

April 6, 2009

Mail Stop 4561

Mr. Hans E. Vanden Noort
Chief Financial Officer
Rayonier Inc.
50 North Laura Street
Jacksonville, FL 32202

**Re: Rayonier Inc.
Form 10-K for the year ended December 31, 2008
Filed 2/27/09
File No. 001-06780**

Dear Mr. Vanden Noort:

We have reviewed your filing and have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Note 2. Summary of Significant Accounting Policies, page F-8

Timber, page F-10

1. Please advise us of your basis for capitalizing real estate taxes and lease rental payments related to timber assets, and quantify the amount carried on your balance sheet as of December 31, 2008.

Note 19. Incentive Stock Plans, page F-31

Non-Qualified Employee Stock Options, page F-33

2. Please advise us how you calculated the aggregate intrinsic value for options outstanding, vested and expected to vest, and exercisable at December 31, 2008. Please also explain to us and disclose in future filings the difference between “options vested and expected to vest” and “options exercisable.”

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As appropriate, please respond to these comments within 10 business days or tell us when you will provide us with a response. Please submit a response letter on EDGAR that keys your responses to our comments and provides any requested information. Detailed response letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your responses to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed decision. Since the company and its management are in possession of all facts relating to a company’s disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that

- the company is responsible for the adequacy and accuracy of the disclosure in the filings;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filings; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filings or in response to our comments on your filings.

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You may contact Kristi Marrone at (202) 551-3429 or me at (202) 551-3486 if you have questions.

Sincerely,

Daniel L. Gordon
Branch Chief