

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re : Chapter 11
:
NEWPAGE CORPORATION, et al., : Case No. 11-12804 ( )
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Debtors. 1 : Joint Administration Requested
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DEBTORS' MOTION PURSUANT TO SECTIONS 363(b), 503(b)(1),
AND 105(a) OF THE BANKRUPTCY CODE (A) AUTHORIZING DEBTORS
TO HONOR CERTAIN PREPETITION CUSTOMER PROGRAMS, AND
(B) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND
PROCESS CHECKS AND TRANSFERS RELATED THERETO

NewPage Corporation ("NewPage") and certain of its subsidiaries and affiliates,
as debtors and debtors in possession (collectively with NewPage, the "Debtors"), submit this
motion (the "Motion") for an order (A) authorizing the Debtors, subject to their business
judgment and in their sole discretion, to (i) perform and honor their prepetition obligations under
certain customer programs (the "Customer Programs") and (ii) continue the Customer Programs
in the ordinary course of their businesses, and (B) authorizing the Debtors' banks and financial
institutions to process, honor, and pay all checks and electronic fund transfers relating to the
foregoing. In support of this Motion, the Debtors respectfully represent:

Background

1. On the date hereof (the "Commencement Date"), each of the Debtors
commenced a voluntary case under chapter 11 of title 11 of the United States Code (the

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification
number, as applicable, are: Chillicothe Paper Inc. (6154), Escanaba Paper Company (5598), Luke Paper Company
(6265), NewPage Canadian Sales LLC (5384), NewPage Consolidated Papers Inc. (8330), NewPage Corporation
(6156), NewPage Energy Services LLC (1838), NewPage Group Inc. (2465), NewPage Holding Corporation (6158),
NewPage Port Hawkesbury Holding LLC (8330), NewPage Wisconsin System Inc. (3332), Rumford Paper
Company (0427), Upland Resources, Inc. (2996), and Wickliffe Paper Company LLC (8293). The Debtors'
corporate headquarters is located at 8540 Gander Creek Drive, Miamisburg, OH 45342.



“Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession as authorized by sections 1107(a) and 1108 of the Bankruptcy Code.

2. Contemporaneously herewith, the Debtors filed a motion seeking the joint administration of their chapter 11 cases, for procedural purposes only, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure for the District of Delaware (the “Local Rules”).

### **Jurisdiction and Venue**

3. This Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **The Debtors’ Businesses**

#### **A. The Company’s Organization**

4. The Debtors and their non-debtor subsidiaries and affiliates (the “Company”) comprise the largest coated paper manufacturer in North America, based on production capacity. NewPage Group Inc. owns 100% of the common stock of NewPage Holding Corporation, which in turn owns 100% of the common stock of NewPage. NewPage is the Company’s primary operating subsidiary and directly and indirectly owns the other Debtors (the “Subsidiary Debtors”) and various other affiliated non-debtor entities. The Subsidiary Debtors primarily own and operate the various paper mills in the United States. Non-debtor NewPage Port Hawkesbury Corp. (“NPPH”), which is contemporaneously commencing proceedings under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”) in the Supreme Court of Nova Scotia, in Halifax, Nova Scotia, Canada

(the “Canadian Court,” and the filing, the “Canadian Proceeding”), primarily owns and operates a mill in Canada and manages the Debtors’ Canadian operations.

**B. The Company’s Business**

5. Headquartered in Miamisburg, Ohio, the Company’s mills primarily produce coated paper, which, unlike common writing or typing paper, is typically used in magazines, magazine covers and inserts, corporate annual reports, high-end advertising brochures, direct mail advertising, coated labels, catalogs, and textbooks. While the Company also manufactures supercalendered paper, uncoated paper, specialty labels, and newsprint, coated paper represented approximately 80% of its net sales for the year ended December 31, 2010.

*Manufacturing*

6. The Company operates 16 papermaking machines at paper mills located in Kentucky, Maine, Maryland, Michigan, Minnesota, and Wisconsin, with distribution centers near major print markets, including New York, Chicago, Minneapolis, and Atlanta. As of June 30, 2011, the Company had production capacity of approximately 3.6 million short tons (one short ton equals 2,000 pounds) of paper, including approximately 2.9 million short tons of coated paper, approximately 500,000 short tons of uncoated paper, and approximately 200,000 short tons of specialty paper.

