NATURAL RESOURCE PARTNERS L.P.
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September 26, 2016

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

RE: SEC Proposed Rules regarding Modernization of Property Disclosure Requirements for Mining Registrants

Dear Mr. Fields:

On August 24, 2016, Natural Resource Partners L.P. ("NRP") submitted a request for a 60-day extension of the comment period for the Securities and Exchange Commission's (the "Commission") proposed rules to modernize property disclosure requirements for mining registrants (the "Proposed Rules") contained in Release Nos. 33-10098, 34-78086; File No. S7-10-16 (the "Release"). The Commission subsequently extended the time period for all commenters until September 26, 2016. This letter contains NRP's comments to the Proposed Rules, and NRP respectfully requests that the Commission consider these comments carefully in its final rule-making process.

Overview of NRP and its Business

NRP is a diversified natural resource company with interests in coal, aggregates and industrial minerals throughout the United States. NRP is a master limited partnership ("MLP") traded on the New York Stock Exchange under the symbol "NRP" with a current market capitalization of approximately $340 million. The majority of NRP's operating income is royalty income from the leasing of coal and other mineral properties. NRP's other operating income comes from a non-controlling interest in an operating trona mining and soda ash production business, and a wholly owned construction aggregates operating business. As of December 31, 2015, NRP owned or controlled over 2.2 billion tons of proven and probable mineral reserves in the United States. NRP does not own or control international mineral reserves or conduct international mining operations. NRP currently provides summary information regarding its proven and probable mineral reserves as required by Industry Guide 7.

NRP owns a large portfolio of mineral interests (primarily consisting of coal reserves) across the United States that are leased to operators who mine the mineral reserves and pay royalty income to NRP. NRP currently has over 200 coal leases in 14 states with over 100 active mines on its properties. Depending on the characteristics of the coal produced from NRP's properties, the produced coal is sold by NRP's lessees

as either metallurgical coal (which is coal used in the steel making process) or thermal coal (which is used to generate electricity). Operators on NRP's thermal coal properties sell produced coal primarily to domestic utility customers. Operators on NRP's metallurgical coal properties sell produced coal to steel producers and industrial customers.

With regard to its construction aggregates business, NRP owns or controls several reserve deposits located in Pennsylvania, Kentucky, Tennessee and Louisiana. This business mines and produces limestone, sand, gravel and other materials that are sold into local and regional commercial, residential and infrastructure construction markets.

Commentary on Certain Aspects of the Proposed Rules

The Proposed Rules require U.S. reporting companies within the mining industry to provide substantial detailed information regarding, among other items, (1) the geologic characteristics of their reserves, (2) the economic and technical feasibility of mining such reserves, (3) mining operations, including all related activities from exploration through the first point of material external sale, regardless of whether the reporting company is actually operating the mine or selling products, and (4) pricing and other contractual information. Also required are summary technical reports prepared and signed by a "qualified person"[1] with respect to each "material mining property."[2] This comment letter does not seek to address all 129 of the Commission's requests for comments in the Release. Instead, we address below the most significant issues that the Proposed Rules present for NRP.

1. The Proposed Rules erroneously assume that the Commission's current mineral reserves disclosure regime results in deficient and/or misleading disclosure.

The Release fails to address how the Commission's current mineral reserves disclosure regime is deficient or why the Commission believes registrants' current disclosures do not provide investors with sufficient information to evaluate the merits and risks of their investments. In the Release, the Commission states its intent to align U.S. reporting company disclosure requirements with the CRIRSCO international reporting template in order to place U.S. mining registrants on a "more level playing field"[3] with non-U.S. mining companies that are subject to CRIRSCO standards. The CRIRSCO reserves reporting template clearly is designed to apply to large, multinational companies that produce and sell global commodities with established markets around the world. The CRIRSCO template is not a "one size fits all" disclosure scheme and should not be applied to domestic companies that do not compete on the

[1] As defined in the Proposed Rules.
[2] The Proposed Rules do not clearly define what would be considered a "material mining property."
[3] See Release, page 11.

global stage. The Release refers to mining as "an increasingly globalized industry."[4] Despite this assertion, the Release does not address the fact that many U.S. registrants do not conduct international operations or own international assets and instead mine and sell products into local or regional U.S. markets. Moreover, the Release erroneously assumes that the investor base for "global" mining companies reporting in multiple jurisdictions is the same as the investor base for domestic companies in the mining industry. Like most MLPs, NRP's investor base largely comprises domestic retail investors. Several other domestic reporting companies in the mining industry have a similar MLP structure with a similar investor base.

