Receipt and Use of Opioid Abatement Distributions Resulting from the Purdue Pharma Bankruptcy Proceedings

WHEREAS, the National Indian Health Board (NIHB), established in 1972, serves all Federally recognized American Indian/Alaska Native (AI/AN) Tribal governments by advocating for the improvement of health care delivery to AI/ANs, as well as upholding the Federal government’s trust responsibility to AI/AN Tribal governments; and

WHEREAS, in 2019 Purdue Pharma, the manufacturer of OxyContin and other prescription opioid products, filed for bankruptcy in response to thousands of lawsuits against the company over its role in precipitating and perpetuating the opioid crisis in the United States, including hundreds of claims brought by Tribal governments; and

WHEREAS, the proposed plan of reorganization (Plan) provides for the assets of the Purdue companies to be transferred to a new corporate entity and eventually sold, with operating and sales revenues from that new corporate entity to be combined with cash contributions from the Sackler family along with certain insurance proceeds and other assets and used to pay negotiated settlements to various classes of Private Creditors; and

WHEREAS, the remaining assets will be distributed to Tribes, States, and local governments (the Public Creditors) over a period of 8-9 years, with Tribes to receive approximately 3% of all Public funds which shall be used for opioid abatement purposes, including traditional healing or other cultural activities that a Tribe or Tribal organization determines in its judgment to be related to or supportive of abatement of the opioid epidemic; and

WHEREAS, the Tribes’ share of the Purdue assets will be administered by a Tribal Abatement Fund Trust and a parallel Limited Liability Company and distributed according to a pre-determined allocation formula that takes into account the population of each Tribe along with certain metrics that go to the severity of the opioid problem in Tribal areas; and

WHEREAS, the Plan provides that upon dissolution of the Tribal Abatement Fund Trust and the parallel Limited Liability Company the Trustees and Managers of those entities may determine, in their discretion, that a final Abatement Distribution is not cost-effective with respect to the final amounts to be distributed to the Tribes, in which case they shall have the
authority to direct a final Abatement Distribution to a tax-exempt organization that has opioid abatement as part of its mission; and

WHEREAS, NIHB in the course of its work has supported Tribal governments in their efforts to abate the opioid crisis, including development of a Tribal Opioid Response Resource Toolkit and a national strategic agenda to assist Tribes in addressing the opioid epidemic in their communities, and therefore NIHB has been identified as a tax-exempt organization that could make appropriate use of any final Abatement Distributions from the Tribal Abatement Fund Trust and the parallel Limited Liability Company that cannot be distributed to Tribes in a cost-effective manner as determined by the Trustees and Managers of those entities.

NOW THEREFORE BE IT RESOLVED, that NIHB consents to being identified in the Purdue plan of reorganization, trust administration or related documents, as necessary and appropriate, as the designated tax-exempt entity to receive any final Abatement Distributions from the Tribal Abatement Fund Trust and the parallel Limited Liability Company as the Trustees and Managers of those entities determine in their discretion shall be appropriate, and commits to use any such Abatement Distributions for purposes related to or supportive of abatement of the opioid epidemic in Tribal communities.

CERTIFICATION

The foregoing resolution was adopted by the Board, with quorum present, on the 30th day of July, 2021.

__________________________
Chairperson, William Smith

ATTEST:

__________________________
Secretary, Lisa Elgin