

802.2(g)

ESTABLISHED 1893

May 21, 2003

**VIA FACSIMILE & FIRST CLASS MAIL**

Mr. B. Michael Verne  
Premerger Notification Office  
Bureau of Competition  
Federal Trade Commission  
Room 303  
600 Pennsylvania Ave., N.W.  
Washington, DC 20580

Re: Section 802.2(g) Agricultural Property Exemption

Dear Mr. Verne:

I am writing this letter to confirm my understanding of our telephone conversation today regarding the exemption under Section 802.2(g) of the exemption rules promulgated under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and, in particular, the 802.2(g) exemption as it relates to real property used for timber tract operations.

During our conversation, we first discussed whether or not the definition of agricultural property exempt under 802.2(g) included real property used for timber tract operations. You indicated that timberland was not considered agricultural property subject to the 802.2(g) exemption prior to the amendment to 802.2(g) removing the reference to SIC Major Groups 01 and 02. You indicated that, since the introduction of NAICS Sector 11 to 802.2(g), however, timberland has been (and currently is) included in the definition of exempt agricultural property.

We then discussed the 2002 amendments to 802.2(g) removing "associated agricultural assets" from the agricultural property exemption. You indicated to me that, as a result of those amendments, harvested crops (including cut trees no longer growing on timberland) were considered to be inventory and, therefore, were not included as exempt agricultural property under 802.2(g). You also indicated, however, that unharvested crops (including uncut trees growing on timberland) were considered part of the agricultural property and, therefore, were included as exempt agricultural property under 802.2(g).

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If you believe that this letter does not accurately reflect our conversation or your conclusions, please give me a call at [REDACTED] as soon as possible.

Thank you again for your assistance in this matter.

Very truly yours,

[REDACTED SIGNATURE]

AGREE -  
M. BRUNO CONCURS.

*B. Bruner*  
5/22/03

PNO Note:

This advise was rescinded after a discussion with DOT; a technical correction to the rule is expected.

J. Johnson  
4/12/03