

Contra Costa Building and Construction Trades Council

2727 Alhambra Ave. Suite 5
Martinez, CA 94553



Tim Sbranti
Executive Director
Phone (925) 228-0900

April 28, 2026

Lynda Hopkins, Chair
Members of the Board of Directors
Bay Area Air District
375 Beale Street, Suite 600
San Francisco, CA 94105

Re: Comments on BAAD Draft Socioeconomic Analysis Policy Outline — Enhanced Analysis Provisions

Dear Chair Hopkins and Members of the Board:

Thank you for the opportunity to comment on the Bay Area Air District's proposed Board policy governing socioeconomic analysis in air quality rulemaking. The Contra Costa Building and Construction Trades Council appreciates the District's engagement on this issue and the substantial effort reflected in the outline. These comments identify the areas where the outline aligns with our priorities and the areas where we believe additional or stronger provisions are needed before the policy is finalized.

Our overall assessment is that the outline is a solid starting point. It incorporates several of our core priorities, including the \$10 million annual cost threshold for enhanced analysis, distributional analysis by income, race/ethnicity, and geography, IMPLAN/REMI economic impact modeling, cumulative cost analysis over a 10-year lookback period, and consumer affordability metrics. We commend the District for including these provisions.

However, the outline omits or inadequately addresses several provisions that are essential to ensure the policy is followed in practice rather than treated as aspirational guidance. Our specific concerns are detailed below.

I. Areas of Alignment

A. Cost Threshold for Enhanced Analysis

The Council proposed scaling the state's \$50 million Standardized Regulatory Impact Assessment threshold to \$10 million for the Bay Area based on regional population share. The outline adopts \$10 million per year as the trigger for Enhanced Socioeconomic Analysis (Section 3), closely tracking that recommendation. The additional triggers of cost-effectiveness thresholds, cumulative industry burden, and direct consumer or small business impacts are also responsive to our concerns. We support these provisions.

B. Distributional Analysis by Income and Race/Ethnicity

Ensuring that the costs and benefits of air quality regulation are fairly distributed was our highest priority entering this process. Section 3.1 of the outline requires analysis of who bears costs and who receives benefits, broken down by sector, size class, income, race/ethnicity, and geography. It also requires comparison of average household costs with affordability metrics, including income and housing cost burden, with geographic and demographic breakdowns. These provisions are detailed and responsive to our proposal, and we strongly support their inclusion.

C. Economic Impact Modeling

Sections 2.6 and 4.2 require IMPLAN/REMI or equivalent input-output and macroeconomic modeling to estimate impacts on economic output and employment, including indirect and induced effects. This is consistent with the Council's proposal. The outline also addresses cost pass-through to consumers, impacts on small entities, and addresses employment and wage effects by sector and geography. We recognize that in order to estimate consumer and employment impacts, the District would necessarily have to consider first-round impacts on affected entities, including profits, cash flows, and investment. Nevertheless, as discussed below, we believe these elements should be made explicit.

D. Cumulative Retrospective Cost Analysis

Section 3.1 requires cumulative socioeconomic analysis of rules and amendments applied over a 10-year period, including comparison of staff cost estimates to actual industry costs where verifiable. The additional requirement to assess whether past rules accomplished their stated air quality goals is reasonable. We note, however, that the retrospective cumulative analysis must be matched by a forward-looking requirement, as discussed in Section II below.

E. Consumer Affordability Metrics

The requirement in Section 3.1 to compare average household costs with affordability metrics such as income and housing cost burdens with breakdowns by geography and race/ethnicity is more specific than what the Council's original proposal contained and represents a positive development. We support this provision.

F. Transparency and Documentation Standards

The Core Principles require peer-reviewed methods, documented assumptions and uncertainties, technical appendices, identified data sources, and responsiveness to public comment. These align with the documentation requirements in our original proposal and with the best data and methods available standard we advocated. We support their inclusion.

II. Gaps and Shortcomings Requiring Additional Provisions

A. Contractor Procurement and Independence Framework

The Council's original proposal devoted three major sections to contractor selection: conflict-of-interest disclosure, experience and qualification requirements, and schedule and budget provisions. BAAD staff acknowledged these concerns in their January comments and indicated they would be addressed in the next competitive procurement. However, the outline is silent on who performs the analysis and under what safeguards. For regulations with \$10 million or more in annual compliance costs where analytical judgments are most consequential and the stakes are highest, the absence of contractor independence provisions is a significant omission. We urge the Board to include explicit contractor procurement and independence requirements in the final policy.