*Sales, Marketing, and Distribution*

7. The Company sells paper products primarily in the United States and Canada, using three sales channels: (a) direct sales, which consist of sales made directly to end-use customers (primarily large companies such as publishers, printers, and retailers); (b) merchant sales, which consist of sales made to paper merchants and brokers, who in turn sell to end-use customers; and (c) specialty sales, which consist of sales made to packaging and label

manufacturers. As part of its distribution chain, the Company owns one warehouse, leases space in approximately 35 warehouses, and uses third parties to ship its products by truck and rail.

### **Events Leading To Chapter 11**

8. Several factors contributed to the commencement of these chapter 11 cases. As with any business, the Debtors' financial performance depends primarily on the demand for its products and the prices at which they can be sold. In the last few years, the Debtors have seen a significant decline in the North American demand for coated paper and, although this decline has impacted many of the markets for the Debtors' key products, it has yet to result in a counterbalancing decrease in the production capacity trying to access those markets.

9. This decrease in demand has stemmed from a number of factors. These include a general decrease in both advertising spending and magazine/catalog circulation driven largely by the current unrest in the global economy and the preceding "great recession"; increases in the use of electronic data transmission and storage; continued expansion of the Internet as a medium for numerous advertising and marketing applications; an increased demand for electronic reading material; and increased postal rates. These factors have contributed to substantial price competition and volatility in the pulp and paper industry.

10. In addition, despite the decline in North American demand, foreign imports from Europe and Asia, driven by similar overcapacity in their own markets, continue to have a negative impact on North American coated paper suppliers. This has led to significant levels of market-related downtime and temporary shutdowns, especially during 2008 and 2009.

11. Finally, the rising costs of raw materials, including significant increases in energy, fuel and chemical costs, have also negatively impacted the Debtors' financial performance, liquidity and stability. These market factors, exacerbated by the Debtors'

relatively high level of structured debt, have resulted in the Debtors seeking chapter 11 protection despite their ability to generate significant levels of EBITDA and unlevered cash flow.

12. By the second quarter of 2011, the Debtors' liquidity position became severely constrained. As a result, the Debtors began to consider various restructuring alternatives, and after considering all available options, the Debtors concluded that seeking chapter 11 relief would be in their best interests, as well as those of their creditors and other parties in interest.

13. As of July 31, 2011, the Company's aggregate workforce consisted of approximately 6,000 employees, of which approximately 70% are represented by labor unions. As of June 30, 2011, the Company's unaudited consolidated balance sheet reflected total assets of approximately \$3.4 billion and total liabilities of approximately \$4.2 billion. For the quarter ended June 30, 2011, the Company reported total gross revenue of approximately \$888 million and Adjusted EBITDA of \$32 million.

#### **Relief Requested**

14. As is customary in the paper industry, the Debtors maintain certain Customer Programs to promote product sales, build key relationships, and maintain goodwill and promote customer loyalty. By this Motion, the Debtors seek an order, substantially in the form attached hereto as Exhibit A, under sections 363(b), 503(b)(1), and 105(a) of the Bankruptcy Code, (A) authorizing the Debtors, subject to their business judgment and in their sole discretion, to (i) perform and honor their prepetition obligations under the Customer Programs, and (ii) continue the Customer Programs in the ordinary course of their businesses, and (B) authorizing the Debtors' banks and financial institutions (collectively, the "Banks"), to honor and process checks and other payment transfers related to such obligations. This Motion is

supported by the *Declaration of George F. Martin in Support of the Debtors' First Day Motions and Applications*, filed contemporaneously herewith.