2. The Proposed Rules should not be applied to royalty companies, which do not operate mines and do not have access to the information that would be required to prepare feasibility studies or technical reports.

The Proposed Rules clearly would require NRP to disclose information that is either unknown or not obtainable or otherwise not reasonably available to NRP without undue expense and effort, which would be contrary to the Commission's long-standing rule regarding requiring reporting companies to provide such information.[5] In Section II.B.iii of the Proposed Rules, the Commission addresses the special circumstances of royalty companies and requests comments on the Proposed Rules as they would apply to royalty companies. Royalty companies, such as NRP, should not be required to report the same level of information that operating mining companies would be required to report. In its August 26, 2016 comment letter to the Commission, the Society for Mining, Metallurgy and Exploration ("SME")[6] provides detailed reasons why the Proposed Rules should not apply to royalty companies. NRP agrees with each of SME's assertions in the August 26, 2016 letter.

The Proposed Rules require royalty companies to prepare technical analyses (including "pre-feasibility" and feasibility studies) using data that these companies generally do not have access to and do not have the rights to access. NRP owns mineral reserves and leases them to lessees in exchange for royalty payments on tonnage mined and sold. NRP's mineral properties include a variety of commodities that extend across the U.S., with coal being the dominant commodity in terms of volume and revenue. NRP's lessees range from large public companies to small private operators. NRP's lessees conduct their operations under a variety of economic, geologic, marketing, regulatory and site specific factors. NRP does ***not*** conduct pre-mining studies, develop mine plans, obtain permits or other regulatory authorizations, operate mines, employ mining personnel, engage in any product sales or marketing activities, or otherwise influence or control the mining operations of its lessees. NRP receives

[4] See Release, page 9.
[5] See Commission Rule 409 (17 C.F.R. § 230.409).
[6] See https://www.sec.gov/comments/s7-10-16/s71016-25.pdf. SME is a professional society with more than 15,000 members representing engineers, geologists and other professionals serving the minerals industry in more than 100 countries.

monthly production reports along with royalty payments. NRP also receives certain other limited economic and mining information that enables NRP to evaluate its royalty business and make periodic reports to its common unitholders.

The Proposed Rules also fail to recognize that royalty companies often do not own all of the mineral reserves at any given mine. In fact, NRP derives its royalty revenues from mining operations that, for the most part, mine reserves owned by multiple mineral owners with contiguous ownership interests. Accordingly, any requirement to procure and provide technical mine-specific information, including costs, capital expenditures, and pricing, could be materially misleading to investors, as NRP's actual economic interest in such mining operation would be less than what the Proposed Rules would require the company to report.

Investors invest in royalty companies based on an expectation that those companies will generate revenues while incurring minimal operating expenses. The information that is material to royalty company investors therefore is not the same information that might be material to an investor in a mining company. NRP has been providing material information on its royalty business since its initial public offering in 2002 without requiring proprietary information of its lessees or their customers.

3. Disclosure of detailed pricing and other information would cause substantial competitive and commercial harm to NRP's businesses.

NRP's Royalty Business

In NRP's royalty business, many of NRP's lessees are small, privately held companies that are not subject to public reporting requirements. Even if NRP were able to access the voluminous proprietary technical information of its lessees and had the resources to digest such information into the formats required by the Proposed Rules, the public disclosure of such information would violate NRP's lease agreements and potentially cause competitive harm to its lessees, thereby exposing NRP to liability and damaging NRP's relationships with its lessees. This in turn could discourage mine operators from doing future business with NRP in favor of a private company that does not have the obligation to disclose such operators' competitive information.

NRP's Construction Aggregates Mining Business

The disclosure of pricing and other market and technical information presents even greater competitive risks to NRP's construction aggregates business. Mining companies involved in the exploration, development and extraction and processing of global mineral commodities (such as gold, copper, and zinc), ship their products globally, and prices for those products are quoted openly on widely available exchanges. In contrast, construction aggregates (limestone, sand and gravel) are generally sold in close proximity of where they are mined (often only 30 to 50 miles).

The price per ton for construction aggregates varies widely across the country, as the price is dependent on many factors, including the type of product, the size and chemical composition of such product, the distance to the market or customer from the mine, mining and processing costs, and economic and other conditions in the local markets. These prices vary significantly between local markets and may vary significantly within local markets.

