County will undoubtedly encourage Congress to defund implementation of the Proposed Rule.

### **Prioritizing Resource Protection over Human Well-being**

The purpose of the NACs is to conserve, restore and sustainably manage the natural assets that make up the corporation. The IEG Website goes further to explain that **protecting the resources is more important than securing human wellbeing** (emphasis added).

*"Yet producing these essential goods and services and managing resources wisely is as valuable, or perhaps even more valuable, than the food production."*

Not only is protection of the land placed above producing food for society, extractive uses are specifically prohibited. Exhibit 5, the NYSE Manual Amendment reads:

*"The NAC will be prohibited from engaging directly or indirectly in unsustainable activities. These are defined as activities that cause any material adverse impact on the condition of the natural assets under its control, and that extract resources without replenishing them (including, but not limited to, traditional **fossil fuel development, mining, unsustainable logging, or perpetuating industrial agriculture**). The NAC will be prohibited from using its funds to finance such unsustainable activities." (Fed. Reg. Vol. 88, No. 191, 10/4/2023, page 68814)*

If a NAC willfully or unwillingly is to venture into one of these “unsustainable activities”, then according to the Proposed Rule, “the NAC will be subject to delisting from the NYSE.” The County is concerned with the latent ambiguity found in the definition of these “unsustainable activities”.

Here, the SEC has thrown out four broad categories of extractive industries (namely traditional fossil fuel development, mining, unsustainable logging, or perpetuating industrial agriculture), which simply creates more “grey areas.” For example, under BLM regulations, geothermal resources are classified as “fluid minerals” – the same as oil and gas. So, under the SEC’s Proposed Rule, “fossil fuel development” would arguably inadvertently envelope geothermal resources on federal land due to BLM’s regulatory definitions. Further, no explanation is provided for what makes mining and logging “unsustainable.” Mining, logging, and forestry practices have come a long way in the last 100-plus years, and simply classifying logging and all mining as “unsustainable” is opposed by the County.

Further, the phrase “perpetuating industrial agriculture” leaves much to be desired as well. What exactly is meant by the term “industrial agriculture”? Here, the SEC should recognize and encourage the continued use of livestock grazing for carbon sequestration. Generally speaking, agricultural production, especially livestock grazing, is often falsely viewed negatively when discussing climate change. Instead of attacking grazing, the SEC should safeguard the agriculture industry and ensure that marketing and awareness are dedicated to the positive impacts of agriculture. The agricultural industry is constantly attacked, and without future generations learning about, and engaging in this industry, the health of the land, food, and many other products are at risk. Many people have a biased and inaccurate opinion of livestock grazing as a result of mere ignorance and lack of understanding of how livestock grazing contributes to overall societal welfare by providing sufficient food. In addition to produced food and various products from livestock, grazing animals can be an important factor in maintaining balanced and diverse ecosystems.

Agriculture (particularly the livestock sector and grazing on federal public lands) plays a key economic role in Utah and in Duchesne County. For example, in Utah, agricultural employment constitutes one percent of all jobs in the State (compared to 1.3 percent nationwide) and produces over \$2,085,535,000 in cash receipts per year. Of the total agricultural cash receipts, the sale of cattle and calves accounts for \$377,979,000. These dollar amounts underscore the importance that agriculture, and particularly livestock grazing, plays in the Utah economy. More specifically, public land grazing plays a large role in ensuring the vitality of Utah’s livestock grazing industry.

According to the Utah State Resource Management Plan, the responsible use of public land for livestock grazing is an integral part of Utah’s agricultural economy. The same holds true for the Duchesne County economy. With urbanization continually swallowing available agricultural land within the state, livestock grazing on federally administered lands becomes even more important to agriculture in the State.

Of the 45 million acres of grazing lands within the State of Utah, 73 percent is federally owned, 9 percent is state-owned, and 18 percent is privately owned. In short, the federal government plays an oversized role in ensuring the continued success of livestock grazing in Utah. The County is concerned given the fact that in Utah, “grazing has declined on BLM lands by more than 66 percent and on Forest Service lands about 50 percent over the past century. Because most livestock grazing in Utah occurs on federal lands, it’s important that these lands remain available for grazers.

In addition to the large economic role it plays, livestock grazing has a high potential to contribute to carbon sequestration through properly grazed landscapes. Grazing systems are used to control the time, timing, and intensity of grazing which results in the health of the rangeland and stores carbon. Grazed landscapes result in higher amounts of carbon being stored in the soil than un-grazed landscapes.