### **The Customer Programs**

15. The Debtors believe the maintenance of the Customer Programs is critical to their reorganization efforts, will restore vitality to their businesses, and will maximize the value of their estates. The Customer Programs and the benefits thereunder are available to the Debtors' three types of customers: (i) merchants, which function as wholesalers of the Debtors' products to many printers and end-users (the "Merchants"), (ii) printers, which carry out the physical printing process for certain of the Debtors' paper products (the "Printers"), and (iii) end-users, who order the production of mailings, catalogues, magazines, books etc. using the Debtors' paper products that the Printers process (the "End-Users," and together with the Merchants and Printers, the "Customers").<sup>2</sup> To survive in the competitive paper manufacturing industry, the Debtors firmly believe they must maintain the goodwill of the Customers by assuring them of the Debtors' continued ability to satisfy their obligations under the Customer Programs. This is particularly true, given the increased pressure from competitors the Debtors believe will result from the Debtors' chapter 11 filings. Further, the Customer Programs, in the aggregate, generate significant revenue for the Debtors compared to the costs associated with such programs. The following are general descriptions of the Debtors' various Customer Programs.

#### **B. Merchant Incentive Programs**

16. The Debtors maintain certain programs (the "Merchant Incentive Programs") designed to promote the sale of, and maintain optimum pricing and product mix for,

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<sup>2</sup> The Debtors typically do not use Merchants for sales to Printers and End-Users that have large purchasing needs, but instead negotiate and sell directly to such Customers.

the Debtors' products to Merchants. Under the Merchant Incentive Programs, certain Merchants receive certain payouts (the "Payouts") for (i) achieving a target volume of purchases (the "Purchase Baseline") in a particular product category, and (ii) making additional purchases beyond the Purchase Baseline in the same product category. The Debtors generally calculate a Purchase Baseline for each Merchant based on actual sales made to that Merchant in the previous six months. Also included in the calculation is an adjustment for "general market demand movement." Once a Merchant achieves the Purchase Baseline for a particular product or product category, that Merchant receives a specific percentage (the "Base Percentage") of the net sale price (the "NSP") of the applicable product(s). Should the Merchant elect to make additional purchases of the product or in the product category, the Merchant would then receive Payouts based on a higher percentage of the NSP. In addition to incentivizing purchase volumes as described above, the Merchant Incentive Programs have two other benefits. First, the Merchants may not agree to the prices set by the Debtors for the products if they did not have the understanding that the applicable prices will effectively be reduced if they attain the applicable Purchase Baselines and receive the corresponding Payouts. Second, if a particular Merchant's purchases do not reach the Purchase Baseline, then the Debtors will have sold the applicable product(s) at a higher price. In turn, Merchants are encouraged to order more products, since they know that they will end up paying a higher price if the Purchase Baseline is not attained. The Payouts generally accrue semi-annually, and are payable the second month after the end of each half of the year. As of the Commencement Date, the Debtors estimate the aggregate amount outstanding under the Merchant Incentive Programs is \$548,000.

### **C. Performance Rebate Programs**

17. The Debtors also promote their products through the implementation of certain performance rebate programs (the "Performance Rebate Programs"). Under the

Performance Rebate Programs, the Customers, upon purchasing certain products from the Debtors, receive payments against the price paid for the purchased products. The Debtors, upon receipt from a Customer of a commitment to purchase certain products, agree to extend to that Customer a discounted sales price for the relevant products. The discount is not paid at the time of the purchase, however. Rather, the discount is earned when the particular Customer's purchases are invoiced and, to the extent of any committed volume requirements, when such committed volume levels are reached. Depending on the particular Performance Rebate Program, the performance rebates are paid on a monthly, semi-annually, quarterly, or yearly basis. As of the Commencement Date, the Debtors estimate the aggregate amount of rebates outstanding under the Performance Rebate Programs is \$12.1 million.

**D. True-Up Payments**

18. The Debtors also make true-up payments (the "True-Up Payments") to compensate Merchants for certain pricing differences for the Debtors' products. To illustrate, the Debtors establish wholesale prices for their products with each of their Merchants that carry such products in their inventories. To encourage and support the purchase of products by certain Printers and End-Users (the "Identified Printers and End-Users"), the Debtors will offer pricing discounts to the Merchants for certain products the Merchants sell to the Identified Printers and End-Users. When such sales are made from the inventories carried by the Merchants, the Debtors make True-Up Payments to compensate the Merchants for the pricing discounts. The True-Up Payments are usually paid one month in arrears. As of the Commencement Date, the Debtors estimate the aggregate amount of outstanding True-Up Payments is \$254,000.

