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:

As a concerned stakeholder from Arizona, I wish to express my ***vehement opposition*** to the proposed rule change, File No. SR-NYSE-2023-09, which seeks to amend the NYSE Listed Company Manual for the adoption of listing standards for Natural Asset Companies (NACs).

Here are the focus of my concerns, which will be addressed at length in the following pages:

I call on the SEC, in its mission to protect investors, maintain fair, orderly & efficient markets, and facilitate capital formation, to heavily scrutinize and challenge the environmental and ecological focus of NACs, which may be beyond the traditional financial and investment scope of the SEC. In finding such a conclusion, approval of the proposal by the SEC alone would be inappropriate **(Sec I)**

In its current form, under the politically anaesthetized label of environmental stewardship, the proposal stands in contradiction to the fundamental principles of the American economic model and encroaches on the land use opportunities that are synonymous with the American identity, and made available in longstanding practices of Federal land management **(Sec II)**

There are a troubling amount of foreseeable risks associated with NACs, with far-reaching consequences for American people, among them damage to national security, local regional and national economic stability, and humanitarian effects at-home and abroad. **(Sec III)**

The facts and lessons of history further lead to heavy concern of repeating the failures of similar natural asset management models, particularly those influenced by Marxist economic theories and practices observed in communist & socialist regimes. **(Sec IV)**

Sec I. Call for the SEC to uphold its mission and reconcile NACs to its scope

While NACs, as entities that may offer securities to the public or have their securities traded on public markets in their currently proposed form, would fall under the regulatory purview of the SEC, certain aspects of their operation and purpose fall outside the traditional scope of the SEC's mission. This concern at minimum calls into question the ability for the SEC alone to approve their formation, and raises questions on the merits of NACs entirely.

In assessing the role of the SEC in regulating NACs, it is crucial to consider the multi-faceted nature of these entities, which not only offer securities but also profoundly impact environmental and societal dynamics. The SEC's traditional focus on financial integrity and investor protection might not fully encapsulate the ecological and social responsibilities inherent to NACs. Therefore, a comprehensive regulatory approach, potentially involving collaboration with environmental and social governance bodies, is imperative. This approach would ensure that while NACs operate within the financial markets, they also adhere to stringent environmental standards and equitable social practices, thus aligning with broader societal goals beyond the SEC's traditional financial oversight

Elements of NACs that fall outside the SEC’s mission & traditional scope:.

Environmental and Ecological Focus: NACs are focused on the management and monetization of natural assets, which involve environmental and ecological considerations. These aspects may extend beyond the financial and investment scope that the SEC traditionally regulates.

Valuation of Natural Assets: The process of valuing ecosystem services and natural assets is complex and not entirely financial in nature. This poses challenges in terms of disclosure and valuation, which are key areas of concern for the SEC, but with added layers of environmental science and policy. It is understood that the NYSE and IEG propose a valuation methodology, but this is without precedent and requires full consensus from all stakeholders public and private before implementation.

Interplay with Other Regulatory Bodies: The operations of NACs might require oversight from environmental regulatory agencies, given their focus on natural assets and ecosystem services. This could lead to a scenario where the SEC’s financial and market-focused regulatory framework needs to be harmonized with environmental regulations, which is outside its usual domain.

Market Dynamics of Ecosystem Services: The trading and marketing of ecosystem services, a potential activity of NACs, involve market dynamics that may be different from traditional securities markets. The SEC would need to adapt its approach to ensure fair and efficient markets in this relatively new and evolving domain.

Public Interest and Social Equity Considerations: NACs have the potential to impact public resources and social equity, especially in terms of access to natural resources and the distribution of benefits. These broader societal considerations are generally outside the traditional financial focus of the SEC.

In summary, while the SEC would oversee the securities aspects of NACs, the unique nature of their focus on natural assets and ecosystem services present challenges and considerations that are outside the traditional scope of the SEC's mission, or in the current proposal fail to meet the criteria of a listed security for public investment. In either case, the ability of the SEC alone to approve of the proposed rule change is incomplete.

