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Treasurer Fleming condemns potential SEC rule change, NYSE withdraws request

BATON ROUGE, LA – The New York Stock Exchange has withdrawn its request to the Securities and Exchange Commission (SEC) for a policy rule change to allow creation and listing of Natural Asset Companies (NAC) following submission of a letter signed by State Treasurer John Fleming, MD, who decried the action as a “land grab disguised as an investment strategy.”

The request withdrawal was announced yesterday, following submission earlier that same day of the letter of objection signed by 26 financial officers from 23 states.

“This was all about control – control of natural resources like air, water and soil - for the purposes of attaining political outcomes. It was a blatant attempt to permanently remove both public and private lands from economic use in the name of solving environmental issues,” said Fleming. “I am pleased that we have been able to stave off this attempt, but know we must remain vigilant in our protection of fiduciary responsibilities.”

The rule change would have paved the way for private interests to purchase farmland, national and state parks, and other mineral-rich areas in order to prohibit economic activities including farming, grazing, and energy extraction on that land.

Control of natural resources such as air, water and land - all for the purposes of attaining political outcomes

The letter, penned by members of the State Financial Officers Foundation, pointed to the folly of placing an arbitrary economic value on something without economic value.

Unlike other types of companies, the purpose of a NAC is to maximize the value of the land's ecological services, rather than generate a profit from traditional activities.

"We believe that the value of a good provided by nature is undeniable, but unquantifiable. If it is made quantifiable, even using crude and arbitrary methods (as this proposal would do) then it takes what is thought of as a 'public good,' like air, and makes it a private commodity from which people can profit at the expense of others. This is a terribly dangerous idea," read the letter.

After an unusually short 21-day public comment period, the SEC was expected to make a decision on the proposed rule change on January 2. However, in late December, the SEC delayed the decision, reopening public comments, and instituting proceedings. The receiving of public comments was to remain open through January 18, but became moot yesterday when the withdrawal was received.