**E. Other Programs**

19. The Debtors also encourage and support the purchase of certain products by Printers, using various credits and incentives tied to usage of the Debtors' product. As of the



Commencement Date, the Debtors estimate the average amount typically credited back to the Printers per month is \$3.3 million.

**F. Customer Returns and Adjustments Program**

20. The Debtors also maintain a program that grants Customers credits in exchange for returned products or other administrative corrections to account balances (the “Customer Returns and Adjustments Program”). The Debtors’ return policy for their products permits the Customers to return a product if it proves unsatisfactory for their needs. The Debtors’ adjustment policy permits a credit to be issued for such reasons as product damage sustained during transit, pricing differences, and other discretionary bases. The Debtors believe the Customer Returns and Adjustments Program is integral to sustaining their relationships and goodwill with the Customers, as well as indispensable to maintaining the confidence of Customers in the products. Furthermore, the amount of these returns and adjustments is minimal in comparison to the level of comfort it provides the Customers in their purchasing decisions. The Debtors generally process any returns and adjustments within six weeks from the date of invoice for the sold products. As of the Commencement Date, the Debtors estimate the aggregate amount owed in credits under the Customer Returns and Adjustments Program is \$3.1 million.

**Basis for Relief**

21. Pursuant to sections 363(b), 503(b)(1), and 105(a) of the Bankruptcy Code, the Debtors seek authority, but not direction, to continue the Customer Programs and to satisfy their undisputed prepetition obligations in respect thereof, as necessary and in their sole discretion. Under section 363(b) of the Bankruptcy Code, a debtor may, after notice and a hearing, use property of the estate outside the ordinary course of business. 11 U.S.C. § 363(b). In addition, under section 503(b)(1) of the Bankruptcy Code, a debtor may incur, and the court,

after notice and a hearing, shall allow as administrative expenses, among other things, “the actual, necessary costs and expenses of preserving the estate.” 11 U.S.C. § 503(b)(1). The Debtors believe sections 363(b) and 503(b)(1) permit the use of estate funds to continue the Customer Programs as necessary costs of operating the Debtors’ businesses and preserving the value of the Debtors’ estates. Since the Customer Programs assist the Debtors in promoting product sales, building key relationships, and maintaining good will, the Debtors submit that use of the property of their estates to honor the Customer Programs would be a sound exercise of their business judgment under section 363(b) of the Bankruptcy Code. Furthermore, because the benefits conferred by the Customer Programs strengthen the Debtors’ businesses and thus preserve their estates, the Debtors believe that the actual and necessary costs associated with the Customer Programs are properly incurred under section 503(b)(1) as administrative expenses.

22. In addition, the Debtors request authority, but not direction, to pay any prepetition amounts due under the Customer Programs because such payments are essential to the Debtors’ operations and the benefits achieved by such payments far exceed the negative effects resulting from failure to make such payments. It is well-established that a bankruptcy court has power to authorize payment of prepetition claims where the payment of such claims is necessary to facilitate reorganization. This principle was first articulated by the Supreme Court in *Miltenberger v. Logansport Co.*, 106 U.S. 286, 311 (1882) (“Many circumstances may exist which may make it necessary and indispensable to the business . . . and the preservation of the property, for the receiver to pay preexisting debts of certain classes, out of the earnings of the receivership, or even the corpus of the property, under the order of the court, with a priority of lien.”), and has been commonly referred to as the “necessity of payment” doctrine. *In re Lehigh & N. E. R. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (“if payment of a claim which arose prior to