Sec II. NACs present Incompatibilities with American Values and Historic Federal Land Management

NACs are a departure from the values and tools that are the cornerstones of American economic history and have had proven success in resource management

A key concept underlying NACs is "natural capital," which refers to natural resources and environmental services viewed as assets with economic value. The origins of this concept can be traced back to the works of classical political economists like Adam Smith, Thomas Malthus, David Ricardo, and John Stuart Mill. In their view, nature, distinct from labor, created no value and was treated as a "free gift" to capital. This perspective has evolved over time, with modern interpretations considering natural resources not just as passive gifts but as active components in economic production, deserving management.

This ideology is forever aligned to American values, and there are effective mechanisms already in place to maximize the longevity of natural assets and their benefit to the economy:

Resource Efficiency and Stewardship: American economic principles value the efficient use and stewardship of resources. The concept of natural capital places an emphasis on understanding the full value of natural resources and ecosystems, encouraging more

sustainable and efficient use of these assets. This aligns with the American tradition of responsible resource management.
Innovation and Market Opportunities: The American economy is synonymous with entrepreneurial innovation and the belief in market-based solutions to address societal challenges, including environmental issues. Private business ownership is incentivized to make sustainably productive use of land, and leverage in-house investment and R&D partnerships with public/private universities and state agencies to create new technology to maintain resource health and longevity.
Economic and Environmental Sustainability: The integration of natural capital into economic planning and decision-making at the county, state, and federal levels supports the goal of long-term economic sustainability, which is a key modern aspect of American economic thought. This approach recognizes that economic growth and environmental sustainability are not mutually exclusive but can be mutually reinforcing.

This combined ideological approach has generated resource management successes including ecosystem services valuations, conservation easements, cap-and-trade systems, public-private partnerships for conservation, and green infrastructure and urban planning. NACs are an unwarranted and unnecessary financialization of non-financial assets that already have existing management tools that stem from American values and economic innovation.

The introduction of NACs stands in contradiction to the history of federal land use in the United States and the potentially sale of public lands to private investors carries material impacs that will forever change the model of Federal land access for Americans, and consequently fracturing the American experience and long-term cultural identity.

Historical Federal Land Management Philosophy:

Conservation and Public Access: Historically, federal land management in the U.S. has focused on conservation and ensuring public access. National parks, forests, and wildlife refuges have been managed with the intent of preserving natural resources for public benefit and future generations.
Multiple Use Doctrine: Many federal lands are managed under the principle of multiple use, balancing conservation with resource extraction, recreation, and other uses. This approach seeks a balance between environmental preservation and economic utility.

Contrast with NACs Approach:

Privatization and Profit Motive: NACs introduce a market-based approach to natural asset management, where private investors and companies manage land primarily for

ecosystem services that have economic value. This could shift the focus from public benefit to shareholder reward.
Restrictions on Land Use: If NACs acquire significant portions of land, either directly or through rights to ecosystem services, this could lead to restrictions on traditional land uses, such as agriculture, recreation, and resource extraction, which could contradict the multiple-use doctrine.
Shift from Public to Private Control: The sale of public lands to private entities for NACs would represent a significant shift from public to private control of natural resources. This could limit public access and oversight, and prioritize private or investor interests over public needs.
Potential Loss of Public Trust Resources: Public lands are often considered trust resources held for the benefit of all citizens. Transferring these lands to private hands, especially if managed predominantly for profit, could be seen as a loss of these trust resources.

Potential Impacts:

Reduced Public Access and Recreation: Privatization could lead to reduced public access to natural areas, impacting recreational activities like hiking, camping, and hunting.
Biodiversity and Ecosystem Preservation: While NACs aim to protect ecosystems, their approach might differ from traditional conservation methods, potentially impacting biodiversity and ecological balance.
Local Communities and Traditional Uses: Local communities could be impacted, especially if land use changes affect traditional activities like farming or if local input is minimized in favor of investor priorities.

