



Date: January 14, 2024

To: U.S. Securities and Exchange Commission

Uploaded to the SEC website seeking comments here:

<https://www.sec.gov/comments/sr-nyse-2023-09/notice-filing-proposed-rule-change-amend-nyse-listed-company-manual-adopt#no-back>

From: Gary Wockner, Executive Director, Save The World's Rivers, PO Box 1066, Fort Collins, CO 80522; Gary@SaveTheWordsRivers.org

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

Save The World's Rivers opposes the proposed rule change.

Save The World's Rivers¹ is a 501c3 non-profit corporation registered in the state of Colorado and engaged in river-protection advocacy principally throughout the American Southwest and beyond. We have approximately 700 dues-paying members and 50,000 supporters on various platforms. We advocate for the protection and restoration of rivers primarily by opposing dams and supporting stronger laws that protect rivers – these laws are often called “Rights of Nature.” We have a strong interest in SR-NYSE-2023-09 (“rule change”) because it could fundamentally change how rivers are managed and protected in the United States.

Much has been written in the mainstream press about the proposed rule change, but we find a lot of the rhetoric not to be based in the facts that are presented in the SEC's file. For example, some opponents claim the rule change is a “radical environmental

¹ Save The World's Rivers was formerly named “Save The Colorado”, and effectuated the name change in October of 2023.

agenda”^{2,3,4} designed to lock up natural resources against the will of the public. Upon closer scrutiny of the facts, we see the opposite.

First, if reviewers look closely at the SEC “Notice Rule,⁵” they will see that the proposed rule change states that, “The Ecological Performance Reporting (EPR) produced by a Natural Asset Company (NAC) must follow ‘Intrinsic Exchange Group’s (IEG) Ecological Performance Reporting Framework’” (page 6). Then, the SEC File, Exhibit #3⁶, which is titled, “INTRINSIC EXCHANGE GROUP: ECOLOGICAL PERFORMANCE REPORTING FRAMEWORK,” and dated September 2023, is provided to reviewers.

Upon review of the Ecological Performance Reporting Framework, we find that it contains very vague descriptions in Table 1. of the “List of Ecosystem Service Categories” (pages 18-23). This list is supposed to describe how to assess the financial value of the ecosystem services provided by the ecosystem to humans that a Natural Asset Company (“NAC”) will have to quantify and report to its investors.

Specifically, our concerns and criticisms of the Ecosystem Service Categories:

1. Services #1 - #11 are “Provisioning Services” that would have to be described solely as “extractive”, not necessarily protective, and include raising crops, supporting livestock grazing, and supporting timber logging activities, among others. We don’t deny that these services can be accomplished sustainably, and perhaps even regeneratively, but this very simplified and vague description is rife with potential loopholes.
2. Services #12 - #33 are “Regulating and Maintenance Services” that are so vaguely described that the quantification of them could include highly managed and extractive activities. For example, and with specific reference to our organization’s work, Services #20, #21, #22, and #24 deal with water and rivers, but all of them are so vaguely defined and potentially filled with loopholes that they could include building more dams and diversions that drain and deplete rivers, destroy riparian ecosystems, and greatly diminish riverine wildlife.

All of these services are described as “regulating and maintenance,” which could easily include large and small dams to “regulate” the flow of water in rivers. In fact, we routinely deal with water providers and government agencies that erroneously claim that a dam project will have miraculous ecological benefits by “regulating” the flow of a river. Further, dam proponents also claim they will

² <https://www.foxbusiness.com/politics/republican-states-unleash-effort-opposing-sec-climate-rule-creating-new-type-company>

³ <https://www.zerohedge.com/political/state-ags-blast-biden-wall-street-plan-sell-rights-americas-public-lands>

⁴ <https://www.eenews.net/articles/gop-ags-denounce-trading-natural-asset-companies-on-stock-exchange/>

⁵ <https://www.sec.gov/files/rules/sro/nyse/2023/34-98665.pdf>

⁶ <https://www.sec.gov/files/rules/sro/nyse/2023/34-98665-ex3.pdf>

provide measurable benefits to habitat and species that defy scientific logic and evidence. Likewise troubling, on page 6 of the SEC Notice Rule, it states that a biophysical measurement provided by an EPR shall include “acre feet of water produced,” which, of course, is a common measurement of the water produced by river-destroying dam projects.