Understanding this distinction is important as it relates to the sales price of NRP's products. In the construction aggregates industry, product pricing information is proprietary, and pricing can vary by only a few cents between competitors in a market. Accordingly, disclosure of this information for NRP's construction aggregates mining operations would place the company's operations at a significant competitive disadvantage to existing and potentially new market entrants. NRP competes with both public reporting companies and privately held companies (many of which are small and family-owned) in these markets.[7] Requiring pricing disclosure would significantly disadvantage NRP's ability to compete with these companies. NRP is further concerned that the public disclosure of pricing information could conflict with U.S. antitrust laws, as competition within construction aggregates markets could be adversely affected.

A regular part of NRP's construction aggregates business is replacing depleted reserves, and growing by developing new properties. Both activities begin with exploration. Exploration is often a very costly, time-consuming and labor-intensive process. To advance a project from the property and exploration phase through to operation can often cost millions of dollars. NRP may choose to enter new markets, either geographically or by selling new products. In many cases, the company may choose to undertake exploration activities quietly in order to avoid bringing attention to existing market participants of the company's strategic plans. The Proposed Rules would require the company to disclose confidential information on its market studies and on operating cost and capital cost information. This information would then become available to both existing construction aggregates operators and potential new market entrants, which would significantly dampen, and perhaps even negate the desire to undertake such a study, or develop a new property. Providing operating costs and capital cost information would significantly diminish the perceived economic advantage of opting to open a new facility, or expand the company's existing reserves. In addition, the disclosure of royalty information and other lease terms is generally prohibited by NRP's lease agreements. Moreover, NRP's customers and other counterparties may object to the disclosure of information, preventing NRP from bidding for new projects, obtaining new reserves through royalty agreements, or acquiring new operations or businesses.

[7] NRP is aware that some domestic construction aggregates companies are public reporting companies that would also be subject to the Proposed Rules. However, the public companies with which NRP's construction aggregates business competes are so large in scale that it is unlikely that those companies would be required to disclose pricing, cost or capital expenditure information with respect to the local markets that NRP serves.

4. **Compliance with the Proposed Rules would impose a substantial financial and administrative burden on NRP and will negatively affect competition in the U.S. markets.**

NRP's costs of compliance with the Proposed Rules would greatly exceed estimated compliance costs set forth in the Release, even to the limited extent that NRP could access the data required to comply. NRP currently employs operational, accounting and management personnel as appropriate to conduct its business and comply with regulatory requirements. The Proposed Rules would require NRP to employ a team of personnel dedicated solely to compliance with such rules and also require NRP to engage numerous external experts to conduct the required technical studies (including the technical report summaries required to be prepared by a "qualified person"). All of this also would require the implementation of new internal controls, increase the amount of review by NRP's external auditors and require additional management oversight. NRP estimates that the costs of compliance with the Proposed Rules would be over several million dollars on an annual basis (with initial compliance costs in excess of $10 million), given NRP's widely held reserves and operations. Compliance with the proposed rules would drain NRP's financial resources and divert management attention, all of which would be detrimental to NRP's common unitholders.

In addition, in the Release, the Commission asserts that disclosure pursuant to the Proposed Rules will "improve the competitiveness of the U.S. securities markets and increase the likelihood of prospective registrants listing their securities in the United States."[8] NRP strongly disagrees with this assertion and instead believes that the Proposed Rules will discourage companies from listing in the U.S. by imposing onerous disclosure requirements and substantial compliance costs. Moreover, NRP believes that investors seeking to provide capital to U.S.-based mining companies (including private equity firms that typically contemplate a "public" exit from their investments after some period of time) would be discouraged from doing so due to the significant compliance costs that would be incurred by the companies they would otherwise invest in.

Conclusion

As discussed in detail above, NRP would plainly be unable to comply with the Proposed Rules in many cases. In addition, any disclosure that NRP would be able to make in compliance with the Proposed Rules would have a material negative impact on NRP's business and financial results and exponentially increase NRP's reporting and compliance costs, both of which would in turn cause substantial harm to NRP's common unitholders. At the same time, NRP's periodic reports would contain disclosure that is substantially more complex than its current disclosure and also contain thousands of pages of technical data and other information that would neither enhance NRP's disclosure nor provide material information to a common unitholder for an investment

[8] See Release, page 219.

decision. The Proposed Rules are inconsistent with the Commission's mandate to create a public disclosure scheme that requires disclosure of material company information in a manner that is both transparent and accessible to investors. NRP believes that many of its industry partners and other Commission reporting companies in the mining industry will similarly be adversely affected for the reasons stated above.

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If you have any questions regarding this request, please contact me at [redacted]. Thank you very much for your consideration of these comments.

Sincerely,

Kathryn S. Wilson
Vice President & General Counsel