The introduction of NACs marks a stark divergence from traditional American land management principles, challenging our nation's legacy of balancing conservation, public access, and resource utilization. This model not only conflicts with the ethos of American land stewardship but also threatens the equitable use of public trust resources. By shifting towards privatization and the economic valuation of ecosystem services, NACs pose a fundamental challenge to the historical principles of conservation, public access, and multiple land use. This shift could have profound implications for public resources, local communities, and environmental stewardship, risks which will be elaborated in the following section.

Sec III. Foreseeable risks to Americans by formation of NACs

If adopted at scale, NACs could confer drastic and negative change effects on the American economy, specifically impacting the private sector and civilian quality and cost of living. The enumeration of risks below assumes an ultimate scenario that fits the following parameters: many new NAC listings, material amounts of land taken out of productive use, NAC ownership predominantly by wealthy investors, asset managers, and sovereign wealth funds

Displacement of Local Communities and Land Use Conflicts: If substantial amounts of land are taken out of traditional productive uses (like agriculture or forestry) for conservation or ecosystem services, it could lead to displacement of local communities, particularly those dependent on these lands for livelihood. This could exacerbate social and economic inequalities and potentially lead to conflicts over land use.
Concentration of Ownership and Wealth Inequality: Predominant ownership of NACs by wealthy investors, asset managers, and sovereign wealth funds could lead to a concentration of ownership over natural resources. This could exacerbate wealth inequality and create a scenario where decision-making power over vital natural resources is held by a few, potentially neglecting the needs and rights of local populations.
Artificial Scarcity and Commodity Price Volatility: Removing significant amounts of land from traditional productive use could lead to artificial scarcity of resources such as food, timber, and water. This scarcity could drive up prices, impacting global commodity markets and potentially leading to economic instability and increased living costs, especially for the most vulnerable populations.
Monopolization and Market Manipulation: The involvement of large asset managers and sovereign wealth funds could lead to monopolistic control over certain natural assets. This might allow for market manipulation, where the value and availability of crucial ecosystem services are controlled by market speculation rather than actual scarcity or need.
Impact on Biodiversity and Mismanagement Risks: While NACs aim to protect and enhance natural ecosystems, there is a risk that mismanagement or overly commercial focuses could inadvertently harm biodiversity. Strategies that prioritize financial returns over ecological balance could lead to unforeseen negative environmental impacts.
Dependence on External Entities: For countries or regions where NACs own significant natural assets, there could be an increased dependence on external entities for access to these resources. This reliance could have geopolitical implications and might limit national or local self-sufficiency.
Socioeconomic Disruption: The shift from traditional land uses to NAC-managed ecosystems could disrupt local economies, particularly in rural areas. This could lead to

job losses in traditional industries such as farming and forestry, impacting the socioeconomic fabric of communities.
Regulatory and Governance Challenges: Ensuring effective regulation and governance of NACs to balance ecological objectives with economic and social needs would be challenging. There is a risk of regulatory capture or inadequate oversight, which could lead to suboptimal outcomes for both the environment and society.

These risks present with an alarming potential to converge and manifest sharp and deleterious effects on local, regional, and national utilities, particularly in terms of access, cost, and availability of energy and water resources. Prudent concerns in this context include:

Control and Management of Water Resources:
Access and Availability: If NACs acquire rights to significant water resources, there could be concerns about access to water for local communities, agriculture, and other traditional uses.
Cost Implications: The monetization of water resources by NACs could lead to increased costs for water, impacting both individuals and industries, especially in regions where water scarcity is already a critical issue.

