STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0115



October 6, 2020

Attorney General William P. Barr U.S. Department of Justice 950 Pennsylvania Avenue, NW Washington, DC 20530-0001

RE: Exide Holdings, Inc., et al., Case No. 20-11157 (CSS), D.J. Ref. No. 90-11-2-07802/8

Dear Attorney General William P. Barr:

We are strongly opposed to the proposed bankruptcy settlement, particularly in regards to the option for Exide to fully abandon the facility in Vernon, California. Exide needs to be held wholly financially responsible for its damage to the communities and to the environment.

For decades, Exide emitted lead, arsenic, cadmium, and other toxics onto its Vernon property and into the surrounding community. It also contaminated groundwater and released toxics onto surrounding roads. The Department of Toxic Substances Control (DTSC) estimates that Exide's Vernon facility contaminated properties up to 1.7 miles away – roughly 10,000 properties. There is also evidence that Exide's pollution extends much farther than 1.7 miles.

In 2015, DTSC indicated that it would deny Exide's permit to continue operation and issued cleanup orders in accordance with state and federal requirements. Exide consented to comply with these orders. Concurrently, the Department of Justice agreed not to criminally prosecute Exide for its violations of hazardous waste law in exchange for ceasing operations at the Vernon facility and agreeing to safely close and remediate the facility in accordance with DTSC's requirements. Despite Exide's commitment, DTSC has found over two dozen violations of the clean-up orders. And now Exide and their investors are seeking to be released from these remediation requirements. The Department of Justice has agreed to not oppose this option to abandon the highly contaminated site. This is simply unacceptable.

The Department of Justice needs to hold Exide accountable by reinstating criminal proceedings and opposing the option for Exide to abandon the Vernon facility. Between the non-prosecution agreement and this proposed bankruptcy settlement, Exide and its investors will face only minor

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consequences despite causing hundreds of millions of dollars in damages to the environment and public health.

Exide estimated that the cost to remediate the Vernon facility would be at least \$88 million dollars, of which only a small portion will be covered by financial assurance bonds previously provided by Exide. The proposed bankruptcy settlement would saddle the public with both the costs and logistics of the cleanup. To allow the option for Exide to abandon the site without even leaving a trustee to facilitate the cleanup is unconscionable. All other non-performing facilities under the settlement will have a trustee. So should the Vernon site. Full abandonment of the site should not be allowed under any circumstance.

Furthermore, the proposed settlement fails to reflect the costs that Exide is saddling the public with for the remediation of the surrounding residential areas. In recognition of the urgent need to protect public health from the impacts of Exide's lead pollution, the taxpayers of California fronted the funds to initiate the cleanup of lead in the surrounding residential areas. California has spent more than \$250 million dollars in remediating the 3,200 most contaminated properties. Another 4,700 plus homes have tested for lead contamination that has yet to be addressed. Exide is responsible for reimbursing the taxpayers for these costs, yet this proposed bankruptcy settlement does not include any contributions to the residential cleanup costs.

Beyond the quantifiable cleanup costs, Exide has caused immeasurable damage to the families living in the communities surrounding the Vernon facility. Lead causes permanent damage to the brain and nervous system that can result in slowed growth and development in children and lowered IQs. Devastatingly, lead also can cross the placental barrier meaning that pregnant women can pass their high blood levels down to their unborn children, creating generations of devastating health impacts from Exide's lead emissions. Unfortunately for our residents, unlike Exide, there is no legal process that allows them simply to erase the lead pollution from their bodies.

The Department of Justice has only offered the public eight business days to respond to this proposed settlement. This is an extremely abbreviated public comment compared to the typical 30 days that are typically given for bankruptcy settlements. This short comment period limits the transparency of a decision that will affect hundreds of thousands of lives, especially with the challenges that the COVID-19 pandemic creates for public engagement. Given the significant public health impact of this bankruptcy, we ask you to extend the comment period for 60 days and to hold a public hearing in Los Angeles to allow full public participation.

In closing, we implore the Department of Justice to oppose Exide's proposed abandonment of the Vernon facility. The Department of Justice needs to hold Exide accountable for the lead poisoning of the environment and the surrounding residents. If the proposed settlement is approved, it will be evidence to other industries around the country that they will not be held accountable for damage they cause to public health and the environment, despite our federal and state laws.

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Sincerely,

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