

802.2(c)

[REDACTED]

October 4, 2001

B. Michael Verne
Federal Trade Commission
Bureau of Competition
Premerger Notification Office
Room 303
6th St and Pennsylvania Ave, N.W.
Washington, DC 20580

Re: Proposed Acquisition of Timberland

Dear Michael:

Thank you for taking the time to speak with [REDACTED] and me earlier today. This letter is to confirm our conversation.

[REDACTED] described for you the transaction in which her client is to sell a number of tracts of timberland. Although it is possible that the subject timberland, taken as a whole, will have produced revenues in excess of \$5 million in the thirty six months preceding the acquisition, no parcel or group of contiguous parcels included in the acquisition will have produced revenues of that magnitude.

The language of 16 CFR § 802.2(c)(2)(iii) suggests that, at least in some cases, revenues derived both from adjacent parcels and from those which are used in conjunction with one another may have to be considered in determining whether the property constitutes unproductive real property for purposes of the 802.2(c) exemption. You advised that, in an acquisition of

B. Michael Verne
October 4, 2001
Page 2

timberland, it will suffice to aggregate revenues only from contiguous parcels and that the PNO has not considered the "used in conjunction with" concept to be applicable in such a transaction.

At your convenience, please call me at [REDACTED] if you wish to discuss any of this further or to confirm that I have accurately reported our conversation.

Very truly yours,

[REDACTED]

cc:

[REDACTED]

AGREE -

B. Michael Verne

10/4/01