reorganization is essential to the continued operation of the railroad during reorganization, payment may be authorized even if it is made out of corpus”); *In re Penn Cent. Transp. Co.*, 467 F.2d 100, 102 n.1 (3d Cir. 1972) (“[The] ‘necessity of payment’ exception to the normal deferment of the payment . . . permit immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims shall have been paid.”); *Pension Benefit Guar. Corp. v. Sharon Steel Corp.* (*In re Sharon Steel Corp.*), 159 B.R. 730, 736 (Bankr. D. Del. 1993); *see also In re Kmart Corp.*, 359 F.3d 866, 874 (7th Cir. 2004) (finding post-petition payment of pre-petition debts to critical vendors “proper only if the record shows the prospect of benefit to the other creditors”); *In re Motor Coach Indus. Int’l Inc.*, No. 09-078, 2009 WL 330993, at \*2 n.5 (D. Del. Feb. 10, 2009) (“The ‘doctrine of necessity’ or ‘necessity of payment’ doctrine is a general rubric for the proposition that a court can authorize the payment of prepetition claims if such payment is essential to the continued operation of the debtor.”); *In re Just for Feet*, 242 B.R. 821, 825 (D. Del. 1999) (“The Supreme Court, the Third Circuit and the District of Delaware all recognize the court’s power to authorize payment of pre-petition claims when such payment is necessary for the debtor’s survival during chapter 11.”); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (noting that debtors may pay prepetition claims that are essential to continued operation of business); *In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (finding “necessity of payment” doctrine justifies payment of prepetition claims where, “payment is necessary to avert a serious threat to the Chapter 11 process.”); *In re Chateaugay Corp.*, 80 B.R. 279, 282 (S.D.N.Y. 1987) (explaining that bankruptcy court’s general equitable powers are broad enough to authorize payment of prepetition claims of critical

vendors necessary for debtor's continued operation where debtor in possession's fiduciary duties so require).

23. Although the "necessity of payment" doctrine has not been codified in the Bankruptcy Code, "courts have used their equitable power under section 105(a) of the Code to authorize the payment of pre-petition claims when such payment is deemed necessary to the survival of a debtor in a chapter 11 reorganization." *Just for Feet*, 242 B.R. at 824. Section 105(a) authorizes the Court to "issue any order, process, or judgment that is necessary to carry out the provisions of this title." 11 U.S.C. § 105(a). In addition, it ensures a bankruptcy court's power to take whatever action "is appropriate or necessary in aid of the exercise of its jurisdiction." 2 COLLIER ON BANKRUPTCY ¶ 105.01 at 105-2 (15th ed. 2008). "[U]nder 11 U.S.C. § 105 the court can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor." *In re NVR*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992).

24. The Debtors submit that this Court should authorize, but not direct, the Debtors to continue the Customer Programs under Bankruptcy Code section 363(b), the necessity of payment doctrine, and section 105(a) of the Bankruptcy Code. Because the Debtors' business depends on the satisfaction and the continued loyalty of its Customers, it is essential to the Debtors' reorganization efforts that the Debtors maintain the Customer Programs and honor their prepetition obligations thereunder. Additionally, the Debtors believe the Customer Programs generate significant net revenue for the Debtors — approximately \$1.8 billion net of all costs associated with such programs in 2010. Prohibiting the Debtors from continuing the Customer Programs would deprive the Debtors of a significant source of revenue (which is generated at minimum cost) and impair the Debtors' relationships with their Customers, thereby significantly harming the Debtors' operations and impeding the Debtors' reorganization efforts.

25. Most, if not all, of the Customer Programs are standard practice in the paper industry, and the Debtors' principal competitors maintain programs similar, if not identical, to those offered by the Debtors. As such, Customers have all come to expect that paper manufacturers like the Debtors will offer similar types of programs. The Debtors' inability to honor the Customer Programs would place them at a significant disadvantage relative to their competitors in the highly competitive paper manufacturing industry, and lead to Customers fulfilling their purchasing needs elsewhere.

26. Courts in this district and others have granted relief similar to the relief requested in this Motion in other large cases where retaining the loyalty and patronage of customers was critical to a successful chapter 11 reorganization. *See, e.g., In re Hoop Holdings, LLC*, No. 08-10544 (BLS) (Bankr. D. Del. Mar. 28, 2008) [Docket No. 51]; *In re Buffet Holdings, Inc.*, No. 08-10141 (MFW) (Bankr. D. Del. Jan. 23, 2008) [Docket No. 37]; *In re Domain, Inc.*, No. 08-10132 (PJW) (Bankr. D. Del. Jan. 22, 2008) [Docket No. 37]; and *In re Nellson Nutraceutical, Inc.*, No. 06-10072 (CSS) (Walsh, J.) (Bankr. D. Del. Jan. 31, 2006) [Docket No. 32].

