

Dear Sirs,

The support scheme to the US pulp and paper industry that allows large tax credits for burning black liquor is of utmost concern to the Swedish pulp and paper industry. We see market distortions following the subsidy, and fear more national initiatives like the Pulp and Paper Green Transformation Program in Canada might be necessary in many other pulp and paper producing countries to offset the benefits received by the US pulp and paper industry.

The Swedish Forest Industries Federation fully supports the proposal from Senators Baucus and Grassley to close the alternative fuels tax credit loophole for the pulp and paper industry and urges the US Senate to put an end to it as soon as possible to restore fair competition and a level playing field between the US industry and its competitors.

The industry's views as well as examples of market distortions are further outlined in the enclosure, which is compiled by CEPI, The Confederation of European Paper Industries, in Brussels. The Swedish Forest Industries Federation is one of CEPI's 18 national European organisation members, and fully supports the views and facts in the attached document.

Yours sincerely,
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