B. Evidentiary Standard for Analytical Omissions

This is our most important remaining concern. In discussions with BAAD staff, the Council proposed that when a required analysis is not feasible, the contractor must justify the omission under a clear and convincing evidence standard. The outline contains no analogous accountability mechanism. Even within the enhanced analysis tier, requirements are qualified with phrases such as where relevant data is available and as appropriate considering any data limitations. Without an evidentiary standard, the enhanced requirements function as a menu of options rather than a set of enforceable obligations. This undermines the entire purpose of establishing a Board policy.

What the Council seeks is a requirement that the District proceed with impact estimates using the best available data, even when that data is imperfect, and address resulting uncertainty through ranges or qualified findings. Analyses should not be omitted simply because the data falls short of perfection. We urge the Board to adopt an explicit evidentiary standard such as clear and convincing evidence as the threshold for omitting any required element of the enhanced analysis.

C. Cumulative Forward-Looking Regulatory Costs in the Baseline

The Council emphasized in its discussions with BAAD staff that baseline cost estimates must reflect the cumulative impacts of existing state and local regulations, including those under active consideration. The outlines baseline definition (Section 2.2) references regulatory, technological, and market baseline; and expected trends absent the rule. However, it does not explicitly require incorporation of cumulative regulatory costs already borne by affected entities.

The cumulative analysis required by Section 3.1 is backward-looking by looking at what past rules actually cost. A better approach would be forward-looking by analyzing the total existing regulatory burden to which the proposed rule adds. For industries such as petroleum refining that face multiple overlapping regulatory requirements, the forward-looking cumulative cost question is central to our concern and remains inadequately addressed. We urge the Board to require that the baseline explicitly incorporate the cumulative prospective regulatory burden.

D. Governmental and Fiscal Impact Analysis

The Council's original proposal required estimation of a rules impact on state and local tax revenues, corporate, personal, sales, and property taxes. BAAD staff acknowledged in their January comments that this was reasonable for rules with significant compliance costs. It does not appear in the outline at any tier. For rules exceeding \$10 million in annual costs, fiscal effects on local government revenues could be material and should be a required element of the enhanced analysis.

E. Missing Specific Economic Analysis Elements

The Council's original proposal contained several specific analytical requirements that do not appear in the outline even at the enhanced level. We urge the Board to include explicit requirements for:

- Analysis of impacts on affected entities profits and cash flows;
- Identification of sources and costs of financing for required capital investments;
- Assessment of whether equipment installation would significantly disrupt business output during the compliance period; and
- Behavioral response analysis, including cost pass-through dynamics, competition from outside suppliers, price elasticity of demand, and labor market conditions for affected occupations.

The outline's Section 4.2 references cost pass-through assumptions and market conditions as modeling parameters to document rather than as required analytical outputs. These elements could substantially

affect the analysis of who ultimately bears the costs of regulation, and they should be treated as required outputs, not discretionary inputs.

F. Binding Nature and Enforceability of the Policy

The Council submitted its original proposal as rule language. BAAD staff indicated it would instead take the form of a Board resolution binding on staff. The outline describes itself as a policy to be approved by the Air District's Board of Directors, but the degree to which it creates enforceable obligations as opposed to aspirational guidance remains ambiguous. The outline does not address whether or how the Board, regulated entities, or the public could compel compliance if staff deviates from the policy. The Council urges the Board to ensure that the final policy language unambiguously establishes these requirements as mandatory obligations, not discretionary best practices.

III. Conclusion

The Contra Costa Building and Construction Trades Council acknowledges that the BAAD staff outline reflects meaningful progress and incorporates our highest priorities. We appreciate the collaborative process that produced it. However, the gaps identified above, particularly the absence of an evidentiary standard for omitting required analyses and the lack of clear enforceability language must be addressed before the policy can fulfill its intended purpose.

If the Board must prioritize, our two most critical requests are: (1) adoption of an explicit, clear and convincing evidence standard as the threshold for omitting any required analytical element; and (2) policy language that unambiguously treats the enhanced analysis requirements as mandatory obligations rather than aspirational guidelines. These two changes are essential to ensure that the policy is followed in practice.

The Council looks forward to continuing to work with the Board and staff to develop a final policy that protects workers, communities, and the economic vitality of the region. We respectfully request the opportunity to address the Board on these matters and are available to meet with staff at any time to discuss these comments further.

Respectfully,



Tim Sbranti

Executive Director

Contra Costa Building and Construction Trades Council