**Relief under Bankruptcy Rules 6003 and 6004 is Warranted**

27. Any delay in paying the obligations related to the Customer Programs would be detrimental to the Debtors, their creditors and their estates. Bankruptcy Rule 6003 provides that except to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may not approve a motion to "pay all or part of a claim that arose before the filing of the petition" prior to 21 days after the Commencement Date. Fed. R. Bankr. P. 6003. The Debtors submit the facts described herein demonstrate the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors' business operations and the

value of the Debtors' estates, and that Bankruptcy Rule 6003 has been satisfied to permit such payments, if any are necessary.

28. Pursuant to Bankruptcy Code section 102(1)(A), the Debtors seek a waiver, for the purposes of this Motion, of the notice requirements under Bankruptcy Rule 6004(a) and a waiver of the 14-day waiting period otherwise required to effectuate an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

**Cause Exists to Authorize the Debtors' Financial Institutions  
to Honor Checks and Electronic Fund Transfers**

29. As a result of the commencement of these chapter 11 cases, and absent an order of this Court providing otherwise, the Banks may dishonor or reject the Debtors' prepetition checks and electronic fund transfers with respect to prepetition obligations relating to the Customer Programs. Thus, the Debtors request that, with respect to prepetition relating to the Customer Programs, the Court authorize the Banks to process, honor, and pay all checks and electronic fund transfers to the extent the Debtors have sufficient good funds standing to their credit at such Bank, and to rely on the representations of the Debtors as to which checks are issued and authorized to be paid in accordance with this Motion without any duty of further inquiry and without liability for following the Debtors' instructions.

**Reservation of Rights**

30. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. Likewise, notwithstanding any authorization that may be granted pursuant to this Motion, the Debtors maintain the sole discretion to determine whether

any claims asserted against the Debtors under the Customer Programs are valid and whether to honor such claims.

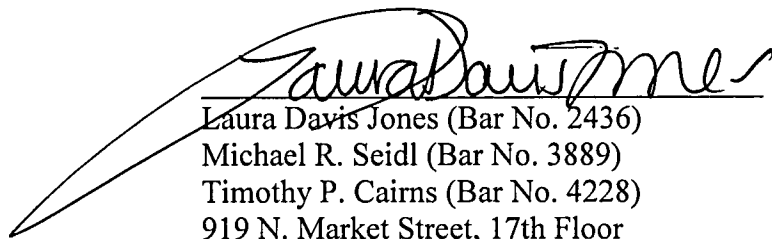
Notice

31. No trustee, examiner, or statutory creditors' committee has been appointed in these chapter 11 cases. Notice of this Motion has been provided by facsimile, electronic mail transmission, overnight delivery and/or hand delivery to the following parties: (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to JPMorgan Chase Bank, N.A., as administrative agent for the proposed debtor in possession financing; (iii) counsel to Wells Fargo Capital Finance LLC, as administrative agent for the prepetition senior secured revolver; (iv) counsel to Bank of New York Mellon, as indenture trustee for the 11.375% senior secured first-lien notes due 2014; (v) counsel to HSBC Bank USA, National Association, as indenture trustee for (a) the 10% fixed rate senior secured second lien notes due 2012, (b) the floating rate senior secured second lien notes due 2012, (c) the 12% senior unsecured subordinated notes due 2013, (d) the floating rate senior unsecured PIK notes due 2013, and (e) the floating rate senior unsecured PIK notes due 2015; (vi) counsel to the informal group of certain holders of the 10% fixed rate senior secured second lien notes and floating rate senior secured second lien notes; (vii) counsel to the *ad hoc* steering committee of certain holders of 11.375% senior secured first lien notes; and (viii) those creditors holding the 30 largest unsecured claims against the Debtors' estates (on a consolidated basis). As this Motion is seeking first-day relief, notice of this Motion and any order entered hereon will be served on all parties required by Local Rule 9013-1(m). The Debtors submit that no other or further notice need be provided.

WHEREFORE the Debtors respectfully request an order (A) authorizing the Debtors, subject to their business judgment and in their sole discretion, to (i) perform and honor their prepetition obligations under the Customer Programs, and (ii) continue the Customer Programs in the ordinary course of their businesses, (B) authorizing the Banks, to honor and process checks and transfers related to such obligations, and (C) granting the Debtors such other and further relief as the Court deems just and proper.