Energy Production and Distribution:
Impact on Renewable Energy Projects: NACs involved in ecosystem services could influence the development and location of renewable energy projects, such as wind or solar farms, particularly if these projects are seen to impact natural assets.
Changes in Energy Market Dynamics: The involvement of NACs in energy-related ecosystem services (like carbon sequestration) could alter market dynamics, potentially affecting energy prices and availability.

Regulatory and Policy Shifts:
New Regulations and Compliance Costs: The emergence of NACs could lead to new environmental regulations impacting utilities. Compliance with these regulations could incur additional costs, potentially passed on to consumers.
Shifts in Utility Priorities: Utilities might need to adjust their operations and strategies to align with the environmental goals associated with NACs, which could involve significant investments and operational changes.

Infrastructure and Investment:
Investment in Sustainable Infrastructure: NACs might drive investment in sustainable infrastructure, but the focus on profitability could skew investments towards more lucrative projects, potentially neglecting essential but less profitable utility services.

Long-term Infrastructure Planning: Utilities might face challenges in long-term planning due to uncertainties about the availability and management of natural resources under NAC control.

Impacts on Local and Regional Economies:
Economic Burden on Communities: Increased utility costs could place a significant economic burden on local communities, especially in economically disadvantaged or rural areas.
Dependency on External Entities: Local and regional economies could become dependent on decisions made by NACs, which might not always align with local needs and priorities.

Environmental and Social Equity Concerns:
Equitable Resource Distribution: There could be concerns about equitable distribution of resources, especially if NACs prioritize areas with higher economic returns over those with greater social or environmental needs.
Environmental Justice Issues: The activities of NACs could disproportionately impact marginalized communities, raising environmental justice concerns.

Sec IV. The Lessons and Warning of Top-Down Marx-inspired management

SR-NYSE-2023-09 does not espouse the previously mentioned classical political economic philosophies and modern American interpretations, instead it espouses something much more dangerous, a reconfiguration of top-down resource ownership & management

NACs are more in line with the failed ideologies of Marx-inspired systems

The historical development of the idea of natural capital that originated with classical economic thinkers can later be connected to Karl Marx and Friedrich Engels, who used the term in their analysis of capitalism. They contrasted "natural capital," rooted in land and concrete use values, with "movable capital," which was associated with finance and exchange value. Marx viewed land not just as a physical matter but as capital that could be increased through productive use. This distinction highlighted the contradiction between capitalism and its natural conditions of production. Marx's view was that while natural capital (referred to as "earth capital") exists within a capitalist framework, it is an alienated product of capitalism and not eternal.

It is critical to recognize that the Marxist perspective, as applied in various communist regimes, has led to the inefficient and often catastrophic management of natural resources. It is key to point out that the toll of human death was historic, and the risks explored earlier in Sec III ring familiar.

The details of some of these disasters:

Great Leap Forward & Artificial Scarcity: The Great Leap Forward in China aimed to rapidly transform the country into an industrial society. However, mismanagement led to one of the worst famines in history. Similarly, if NACs lead to significant land being taken out of agricultural use, it could create artificial scarcity and drive up food prices.

Soviet Collectivization & Displacement: The Soviet Union's forced collectivization of agriculture under Stalin displaced millions of peasants, leading to widespread famine. This mirrors the potential risk of NACs displacing local communities for the sake of conservation or ecosystem service management.

Cuban Sugar Industry & Monoculture Risks: Cuba's reliance on sugar exports, a state-controlled industry, made its economy vulnerable to market fluctuations. A parallel can be drawn with NACs potentially creating monocultures focused on specific ecosystem services, making ecosystems vulnerable.

Venezuelan Oil Industry & Economic Overdependence: Venezuela's economy became heavily dependent on nationalized oil, leading to economic collapse when oil prices fell. Similarly, regions could become overly dependent on NACs managing specific natural assets, leading to economic vulnerability.

Pol Pot's Agrarian Reforms & Social Disruption: Pol Pot's radical agrarian reforms aimed to create an agrarian communist society in Cambodia, leading to societal collapse and widespread deaths. NACs' alteration of traditional land use could similarly disrupt local social structures.

