



Pope Resources
A Limited Partnership

19245 Tenth Avenue Northeast
Poulsbo, Washington 98370-7456
(360) 697-6626
(360) 697-1156 FAX

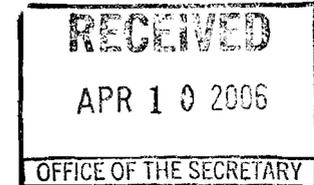
26523-406

RECEIVED
ES 116003
2006 APR -5 AM 11:28

CHAIRMAN'S
CORRESPONDENCE UNIT

March 31, 2006

The Honorable Christopher Cox
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1070



Dear Chairman Cox:

The management of Pope Resources, a NASDAQ-listed company, would like to voice our support for the recommendations proposed by the Securities and Exchange Commission (SEC) Advisory Committee on Smaller Public Companies. Pope Resources fits under the currently proposed definition of a "small cap company" and as of March 2006 completed its first year of Section 404 implementation with the filing of our 2005 Annual Report on Form 10-K. We are proud of the unqualified Section 404 report included in our 10-K but dismayed at the external audit cost we had to incur to comply with these requirements.

The Section 404 implementation process we have just completed leads us to several conclusions:

- The overall goal of improving the system of internal controls surrounding financial reporting is important to individual reporting companies and for our equity markets as a whole.
- The Section 404 requirements as currently interpreted lead to a duplication of efforts between management and the external auditors. This duplication of efforts clearly results in added costs of both implementation and ongoing compliance with Section 404 that do not appear to provide a corresponding benefit to the reporting company or its investors.
- Interpretation of the Section 404 rules changed significantly between 2004 and 2005 and still appears to be evolving. The changing interpretation of these rules lead to inefficiencies in the implementation of the Section 404 requirements.

The conclusions we have drawn from this process lead us to enthusiastically endorse the Advisory Committee's recommendation to eliminate the external audit requirement of

Section 404 for Small Cap Companies. By eliminating the need for external auditors to audit the Section 404 work completed by management, the primary source of inefficiency in the current process will be eliminated. Eliminating the external audit requirement frees management to interpret and apply the rules to its specific facts and circumstances. Given that errors not identified by management will likely be identified by external auditors as part of the financial statement audit and thus result in reportable control weaknesses, management will still be properly motivated to take proper care when executing the Section 404 process.

Thank you for the opportunity to submit our viewpoint to the Commission regarding Section 404 of the Sarbanes Oxley Act and, more particularly, the Advisory Committee's recommendations. We strongly urge the Commission to adopt the recommendations made by the Advisory Committee that provide relief to smaller companies from certain applications of Section 404. If you have any questions or comments please feel free to contact Mr. Thomas M. Ringo at (360) 394-0520.

Sincerely,



David L. Nunes
President and CEO



Thomas M. Ringo
VP and CFO