

# Congress of the United States

Washington, DC 20515

January 17, 2024

The Honorable Gary Gensler  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549

Dear Chairman Gensler,

We write to express our serious concerns regarding the Securities and Exchange Commission (SEC) Notice of Filing of Proposed Rule Change to Amend the NYSE Listed Company Manual to Adopt Listing Standards for Natural Asset Companies (NACs).

A NAC is a corporation with the primary purpose of actively managing, maintaining, restoring and growing the value of natural assets and their production of ecosystem services. NACs, when “consistent with the company’s primary purpose” will also conduct “sustainable” revenue-generating operations and potentially “other activities that support community well-being.”<sup>1</sup> The NAC structure allows the corporation to hold the rights to the ecological performance of the land and the authority to manage the area.

This proposed rule change would allow NACs to list on the New York Stock Exchange (NYSE), amending the NYSE Listed Company Manual to adopt a new listing standard. By considering natural resources to be corporations, environmental activists, foreign governments or entities trying to maximize their environmental, social and governance (ESG) goals could purchase a vehicle that holds the rights to private and public land. As corporations, NACs could restrict mining, grazing, logging, recreation and other economic development on these lands. This is an economic concern in our home states of Wyoming and Washington and across the west, where farmers, ranchers, miners and other hardworking Americans exercise their rights to access public and private lands.

The NYSE’s website claims that NACs can make a difference through capturing the positive externalities of preserving nature through an Intrinsic Exchange Group-developed accounting framework. Further, the website reads “As a publicly traded equity, NACs will enable investors to allocate capital efficiently to meet their sustainability objectives.”<sup>2</sup> Turning western land into an environmental investment for external parties is not sustainability, it is blatant greenwashing that will inject capital into so-called environmental groups whose sole purpose is to sue the federal government every time it issues a permit. We are also troubled by the blunt distinctions drawn between certain allowed and disallowed activities within lands controlled by a NAC. Requiring eco-tourism, certain kinds of agriculture or other revenue-generating activities within a NAC while prohibiting all types of mining activities demonstrates the poor and inadequate understanding of public land management of Intrinsic Exchange Group and supporters of this rule.

Furthermore, we find the idea of transferring the rights of public lands to the management of a company whose only qualification is the hubris to take advantage of a novel corporate structure to be offensive. Management of public lands requires accountability to the public, not to shareholders. While 50 percent of the outstanding shares of a NAC with licensing of public lands must be distributed to local communities, our constituents do not want to partake in ownership of an “eco-resort” run by activists and Wall Street bankers while they lose access to the recreational and economic activities they have enjoyed, by right, for generations.


<sup>1</sup> <https://www.sec.gov/files/rules/sro/nyse/2023/34-98665.pdf>

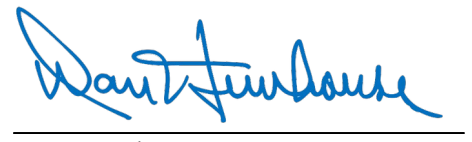
<sup>2</sup> <https://www.nyse.com/introducing-natural-asset-companies>

The SEC should do better than to favor those who see our natural resources as an investment than a livelihood and public good. The addition of a listing standard would not entitle anyone to purchase public lands or turn private lands into investment opportunities. Rather, this rule is an example of greenwashing by the NYSE, suggesting that natural assets should be seen as ecofriendly investment opportunities. The prospect of the SEC's approval of this institutionalization of greenwashing is deeply troubling to us.

The American west is home to our nation's most beautiful landscapes as well as public lands used for energy development, recreation, grazing and other multiple use purposes. As Chairs of the Senate and House Western Caucuses, it is our duty to preserve the principles of self-reliance and the pioneer spirit of the west. We oppose the blatant greenwashing attempts of the investor elite to profit off the public lands on which our constituents rely. Our natural resources deserve better than this farce, and we strongly urge you to reject this rule change.

Sincerely,

  
Cynthia M. Lummis  
United States Senator

  
Dan Newhouse  
Member of Congress