



California Legislature

December 21, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol Building
Sacramento, CA 95814

Re: Budget Request for Exide Cleanup Funding

Dear Governor Newsom,

As you prepare to introduce your Budget for the 2021-22 fiscal year, we respectfully urge you to prioritize at least \$411 million for the immediate cleanup of contaminated properties due to Exide Technologies' (Exide) environmental disaster, and propose funding for the complete cleanup of the Exide facility itself. \$411 million is an investment in healthier communities, which will improve both quality of life for residents in Southeast Los Angeles and will reduce long-term health care costs and lost wages.

For decades, the Exide Technologies battery plant released lead and other toxic chemicals into over 10,000 predominantly residential properties surrounding the Exide facility in Southeast Los Angeles. Lead exposure puts hundreds of children and families at risk of irreversible harm. Children exposed to lead are at risk of irreparable neurological damage, including a reduced intelligence quotient, reduced attention span, increased antisocial behavior, and reduced educational attainment. As lead exposure increases, the variety and severity of these symptoms increases, thus condemning these children to live a life below their full potential.

Exide was allowed to pollute our communities for decades due to the Department of Toxic Substance Control's (DTSC) mismanagement. The Legislature initially appropriated \$176 million in 2016 as stopgap funding to expedite the Exide cleanup. The state's traditional hazardous waste cleanup proceedings can take years to complete and would have left a generation of children exposed to lead. Thus, the Legislature appropriated funds with the intention of receiving reimbursement from Exide at the conclusion of traditional cleanup proceedings. With Exide now bankrupt and the site abandoned, it is up to the state to protect our

communities by fully funding the residential cleanup, and the cleanup of the Exide facility itself, unless and until other responsible parties are identified.

We request that your January budget include at least \$411 million to clean up the residential properties surrounding the Exide Facility, and funding to completely clean up the Exide facility itself. We request that the proposal include the following:

- **Include at least \$21 million to complete the cleanup for the 3,200 priority properties.** The State Auditor estimated that based on current average per property cleanup costs, DTSC will be unable to clean 269 of the 3,200 most contaminated properties. DTSC will need approximately \$21 million to complete the first 3,200 residential properties despite the fact that the Legislature has already appropriated an additional \$75 million to the initial \$176 million investment to accommodate cost overruns. The lead levels on these residential properties pose a dire threat to the cognitive ability and health of children and pregnant women, especially if we continue to delay a cleanup. We urge you to provide at least \$21 million to avoid any cleanup delays and ensure the remaining heavily contaminated sites are cleaned. Further, we ask that you require DTSC to prioritize cleanup of the 31 remaining childcare facilities, parks, and schools.
- **Include \$390 million to fund the cleanup of the 4,600 remaining residential properties.** Given the indeterminate cost of a full residential cleanup, we request that your budget include \$390 million as a placeholder to assure the community of a continued residential property cleanup. The State Auditor estimated that at the current cleanup rate, the State would need an additional \$390 million to complete the cleanup of the remaining 4,600 residential properties. This estimate does not include the parkways, railyard, or industrial areas surrounding the Exide facility, let alone the facility itself. Given the immediate life-threatening risks to children and families in the residential properties, we ask that in this year's budget you include a \$390 million placeholder for cleanup of the remaining residential properties until DTSC produces new cost estimates no later than February 2021.
- **Include funding to completely clean up the Exide facility.** The cost estimates mentioned herein do not include the cleanup of the facility itself, which is estimated to cost at least \$75 million on top of the financial assurances and money from Exide's bankruptcy. The extent of the pollution at the Exide facility is unknown at this phase in the cleanup process. However, fully and completely cleaning the facility itself is essential to the long-term health and safety of the surrounding communities. Therefore, we request that in this year's budget you propose funding to fully clean up the Exide facility, to be revised upon future cost estimates expected at the end of the first phase of the Exide facility cleanup.

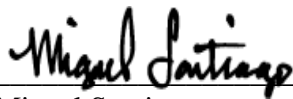
- **Immediately implement transparency measures for DTSC to prevent future cost overruns and cleanup delays.** In order to inform the March Budget Subcommittee discussions, we request that DTSC, by no later than February 2021, both identify and publicize a date by which it expects to complete cleanup for all residential properties that meet or exceed the standard for lead contamination of 80 ppm identified in DTSC's cleanup plan. DTSC shall also provide updated remediation costs for the remainder of the residential cleanup. This information should be published on DTSC's website and updated at least every six months, indicating whether it is on track to meet the expected completion date based on its rate of progress. Further, we urge you to increase transparency in DTSC's contracting processes by including adequate protections against cost overruns and cleanup delays.

Appropriating \$411 million now will assure the community that the cleanup will continue without interruption and will give DTSC the ability to enter into more contracts to complete this clean up in a timely manner with a guaranteed funding source. It will also allow the Lead Acid Battery Fund, which is currently raising approximately \$15 million dollars per year, but will double to \$30 million per year in the 2022-2023 fiscal year, to grow and be used as an additional funding source for this project.

Exide's willful betrayal of public trust resulted in thousands of children and families poisoned by or exposed to lead and other toxic chemicals. Combined with decades of poor oversight from DTSC, our communities now suffer from pollution while California taxpayers bear the cleanup cost. This is shameful.

We respectfully urge you to propose \$411 million in funding for the Exide cleanup project in your January budget to address this crisis and restore the health and safety of our communities. We look forward to working with you to prevent cases like Exide from ever happening again by reforming the State's oversight of toxic facilities and reimagining toxic facilities' corporate responsibility.

Thank you for your consideration of these requests. If you require additional information, please contact our offices.



Miguel Santiago
Assemblymember, 53rd District



Maria Elena Durazo
Senator, 24th District



Cristina Garcia
Assemblymember, 58th District



Lena Gonzalez
Senator, 33rd District



Richard Bloom
Assemblymember, 50th District



Tasha Boerner Horvath
Assemblymember, 76th District



Wendy Carrillo
Assemblymember, 51st District



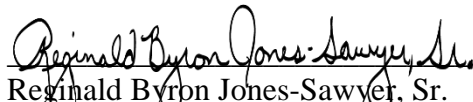
Lisa Calderon
Assemblymember, 57th District



Ed Chau
Assemblymember, 49th District



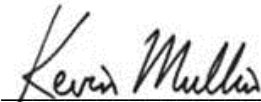
Phillip Chen
Assemblymember, 55th District



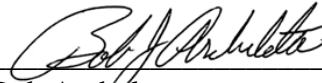
Reginald Byron Jones-Sawyer, Sr.
Assemblymember, 59th District



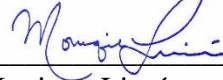
Sydney Kamlager
Assemblymember, 54th District




Kevin Mullin
Assemblymember, 22nd District



Bob Archuleta
Senator, 32nd District



Monique Limón
Senator, 19th District



John Laird
Senator, 17th District



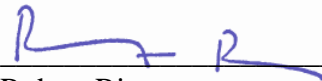
Henry Stern
Senator, 27th District



Scott Wiener
Senator, 11th District



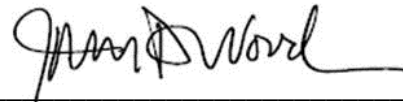
Luz Rivas
Assemblymember, 39th District



Robert Rivas
Assemblymember, 30th District



Bill Quirk
Assemblymember, 20th District



Jim Wood
Assemblymember, 2nd District