Livestock grazing contributes to removing large amounts of carbon each year by grazed landscapes being able to use photosynthesis to store carbon in the soil and green plants.

The removal of noxious and invasive weeds also contributes to landscapes being able to store more carbon. Livestock grazing is an effective management tool used to remove noxious and invasive weeds. Utilizing livestock grazing as a management tool is also significantly less expensive than other management options.

Ultimately, using livestock grazing as a tool for carbon sequestration will benefit rural economies and communities, and should be included in terms of positive ecosystem services contemplated by the Proposed Rule. Further, instead of targeting all “industrial agriculture” as an unsustainable activity, the SEC should return to the drawing board to avoid unintended consequences – such as inadvertently targeting sustainable grazing and jeopardizing our domestically-produced food supply.

Remaining on the agriculture portion of the definition of “unsustainable activities,” the SEC uses the term “perpetuating industrial agriculture.” Here, the State is concerned as to the ambiguity surrounding the word “perpetuating.” The Merriam-Webster dictionary defines “perpetuate” as “to make perpetual or cause to last indefinitely.” So, when the SEC uses the term “perpetuating industrial agriculture” the term “perpetuating” potentially has far-reaching consequences. For example, is the fertilizer or seed dealer who sells products to farmers “perpetuating” what the SEC is loosely referring to as “industrial agriculture” because he helped agriculture to last indefinitely by selling the necessary seeds and fertilizer? How about the rancher who raises cattle on federal land, and intends to hand that ranch down to his children - is that perpetuating industrial agriculture?

By loosely referring to “industrial agriculture” in its rule, the SEC is opening a Pandora's box into areas beyond its expertise, and by further compounding the term with “perpetuating” agriculture, the SEC is creating a litany of unintended consequences it knows nothing about.

As such, the County encourages the SEC to reexamine what it considers “unsustainable activities” because the SEC’s mission and expertise relate to the regulation of securities – not agriculture, mining, logging, or energy development. By simply throwing out four broad areas in the Proposed Rule as “unsustainable activities” (traditional fossil fuel development, mining, unsustainable logging, or perpetuating industrial agriculture) the SEC is venturing into “arbitrary and capricious” territory.

### **Environmental Social and Corporate Governance (ESG)**

The Proposed Rule asserts that “ending the overconsumption of and underinvestment in nature requires bringing natural assets into the financial mainstream.” This assertion is reinforced by the Proposed Rule’s paragraph stating:

*“...investors increasingly express a desire for investment vehicles that will permit them to express a sustainability thesis. Improvements in corporate disclosures, introduction of climate and nature-focused indices, and the development of ESG funds screening for preferred or prohibited factors have all expanded the accessibility of sustainable investing.”*

Here, an additional concern of the County is the mistaken notion that concepts such as ESG are being willingly desired by a majority of the public. ESG is a recent phenomenon. The State of Utah has repeatedly taken a stance against the implementation of widespread ESG scores. For example, in 2022, Utah Treasurer Marlo M. Oaks and Utah Attorney General Sean Reyes, Utah’s entire Congressional



delegation, all Constitutional officers, and Utah’s legislative leaders all issued a letter opposing ESG. Specifically, Treasurer Oaks issued a statement regarding the letter, wherein he asserted:

*“ESG is about controlling and forcing behaviors. It attempts to do through capital markets what activists and their government allies have been unable to do through democratic processes. It is a political score that, intentionally or not, can result in market participants using economic force to drive a political agenda.”*

The County agrees with the above quote. Here, the entirety of the Proposed Rule seems to simply be a continuation of ESG principles and is more about “controlling and forcing behaviors” than it is about pursuing the SEC’s actual role of trading securities. It bears repeating, but the entirety of the Proposed Rule seems intent on doing through capital markets what activists and their government allies have been unable to do through democratic processes. The Proposed Rule, “intentionally or not, can result in market participants using economic force to drive a political agenda.”

If indeed the Proposed Rule is simply furthering a radical environmentalist agenda, then in light of Utah’s frank position on ESG scores and ESG-related proposals, the County opposes the implementation of the Proposed Rule.

### **Inviting Foreign Investment and Control of Resources**

It appears that entities based in or funded by individuals located in adversarial countries can own shares in NACs that hold the rights to our federal lands and profit from their protection while controlling how we use these lands.