3. Services #34 - #37 may be where some type of actual ecological protection and restoration is derived, but when weighed against the 33 ~extractive services described above, we seriously doubt if the financial impacts of “recreation,” “visual amenities,” “education/science/research,” and “spiritual/artistic/symbolic” services will ever carry the day in an economic comparison analysis. Stated differently, extracting resources will likely always be worth more money than spiritually appreciating resources, and so the extractive services provided in #1 - #33 would surely always outweigh recreation, education, or art.
4. Service #38 – “Ecosystem and Species Appreciation/Existence/Bequest” – is completely vague. Details are needed to discern what it is, how it would be measured, and how it would compare on a financial spreadsheet analysis.

Second, we strongly agree with Wyoming Representative Harriet Hageman who was quoted in *E&E News*⁷ as saying NACs and the rule change **“could be used to privately ‘monetize’ national parks, national wildlife refuges and other protected lands, such as areas of environmental concern.”** Indeed, while the chair of the IEG, Douglas Egar, spends considerable verbiage walking back the environmental risk and threat of the rule change in the same *E&E* article, the IEG document, which is “Exhibit #4” on the SEC’s webpage, clearly states, **“These assets can be areas that are publicly owned, such as a national park...”** (page 7). Representative Hageman’s comment must be taken with the utmost seriousness because our U.S. national parks are not, nor ever were intended to be, managed or regulated as an “asset class” to make money for Wall Street investment firms.

Finally, our organization has a long history of opposing the monetization of Nature as a tool to protect Nature. Further, we have written⁸ about the pitfalls of monetizing rivers, and how, if it’s even possible, it could lead to very selective protection where wealthy communities may be able to protect their local river while rivers in poorer communities continue to be degraded. Stated differently, we have grave doubts about the environmental justice outcomes of monetizing rivers or Nature.

The problem with the proposed rule change is not that it supports a “radical environmental agenda.” The problem is that it could very easily, and may even be designed to, further monetize America’s natural resources thus leading to further so-

⁷ <https://www.eenews.net/articles/invest-in-nature-might-be-possible-with-natural-asset-companies/>

⁸ <https://deeply.thenewhumanitarian.org/water/community/2017/05/30/three-reasons-why-water-markets-may-be-damaging-the-west-s-rivers>

called “management and regulation” – **and extraction** – that degrades and depletes ecosystems already on the brink of survival. While our eyes remain open to any method to better protect and restore Nature, we are extremely skeptical of this rule change.

Further, monetizing natural resources is the source of the problem from the get-go, and so the proponents of the rule change would have us believe that all we need to do to save Nature is to change our methods of monetization. Even further, the proponents would have us believe that the solution to the capitalization of Nature and resource extraction is to capitalize “Nature protection” instead, and then measure and quantify it all with a filled-with-loopholes “reporting framework,” and then turn it over to the invisible hand of Wall Street. Moreover, the “ecosystem services” described in the Reporting Framework appear to be almost completely “anthropocentric” – i.e., services provided to humans – and we will point out, but spare you a long lecture, about how we humans share this beautiful planet with millions of other species who also have ecosystem-service needs that are likely not captured in this Reporting Framework.

The proposed rule change doesn’t go too far, but rather it doesn’t go far enough to actually create a so-called Natural Asset Company that solely and substantively protects and restores Nature. Please deny the change and encourage its proponents to go back to the drawing board to create organizations, models, companies – *whatever* – that solely protect and restore Nature, not further degrade or extract it.

Please don’t hesitate to reach out to us with any questions.

Sincerely,

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