

Tuolumne County
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**BOARD OF SUPERVISORS
COUNTY OF TUOLUMNE**

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December 19, 2023

Vanessa A Countryman, Secretary
Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549

RE: Notice of Filing of Proposed Rule Change to Amend the NYSE Listed Company Manual to Adopt Listing Standards for Natural Asset Companies; SR-NYSE-2023-09

Dear Secretary Countryman:

The Tuolumne County Board of Supervisors strongly opposes the proposal under consideration by the Securities and Exchange Commission (SEC) that would allow for the creation and listing of a new type of company called a Natural Asset Company (NAC) on the New York Stock Exchange (NYSE). This would violate the precepts of the Public Trust Doctrine by divesting government due process over public land management decisions to international, corporate special interests. This will affect local economies and will interfere with municipal, state and federal authorities with no meaningful alternative for accountability and transparency. Intrinsic Exchange Group, Inc., which initiated the (NAC) concept, has developed an Ecological Performance Reporting Framework. This document uses a complex series of single-metric performance criteria to determine ecosystem service value and then monetize this value. This is a blunt instrument at best and at worst it is a cleverly devised guise to allow corporate interest to “game the system” of environmental resilience for financial gain. Under this scheme “ecological performance rights” could be permanently granted to corporations to provide ecosystem improvement. The creation of this regulatory loophole would be an abomination against common sense and due process for the following reasons.

- These top-down international corporations are incapable of assimilating the traditional environmental knowledge of indigenous peoples and local practitioners working within their specific settings. Nor can their treatments be customized to the nuances of local ecosystem conditions of discrete locations.
- This scheme does not have a mechanism to incorporate emerging science or best practice standards or have a pathway for subject matter experts' contributions. It does not have safeguards or accountability in place due to the lack of public comment governance, or legislative process.
- It lacks clear language on how specific treatments would be interpreted, monitored, or evaluated and risks harm to natural systems due to its rigid performance framework.

- Lastly, there are already ample opportunities for financial investment in the environmental service sector. Carbon and ecosystem service markets and public-private partnerships and contracts provide a mechanism to profit from legitimate environmental resilience projects on private and public lands.

Government cannot abdicate its responsibility to protect and steward public lands. Nor can it allow international corporate entities to usurp this function. It is naïve to think that publicly traded corporations with no real accountability would be the most effective mechanism for protecting our natural resources and precious public spaces. Please squash this bad idea before it can do any harm.

Sincerely,



Kathleen K. Haff
Chair, Tuolumne County Board of Supervisors
Chair, Tuolumne County Water Agency

Cc: The Honorable Congressman Tom McClintock
The Honorable Senator Alex Padilla
The Honorable Senator Laphonza Butler