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February 9, 2006

Mr. Jonathan G. Katz  
Secretary,  
U.S. Securities and Exchange Commission  
Station Place  
100 F Street, NE  
Washington, DC 20594-9303

Re: Proposed Rule for Internet Availability of Proxy Materials (Release No. 34-52926; File No. S7-10-05; 70FR74598, 12/15/05)

Dear Mr. Katz:

Domtar Inc. is the third largest producer of uncoated freesheet paper in North America. It is also a leading manufacturer of business papers, commercial printing and publication papers, and technical and specialty papers. Domtar manages, according to internationally recognized standards, 18 million acres of forestland in Canada and the United States, and produces lumber and other wood products. Domtar has approximately 10,000 employees across North America. The company also has a 50% investment interest in Norampac Inc., the largest Canadian producer of containerboard.

Domtar Inc. is concerned with the Securities and Exchange Commission's proposed rule (File No. S7-10-05) that would permit the replacement of the current paper-based proxy materials process with an electronic system of notification and balloting. Under this proposed rule, companies could choose to provide shareholders with annual reports and proxy voting materials electronically, rather than on paper, and offer shareholders the option to receive the appropriate information on paper only if requested. As a company that manufactures paper products, Domtar is concerned about the negative impacts this proposed rule could have on our industry, as well as the industry's supply chain business, including printers, merchants and converters.

The paper products industry, like most other North American manufacturing industries, faces significant challenges in the marketplace. Domtar Inc. believes that the proposed rule would represent yet another difficulty and could lead to further job losses in paper manufacturing and allied industries. Because of adverse economic conditions, in November of 2005, Domtar announced the elimination of 1800 jobs, or 18% of our workforce.

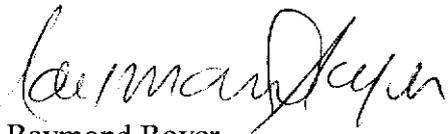
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Another concern with the proposed rule is accessibility for people without Internet access, particularly the elderly. Studies show that only 22% of Americans 65 and older use the Internet; therefore more than 75% of elderly American shareholders may not participate in the proxy voting process and would not receive their annual reports. Furthermore, there is consumer research that indicates nearly 45% of Americans rely on the confidence, reliability, privacy and safety of receiving information on paper.

One option that could mitigate these concerns would be to offer an "Opt In" process in which shareholders would continue to receive paper-based materials unless specifically choosing to receive electronic documents, rather than the "Opt Out" process proposed in this rule that allows a company the ability to make that decision. Under an "Opt In" process, shareholders would continue to receive paper-based proxy materials and would only receive the electronic versions if requested. An "Opt In" program would strike an appropriate balance between reducing costs for financial companies while minimizing the negative impacts on the paper products and related industries.

Domtar Inc. appreciates the ability to express its views on this proposed rule.

Sincerely,



Raymond Royer  
President and Chief Executive Officer

