April 4, 2005

Mr. Jonathan G. Katz
Secretary, Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Subject: **Comment letter regarding SWM's experience with initial implementation of Section 404 of the Sarbanes-Oxley Act of 2002. File number 4-497.**

Dear Mr. Katz:

Schweitzer-Mauduit International, Inc. (NYSE:SWM) appreciates the opportunity to comment on our experience as an SEC registrant with the implementation of Section 404 (404) of the Sarbanes-Oxley Act of 2002 (the Act). SWM is a multinational producer of premium specialty papers headquartered in Alpharetta, Georgia, and is the world's largest supplier of fine papers to the tobacco industry. With operations in the United States, France, Brazil, Indonesia and Canada, it generated consolidated net sales of $658 million in 2004. SWM is also the only remaining U.S.-based manufacturer of such papers, and therefore, incremental 404 costs place SWM at a disadvantage to our foreign competitors.

We support the Commission's efforts to improve the reliability, accuracy and integrity of financial reporting of publicly traded companies. We understand that the purpose of the Act is to help restore investor confidence, and we agree with that principle. We believe implementation of the non-404 sections of the Act has improved corporate governance in this country. However, based on our experiences in implementing the requirements of 404, we believe that 404 requires a level of detail that is too costly and too laden with administrative paperwork. The 404 goals could be achieved more effectively and with less cost if focused at the appropriate level of corporate governance controls, if the testing of controls were to better differentiate between high risk and low risk activities, if documentation requirements were reduced and if the external auditors' duplication of management's efforts were reduced.

Our recommendations to better achieve the intent of 404 fall into four areas:

1. Take more of a risk-based approach in 404, focusing efforts more on areas that contributed to, or that did not properly prevent, many of the financial misstatements in

recent years that gave rise to the Act.

The focus of 404 efforts should be directed more to the risks which 404 is intended to prevent. We believe that the cause of the financial misstatements have generally been attributable to inappropriate actions by management.

- The major financial reporting scandals that gave rise to the Act (such as Enron and Worldcom) were caused by executive management override of the internal controls over financial reporting. Therefore, we believe the focus of 404 should be directed toward the areas where management, and in particular executive management, can perpetrate fraudulent financial reporting. Instead, current 404 efforts are much broader in scope.

- The current primary focus, both in management's assessment and in the independent auditor's attestation, is on detailed transaction-level processes where, generally, major financial misstatements do not occur. Less attention should be focused on detailed transaction-level processes, and more attention should be focused on the likelihood of management intervention to perpetrate a financial misstatement.

- While SWM had no material weaknesses and no significant control deficiencies over financial reporting as of December 31, 2004, our costs to implement 404 in 2004 of $1.3 million still reduced our 2004 earnings per share by approximately $.06, or approximately 2.5 percent. We believe the cost to evaluate, document, test and audit all the many detailed internal controls over financial reporting under the current approach is quite substantial compared to the benefits of such efforts. We believe the current costs of 404 overwhelm the benefits.

- The focus of 404 should be on preventing and detecting "material weaknesses" in financial reporting. Instead, 404 currently focuses on detailed control activities that prevent and detect "control deficiencies". An example of this is a control deficiency identified by our independent auditor which indicated that we need to utilize password-protected screen savers on computer workstations at certain of our locations that do not currently utilize them due to the potential risk for unauthorized access to our information systems. While we understand the benefit of password-protected screen savers, we do not believe this type of issue was what Congress intended to address with 404. In fact, we believe that focusing effort on this level of detail significantly detracts from the Act's original purpose.

- There was a lack of integration between the considerable 404 effort and the financial statement audit. The scope of the financial statement audit was not adequately adjusted to reflect the benefits of the 404 work. Therefore, the natural benefit from the 404 effort was not fully recognized in the financial statement audit. In fact, SWM's financial statement audit fees increased during 2004, in addition to the incremental 404 audit fees. We feel the cost of the 404 effort could have been reduced with the focus only on key controls over financial reporting and the cost of the financial statement audit could have been reduced by greater reliance on key controls determined to be effective in the 404 effort.

