



SAN JUAN COUNTY COMMISSION

Jamie Harvey	Chairman
Silvia Stubbs	Vice-Chair
Bruce Adams	Commissioner
Mack McDonald	Administrator

January 17, 2024

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

Re: 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 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.

San Juan 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.

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 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 sections that threaten the viability of working landscapes; not only in San Juan 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.”

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. This is very concerning to the County and as a county we cannot support this concept.

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 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?

The definition of a Natural Asset Company as stated in the proposed rule is:

“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.”

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 San Juan County and across the West.

Prioritizing Resource Protection over Human Well-being

The stated 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.”

San Juan County’s economy, culture and lifestyle depend on the perpetuation of these so called “unsustainable activities” including traditional fossil fuel development, mining, unsustainable logging or ‘*industrial*’ agriculture. Certainly some extractive industries are just that, recovery of a resource that cannot be replaced. But, such recovery can be done in a responsible, environmentally reasonable manner. Logging and agricultural activities such as livestock grazing can also be done responsibly and sustainably. To prohibit so called “unsustainable activities” would be in direct opposition to the County General and Resource Management Plans which support the responsible use of natural resources.

San Juan 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 activities for which it has no authority.

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 would 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.

Summary

San Juan County supports the wise use, conservation, and protection of public lands and their resources, including well-planned management prescriptions. 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.

It appears that the SEC is allowing the NYSE, and itself, to venture into areas in which it has no authority. It attempts to do through capital markets what activists and their government allies have been unable to do through democratic processes. If this proposed rule is approved, the SEC would rob the American people of their property and natural rights and play right into the hands of foreign adversaries.

The County encourages the SEC to immediately reconsider and abandon this proposed rule.

Sincerely,

A handwritten signature in cursive script that reads "Bruce Adams".

Bruce Adams
Commissioner