North Korean Famine & Centralized Control Failures: North Korea's famine in the 1990s was exacerbated by centralized economic control and poor policy decisions. This mirrors how mismanagement within NACs, particularly if controlled by a few entities, could lead to resource misallocation.

Zimbabwean Land Reforms & Economic Decline: Zimbabwe's land reform policies, involving the seizure of land from commercial farmers, led to a dramatic decline in agricultural output. This is analogous to the risk of NACs repurposing productive land in ways that harm local economies and food security.

Ethiopian Derg & Agricultural Mismanagement: Ethiopia under the Derg regime saw forced collectivization of agriculture, contributing to the 1980s famine. If NACs lead to significant shifts in land use without considering local agricultural needs, similar food security issues could arise.

While drawing parallels between NACs and Marx-inspired economic systems offers historical caution, it is essential to focus specifically on the operational and governance aspects of NACs that might mirror such systems.

Centralized control over natural assets, a characteristic of Marxist economies, could manifest in NACs if a few entities gain disproportionate influence over these assets.

The opportunity for foreign interests to obtain this control is particularly alarming. This concentration of power could lead to inefficiencies and neglect of local needs, similar to the historical failures in resource allocation seen in centrally planned economies. It is not difficult to illuminate the obvious illogic of this scenario. The United States has only lowered it's carbon footprint during the 21st century thanks to technological progress and ecological awareness, while maintaining growth. This is not the case for foreign competitors like China, whose GDP and carbon output has bloated in lockstep. Allowing foreign competitors the opportunity to "offset" their total carbon output by managing the affairs of our own domestic private sector and its participants through private and public land ownership at scale is absurd and against our interests local, regiona, and national.

Therefore, it is urgent to reject the NAC framework in its current form, as it lacks the checks and balances necessary to ensure decentralized decision-making and to involve local stakeholders, thereby avoiding the pitfalls of top-down management that have historically led to economic and social disruptions.

Conclusion

In light of the detailed concerns and historical parallels presented, it is evident that the introduction of Natural Asset Companies (NACs), as proposed in SR-NYSE-2023-09, poses significant risks and challenges that cannot be overlooked. These risks include potential disruptions to local communities, ecological systems, and the broader economic landscape, echoing the adverse outcomes witnessed in top-down, Marx-inspired management systems. The parallels drawn from historical examples serve as a stark reminder of the consequences of mismanaging natural resources under centralized control, a scenario that could be mirrored in the widespread implementation of NACs.

Therefore, I urge the SEC to exercise due diligence and caution in evaluating this proposal. The SEC must ensure that any adoption of NACs aligns with the principles of free market capitalism, respects property rights, and considers the broader societal and environmental impacts. The safeguarding of American values, economic stability, and the preservation of public resources must remain paramount in any decision regarding the future of Natural Asset Companies.

Sincerely,

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About the author of the comment:

Mr. Youngentob holds degrees in Math/Science A.S. (SUNY Onondaga Community College), Biotechnology B.S. (Cum Laude, SUNY College of Environmental Science and Forestry), Molecular Biology M.S. & Finance MBA (University of Oregon) and is a Beta Gamma Sigma honors society member.

His career spans finance, investment and innovation, including the management of $5B of technology development capital for Intel Corporation, $10M of venture fundraising across biotech & technology businesses, five years of venture investing with Willamette Valley Capital, and Corporate Development at NAGRA Kudelski.

Mr. Youngentob has been a lifelong pursuer of the American outdoors, enjoying snowboarding, outdoor team sports, camping, fishing, hiking, and watersports in New York, Oregon, Washington, California, Arizona, Colorado, South Carolina, Florida, and many other states. In each of these experiences, he has connected with local community members who sustain there livelihood in concert with current models for land access and use.

The views contained in this comment are fully his own and not endorsed by any third parties or employers, past or present.