We strongly recommend reducing the scope of 404 requirements in order to concentrate on the areas of more significant risk, primarily focusing on areas in which there is either a higher likelihood of a financial reporting error or where management could perpetrate fraudulent financial reporting, and aimed at controls to prevent or detect "material weaknesses" in financial statements rather than detailed transaction-level control activities that identify "control deficiencies" where material financial misstatements are unlikely to occur. We also recommend that the PCAOB provide guidance to external audit firms regarding reliance on the relevant 404 key controls in the financial statement audit to reduce the cost of the financial statement audit in order to lessen the overall financial burden of these new requirements.

2. Significantly reduce annual testing requirements for lower risk areas.

We strongly recommend that the Public Company Accounting Oversight Board (PCAOB) annual 404 testing requirements be significantly reduced for business process transaction-level controls. We suggest that a risk-based rotational approach be used to evaluate and test business processes over a three-year cycle, except where either evidence exists that indicates a higher likelihood of material financial statement error or where there is a higher likelihood of management intervention to perpetrate fraud, in which case testing would be necessary more frequently, e.g. annually, for these higher risk areas. This reduction would be for both management's assessment and the independent auditor's attestation.

The PCAOB rules related to 404 currently require annual testing of all major classes of transactions affecting a registrant's financial statements without any consideration of risk. While each company and its independent auditor would have to define the higher and lower risk areas for their company and these would differ from company to company and across industries, the following criteria could be used to help define the lower risk areas:

- Routine automated transactions processed through computer applications that have been tested previously and have good "change control" processes in place.
- Areas where judgment is limited and manual override is limited or well controlled.
- Areas where the accounting process is straightforward (i.e., not complex).
- Areas that have not exhibited "significant deficiencies" in prior testing.
- Areas where no major changes occurred since the previous testing.

An example of a lower risk area for SWM would be our payroll process which meets all the criteria listed above. We do not believe this area or other similar areas need to be tested every year due to the relative low risk.

This recommendation would focus the testing on controls related primarily to the higher risk areas where material financial misstatements are more likely to occur.

3. Reduce 404 documentation requirements related to control activities.

   We believe the current view of 404 documentation requirements related to control activities results in burdensome and unnecessary documentation practices. We understand that this is likely more of a PCAOB issue rather than the SEC, however we believe this is an important aspect of our initial 404 implementation experience.

   PCAOB Auditing Standard No. 2, paragraph 93 states: "Tests of controls over operating effectiveness should include a mix of inquiries of appropriate personnel, inspection of relevant documentation, observation of the company's operations, and re-performance of the application of the control." Paragraph 97 of Standard No. 2 also states: "In circumstances in which documentary evidence of controls or the performance of controls does not exist and is not expected to exist, the auditor's test of controls would consist of inquiries of appropriate personnel and observation of company activities."

   Unfortunately, the independent auditor's approach to evidence of the performance of a control activity is that without documentation that the control was performed, there was no control. This interpretation of the standard has resulted in unnecessary documentation practices that we believe exceed what the standard requires when inquiry and observation testing by the independent auditor would have been more practical.

   We request that the SEC urge the PCAOB to re-affirm its previous guidance that inquiry and observation tests by the company in its internal testing and by the independent auditors are appropriate for control activities that do not lend themselves to documentation.

4. Eliminate redundant work required of external auditors.

   Currently, PCAOB Auditing Standard No. 2 requires management to assess, test and opine on the design and operating effectiveness of its internal control over financial reporting and for the external auditors to report on management's assessment. Additionally, the external auditor must perform its own assessment and testing of the company's internal controls over financial reporting in order to issue a separate opinion supported primarily by the auditor's own work, significantly duplicating management's work. We believe this duplication of effort is unnecessary to achieve the purposes of 404 and its added cost is not worth the benefit. We recommend that the external auditors be allowed to utilize the work of management as a significant part of their supporting work and documentation in order to minimize the duplication of effort.

We appreciate the opportunity to comment on our experiences in the initial year of implementing these new requirements, and we thank you for considering our recommendations.

Sincerely,

/s/ Paul C. Roberts	/s/ Leonard J. Kujawa
Paul C. Roberts Chief Financial Officer and Treasurer Schweitzer-Mauduit International, Inc.	Leonard J. Kujawa Chairman of the Audit Committee of the Board of Directors Schweitzer-Mauduit International, Inc.