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July 8, 2009

Dear Senate Finance Committee,

I am writing to you on behalf of the 215 team members who work at the Cedar River mill in Cedar Rapids, Iowa about a tax credit for using a liquid alternative fuel to produce energy and International Paper's eligibility because of our record of sustainable, renewable and self-sufficient energy use. Although we do not produce our own energy at Cedar River, our U.S. International Paper mills generate over 70 percent of our energy from green biomass fuels.

We at International Paper are very proud that we are one of the leading producers and users of renewable biomass energy in the nation. We, like others in the forest products industry, have a long history of producing green energy to power our mills, but it was only recently that we have been recognized and encouraged by the federal government for this responsible practice.

As a recycled content mill, we would also like to comment on reports we have seen from some who have indicated the alternative fuel mixture tax credit has had a negative impact on our segment of the market. In light of recent economic conditions overall paper and paperboard production is down 17.4% as demand for these products is down. We have seen no evidence of a shift away from recycled content. In fact, virgin containerboard production is down 17.8% year over year while recycled content production is down only 11.8% year over year. It is our experience that demand for recycled content is driven by customer preference and value in the supply chain.

On behalf of the team members of the Cedar River mill, I urge the Senate Finance Committee to preserve the alternative fuel tax credit and allow it to run its course through the expiration on December 31, 2009. International Paper uses an immense amount of renewable energy and it is only fair that we receive recognition for our environmentally sound manufacturing practices.

Thank you for allowing me the opportunity to provide comments on this important proposal.

Sincerely,

Steve Henry  
Mill Manager  
International Paper  
Cedar River Mill