Dated: September 7, 2011  
Wilmington, Delaware

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**EXHIBIT A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----X  
: **Chapter 11**  
: **Case No. 11-12804 ( )**  
: **Jointly Administered**  
: **Debtors.**<sup>1</sup>  
-----X

**ORDER PURSUANT TO SECTIONS 363(b), 503(b)(1), AND 105(a)  
OF THE BANKRUPTCY CODE (A) AUTHORIZING DEBTORS  
TO HONOR CERTAIN PREPETITION CUSTOMER PROGRAMS,  
AND (B) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR  
AND PROCESS CHECKS AND TRANSFERS RELATED THERETO**

Upon the motion dated September 7, 2011 (the “Motion”),<sup>2</sup> of NewPage Corporation (“NewPage”) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively with NewPage, the “Debtors”) for an order (A) authorizing the Debtors, subject to their sole discretion and business judgment, to (i) perform and honor their prepetition obligations under certain customer programs (the “Customer Programs”) and (ii) continue the Customer Programs in the ordinary course of their businesses, and (B) authorizing the banks and financial institutions (the “Banks”) to process, honor, and pay all checks and electronic fund transfers relating to the foregoing, all as more fully described in the Motion; and the Court having subject matter jurisdiction to consider the Motion and to grant the relief requested therein

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Chillicothe Paper Inc. (6154), Escanaba Paper Company (5598), Luke Paper Company (6265), NewPage Canadian Sales LLC (5384), NewPage Consolidated Papers Inc. (8330), NewPage Corporation (6156), NewPage Energy Services LLC (1838), NewPage Group Inc. (2465), NewPage Holding Corporation (6158), NewPage Port Hawkesbury Holding LLC (8330), NewPage Wisconsin System Inc. (3332), Rumford Paper Company (0427), Upland Resources, Inc. (2996), and Wickliffe Paper Company LLC (8293). The Debtors’ corporate headquarters is located at 8540 Gander Creek Drive, Miamisburg, OH 45342.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

in accordance with 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and no trustee, examiner, or statutory creditors' committee having been appointed in these chapter 11 cases; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and upon the *Declaration of George F. Martin in Support of the Debtors' First Day Motions and Applications* (the "Martin Declaration"), the record of the Hearing, and all of the proceedings had before the Court; and any objections to the Motion having been withdrawn or overruled; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as may be modified herein; and it is further

ORDERED that pursuant to Bankruptcy Code sections 363(b), 503(b)(1), and 105(a), the Debtors are authorized, but not directed, to continue the Customer Programs in the ordinary course of business and to perform and honor all their undisputed prepetition obligations thereunder, as they deem appropriate in their business judgment and sole discretion; and it is further

ORDERED that the Debtors' payments of such prepetition Customer Programs Claims shall not exceed \$19.4 million absent further order of this Court; and it is further

ORDERED that nothing in the Motion or this Order shall be deemed to constitute the postpetition assumption of any executory contract between the Debtors and any third party; and it is further

ORDERED that the Banks are authorized, at the Debtors' request, to receive, honor, process, and pay any and all checks and electronic transfers related to the prepetition obligations for Customer Programs, whether presented before or after the Commencement Date, provided that there are sufficient good funds standing to the Debtors' credit in the applicable accounts to cover such payments; and it is further

ORDERED that the Banks are authorized to rely on the representations of the Debtors as to which checks or fund transfers are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions; and it is further

ORDERED that the Debtors shall be and hereby are authorized to issue in their sole discretion new postpetition checks or effect new postpetition fund transfers on account of the obligations regarding Customer Programs to replace any prepetition check or fund transfer requests that may be dishonored or rejected; and it is further

ORDERED that the requirements of Bankruptcy Rule 6003 are satisfied by the contents of the Motion and the arguments and evidence presented in the Martin Declaration and at the hearing; and it is further

ORDERED that Bankruptcy Rule 6004(a) is waived, for the purposes of the Motion, and notwithstanding any applicability of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the interim or final order approving the proposed debtor in possession financing, if and when entered, and this Order, the terms of the interim or final order approving the proposed debtor in possession financing, as applicable shall govern; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: \_\_\_\_\_, 2011  
Wilmington, Delaware

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UNITED STATES BANKRUPTCY JUDGE