

10 individuals listing affiliation with Fraser Papers submitted the following:

Dear Senator Baucus and Senator Grassley,

I am writing to ask your support to end the Black Liquor Tax Credit that was created through the misinterpretation of Section 6426(e) of the Internal Revenue Code. This credit is costing Fraser jobs and is completely unfair to me and my co-workers. This multi-billion dollar windfall for our competitors is providing unfair competitive advantage and has resulted in the rapid destruction of Fraser's paper markets.

Fraser has had a long tradition of excellent quality and service, which has resulted in a relatively stable customer base. However, our customer base is now being targeted by certain competitors with integrated paper mills. These companies are targeting Fraser because they know their huge government subsidies provide a 10 – 20% cost advantage. We believe our competitors that have integrated pulp mills in the United States are operating these mills at high production rates in order to collect these subsidies, even though demand has collapsed in their core paper markets. They are targeting our markets as a place to sell paper at huge discounts to normal market pricing. This has resulted in a rapid decrease in pricing in our core markets.

This Black Liquor Tax Credit is providing an advantage to our competitors and has resulted in hundreds of lost Fraser jobs. This tax loophole was found by companies spending huge amounts of resources to work around our tax system. What is worse, this tax loophole is being funded by taxpayers, so I am essentially paying our competitors with my tax dollars to help them take away our business.

Senator Baucus and Grassley, the future of Fraser Papers, which has over 2000 employees, is at risk. I ask you to please act now to end this damaging tax loophole.

Respectfully,