

Nebraska State Legislature

SENATOR DAVE MURMAN

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COMMITTEES

Chairperson - Education
Revenue
Committee on Committees

January 4, 2024

Secretary Vanessa A. Countryman
Acting Deputy Director
U.S. Securities and Exchange Commission
100 F Street NE
Washington D.C. 50249-0213

Subject: Notice of Filing of Proposed Rule Change to Amend the NYSE Listed Company Manual to Adopt Listing Standards for Natural Asset Companies

Secretary Countryman,

The signed underlying members of the Nebraska Legislature express our opposition to the SEC Proposed Rule Change. The State of Nebraska is home to a vibrant agricultural economy with farms spanning across nearly 45 million acres¹. The proposed rule puts the economic security of these farmlands which are vital for feeding the nation at risk. Specifically, the proposed rule is concerning regarding the risk of foreign investment by adversarial nations, a risk of profit loss, the subjectivity of the valuation of “natural assets”, and the potential jeopardization of businesses and food supply.

1. By subjecting land owned by both the State of Nebraska and private landowners to the control of Natural Asset Companies (NACs), Nebraska land can be invested in by any private investor including a nation with adversarial security goals such as China or North Korea. Upon investing in a NAC, that investor may have the ability to become a shareholder in that land. For example, the State of Nebraska is a major producer in corn and soybeans as well as Russia. Russian investors could then invest in Nebraska farmland and halt farming by restricting the land for the development of natural resources. In another example, in Kimball County Nebraska, the State is working to upgrade an aging intercontinental ballistic missile system (ICBM)². The ICBM site is surrounded by farm

¹ https://www.nass.usda.gov/Quick_Stats/Ag_Overview/stateOverview.php?state=NEBRASKA

² <http://update.legislature.ne.gov/?p=33574>

land. Naturally, an adversarial nation with a strategic interest in our missile capabilities, such as North Korea, would gain a great advantage in the ability to invest in surrounding that land as a NAC. By allowing these foreign nations to invest in our land, the rule puts our national security at risk.

2. The proposal seems to indicate the only goal of farmers and landowners is profit, with no regard to the natural resources and environment. This assertion fails to recognize that Nebraska farmers and ranchers place a great deal of value in the environmental stewardship of their land already. As the Nebraska Farm Bureau writes, “Farmers and ranchers are leading the way in climate-smart practices that reduce emissions, enrich the soil and protect our water and air, all while producing more food, fiber, and renewable fuel than ever before”³. If Nebraskans want to invest in environmentally friendly products, they already can do so without the need to create an entirely new form of investment.
3. The proposal creates an unclear system of valuating land based upon the benefit of “natural assets”. Other terms used by the proposal include “community well-being” and “ecological services”. None of these terms have any sort of clear financial valuation method but instead read as what could be better described as cultural or political goals. Such goals are unobjective and may lead landowners and investors alike to have concern over the stability of these investments as cultural and political objectives naturally shift between changes in societal priorities and political administrations. Nebraska land being valued based upon anything other than tangible assets creates an unworkable system for the State.
4. Finally, the proposal risks halting one of the most important sectors in both Nebraska’s and the United States’ economy- agriculture. Private investors throughout the country and the world, including foreign actors or foreign-controlled wealth funds, could, through the process of becoming a NAC shareholder, place an environmental easement on the land halting any economic activity. The result could be farmers, ranchers, and other landowners through no say of their own, losing critical crops in turn jeopardizing both business and the American food supply.

Conclusion

The undersigned members of the Nebraska Legislature stand in firm opposition of the proposed rule to adopt listing standards for NACs. The proposal rightfully poses grave concerns to Nebraska farmers, ranchers, business owners, and landowners. Specifically, the proposed rule is concerning regarding the risk of foreign investment by adversarial nations, a risk of profit loss, the subjectivity of the valuation of “natural assets”, and the potential jeopardization of businesses and food supply. We urge the SEC to reject this proposal.

³ <https://www.nefb.org/environment-climate-2/>

Sincerely,



Senator Dave Murman



Senator Steve Erdman



Senator Kathleen Kauth



Senator Steve Halloran



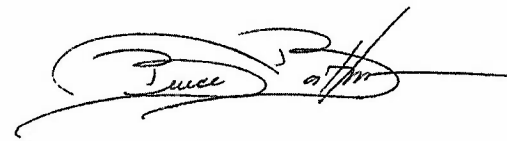
Senator Rick Holdcroft



Senator Brian Hardin



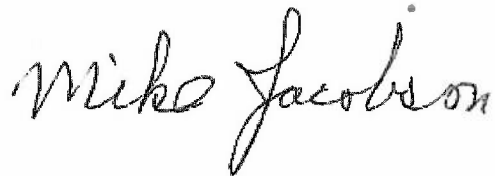
Senator Tom Brandt



Senator Bruce Bostelman



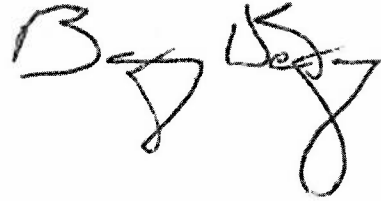
Senator Rob Clements



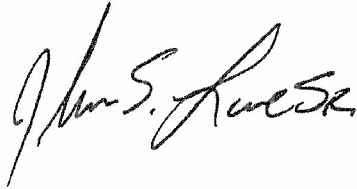
Senator Mike Jacobson



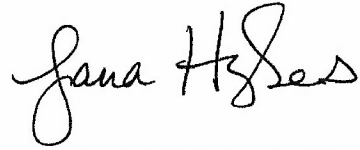
Senator Beau Ballard



Senator Barry Dekay



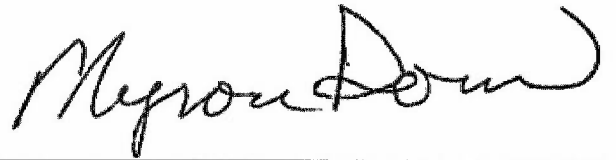
Senator John Lowe



Senator Jana Hughes



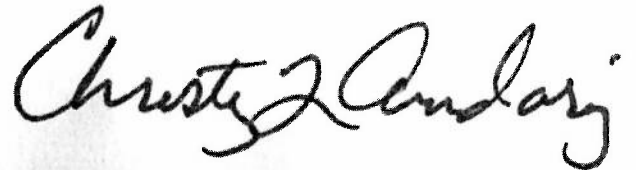
Senator Loren Lippincott



Senator Myron Dorn



Senator Fred Meyer



Senator Christy Armendariz



Senator Tom Brewer



Senator Joni Albrecht



Senator Ben Hansen



Senator Mike Moser

Carolyn Bosh

Senator Carolyn Bosh

Lou Ann Linehan

Senator Lou Ann Linehan

Brad von Gillern

Senator Brad von Gillern