Exhibit 5 of the SEC proposed rule is the manual language that will be adopted by the New York Stock Exchange authorizing the listing of NACs. At section 103.00 “Foreign Private Issuers,” it states: *“The Exchange welcomes listing inquiries from foreign private issuers.”*

This gives foreign investors permission to hold shares in or create a NAC. Importantly, however, there is nothing in the rule, the NYSE manual language, or the IEG Framework that prohibits foreign nations from also holding shares in or creating a NAC. The SEC should make clear whether or not foreign governments, entities or individuals can invest in these companies. Foreign entities stand to profit handsomely if protection of lands in the U.S. forces domestic companies to seek needed resources from foreign lands; to the ultimate detriment of the American consumer.

### **Statutory Basis**

The Proposed Rule states that “the Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act” meaning the Securities Exchange Act of 1934, which among other things requires that a proposed rule “protect investors and the public interest.” The Proposed Rule justifies its tenuous position that “the proposed listing standard for NACs is consistent with the protection of investors and the public interest...” by stating (in part) that:

*“there is significant and growing interest in investing in asset classes that are consistent to protect and improve the environment. The Exchange believes that the listing of NACs will provide investors with an investment vehicle that meets this demand. The Exchange also believes that the development of NACs will provide a source of funding to maintain and restore natural assets.”*

While this statement may be true, the issue arises from the fact that the SEC's three-part mission is to "protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation."

Perhaps it's true that by allowing for NAC listings the SEC will provide an environmentally friendly investment vehicle. Perhaps it's true that by allowing for NAC listings the SEC will provide a source of funding to maintain and restore natural assets. But what IS true, is that the **mission** of the SEC is **not** to provide funding for maintaining and restoring natural assets.

As was extensively analyzed before this letter, the SEC lacks expertise and knowledge in critical areas related to the Proposed Rule. Here, as stated, the SEC's mission and expertise relate to the regulation of securities – not agriculture, mining, logging, or energy development. By attempting to regulate areas outside its expertise, the SEC is venturing into "arbitrary and capricious" territory – all in an effort to justify why the Proposed Rule is "protecting investors and in the public interest."

The Proposed Rule seems to allow the SEC to create land use decisions outside of its statutory authority granted by Congress in the Securities Exchange Act. In the immediate wake of the Supreme Court's decision in *West Virginia v. EPA*, 142 S. Ct. 2587 (2022), the SEC's obligation to identify clear, express statutory authority is heightened. Here, the Securities Exchange Act is the statute granting rulemaking authority, and by attempting to venture into areas outside its expertise and mission, the SEC is arguably failing to meet its obligation to identify clear, express statutory authority to create a new type of public company, and then regulate environmental areas outside that authority. As such, the County encourages the SEC to abandon the Proposed Rule as the SEC appears to have exceeded its rulemaking authority.

## **Conclusion**

In summation, the citizens of Duchesne County, Utah, as well as the State of Utah and the United States as a whole, will continue to benefit as the SEC fulfills its three-part mission to "protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation."

As an overarching goal, the State of Utah and Duchesne County support the wise use, conservation, and protection of public lands and their resources, including well-planned management prescriptions. Thus, it is the County's position that public lands be managed for multiple use, sustained yield, prevention of waste of natural resources, and to protect the health, safety, and welfare of the public. It is important to the County's economy that public lands be properly managed for fish, wildlife, livestock production, timber harvest, recreation, energy production, mineral extraction, water resources, and the preservation of natural, scenic, scientific, and historical values."

Instead of sticking to its mission of regulating securities, it appears that the SEC is allowing the NYSE, and itself, to venture outside its rulemaking authority arbitrarily and capriciously into areas of ESG, which as stated earlier is about controlling and forcing behaviors. It attempts to do through capital markets what activists and their government allies have been unable to do through democratic processes. It is a political ploy that, intentional or not, can result in market participants using economic force to drive a political agenda. With the issuance of this proposed rule the SEC is proposing the final step necessary to rob the American people of their property and natural rights and playing right into the hands of foreign adversaries.

The County encourages the SEC to immediately reconsider and abandon its proposed course of action.

Securities and Exchange Commission  
Natural Asset Companies Rule  
December 18, 2023  
Page 11 of 11

Sincerely,

DUCHESNE COUNTY COMMISSIONERS

*Dorene Hansen*  
*Tracy Killian*  
*Greg Wilson*