

I am deeply appalled by the quality of the proposed rule change to introduce Natural Asset Companies as a new asset class in the financial markets. Here are a list of very serious concerns with the present proposal:

- 1) National security. This proposal does not exclude our strategic adversaries, such as Russia or China, to take control of American natural assets, which is highly undesirable.
- 2) Conflict of interest. The company that initiated the rule change will benefit from its implementation. Independent review is warranted.
- 3) Capricious and deliberately vague definition of allowed activities. It should be defined very clearly which activities are considered within the scope of 'natural asset management' and which are not. This list should not change without public consultation any time during the duration of the contract. It should also be open to debate before the asset class gets launched. For instance, it is clear to anybody with a modicum of common sense that grazing is a very sustainable activity.
- 4) Duration. Assets cannot be transferred in perpetuity. New opportunities constantly arise and for civilization to advance, the transfer of assets back and forth should be possible. No longer than five year contracts should be allowed.
- 5) Scope of lands involved. The National Park and Forest Services are not challenged to manage their respective natural resources. These resources need to remain under their management and accessible to the public. This proposal should explicitly exclude any National or State Park or Forest land from its scope.
- 6) Unacceptable accounting standards. Deviation from GAAP standards is not allowed for other asset classes and neither should it be in this case. Of course, these NACs would not be able to make any profit if it weren't for imaginary carbon credit accounting. As an investor, I want transparent and consistent accounting rules applied to all assets, which precludes adoption of the UN's mirage of carbon credit accounting.

Based on the above, please indefinitely abandon the introduction of NACs altogether. May I suggest to focus your attention to initiatives that would be in the public interest instead. Good examples of such initiatives would be to ban reporting on carbon consumption, ESG or DEI in financial statements, which are merely encumbering corporations with administrative burden without any measurable impact, which puts them in a weaker competitive position than overseas rivals.