



May 13, 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 the Bay Area Air District Draft Socioeconomic Analysis Policy Outline

Dear Chair Hopkins and Members of the Bay Area Air District Board:

The East Bay Leadership Council (EBLC) is a prominent public policy advocacy organization representing hundreds of employers across Contra Costa and Alameda Counties. Our membership spans the full range of the East Bay economy — energy, manufacturing, utilities, healthcare, retail, technology, logistics, construction, professional services, and beyond. We write to submit comments on the Bay Area Air District’s April 9, 2026 staff outline of a proposed Board policy governing socioeconomic analysis in air quality rulemaking.

EBLC strongly supports improving regional air quality and the District’s mission. We also have a deep and direct stake in ensuring that air quality regulations are adopted with a full understanding of their economic consequences for the communities we represent. Contra Costa and Alameda Counties together account for a substantial share of the Bay Area’s industrial base, its workforce, and its middle-class jobs. The refineries, manufacturers, logistics operations, and construction employers located in these counties are not abstract economic statistics — they are the employers that allow families across the region to own homes, send children to college, and build financial security. Regulatory decisions that affect the viability of these employers directly affect those families.

The District’s effort to develop a rigorous socioeconomic analysis policy is a step in the right direction. Our comments identify where the outline is responsive to East Bay economic concerns and where additional provisions are needed to achieve our common goals of economic vitality and exceptional quality of life.

THE EAST BAY CONTEXT

Any meaningful socioeconomic analysis of BAAD regulations must be grounded in the economic realities of the communities most directly affected. In the East Bay, those realities are distinct from those of San Francisco or Silicon Valley and deserve explicit recognition in the policy framework.

Contra Costa County is one of California’s core industrial engines. It contains two current crude-oil refineries—Chevron Richmond and PBF Martinez—alongside former petroleum-refinery sites that have converted to renewable fuels, including Phillips 66’s Rodeo Renewable Energy Complex and Martinez Renewables, the former Marathon Martinez Refinery. The county also hosts a major petrochemical and chemical-manufacturing base and significant natural-gas transmission and storage infrastructure. These



facilities sustain thousands of high-wage, often unionized jobs and generate substantial tax revenues that support schools, fire protection, infrastructure, and core public services. For generations, this industrial base has provided a pathway to middle-class stability for East Bay families.

That existing industrial base is also Contra Costa County's competitive advantage in building the Green Empowerment Zone. The county is not trying to create an industrial economy from scratch. It already has the skilled workforce, industrial land, energy and utility infrastructure, port, rail, and highway access, contractor networks, engineering expertise, and safety and compliance experience that advanced manufacturing, renewable energy, renewable fuels, grid infrastructure, and other clean industrial sectors require. The purpose of the Green Empowerment Zone is to leverage those assets into the next generation of industrial investment—not to treat them as disposable. Regulatory decisions that impose major cumulative costs without fully analyzing impacts on jobs, tax revenues, contractor networks, and facility viability risk weakening the very platform that makes the East Bay competitive for green industrial growth.

Alameda County's economy is more diversified, but it includes significant industrial, logistics, and manufacturing operations—particularly in Oakland, Hayward, and Fremont—that are subject to BAAD jurisdiction and sensitive to increases in regulatory costs. The Port of Oakland, one of the largest container ports on the West Coast, generates thousands of direct and indirect jobs in trucking, warehousing, and goods movement throughout the East Bay. Regulations affecting port operations and commercial vehicles have immediate, concrete consequences for those workers and employers.

These industries do not exist in isolation. They are connected through supply chains, labor markets, and tax bases to every other sector of the East Bay economy. When a refinery or manufacturer faces a significant unplanned compliance cost, the effects ripple through contractor relationships, local vendor networks, property tax rolls, and household spending. Incorporating the recommendations detailed in this letter will help ensure the socioeconomic analysis policy captures regional interdependencies and accounts for county-level economic realities when evaluating the impacts of major regulations on East Bay communities.

AREAS OF SUPPORT

EBLC supports the following provisions in the outline:

- The \$10 million annual cost threshold for Enhanced Socioeconomic Analysis. This is an appropriate and well-calibrated trigger for the level of analytical rigor that significant regulations require. We support additional triggers for cost-effectiveness thresholds and cumulative industry burden.
- IMPLAN/REMI economic impact modeling requirements. Input-output and macroeconomic modeling is the appropriate tool for capturing the indirect and induced economic effects of major



compliance costs — effects that are particularly significant in industries like refining and manufacturing where supply chain linkages to local contractors and vendors are extensive.

- Distributional analysis by income, race/ethnicity, and geography. East Bay communities include some of the Bay Area’s most economically vulnerable households, including in Richmond, San Pablo, Oakland, Pittsburg, and Antioch. Regulations that impose disproportionate costs, employment effects, or pass-through burdens on these households and communities must be identified and assessed.
- Cumulative cost analysis. The outline’s requirement for retrospective analysis of rules applied over a 10-year period is a useful tool. As discussed below, it must be matched by a forward-looking requirement.
- Transparency and documentation standards. Peer-reviewed methods, documented assumptions, and responsiveness to public comment are fundamental requirements for credible analysis.

CRITICAL GAPS — EAST BAY PRIORITIES

1. Full Employment and Wage Impact Analysis for East Bay Industrial Sectors

The outline’s provisions on employment and wage effects are a starting point, but they do not go far enough for the East Bay. Regulations affecting refineries, chemical manufacturers, and heavy industry in Contra Costa County have the potential to affect not only direct employment at regulated facilities but also the broader network of contractors, maintenance firms, engineering consultants, and local vendors that depend on those facilities for a significant share of their business.

The policy must require, for rules meeting the enhanced analysis threshold, explicit modeling of employment and wage impacts at the two-digit NAICS sector level for Contra Costa and Alameda Counties separately — not just Bay Area-wide aggregates. Bay Area-wide figures can obscure significant county-level impacts when an affected industry is geographically concentrated, such as petroleum refining in Contra Costa County. A rule that reduces refinery employment in Martinez or Richmond by 10 percent looks very different in a Bay Area-wide model than it does in the communities where those jobs are located.

2. Forward-Looking Cumulative Regulatory Cost Baseline

East Bay industrial employers do not face one regulation at a time. At any given moment, facilities in Contra Costa County may be simultaneously navigating compliance requirements from BAAD, CARB, the EPA, the State Water Resources Control Board, Cal/OSHA, and local agencies. Each requirement is adopted with its own cost estimate. But the cumulative burden of all of them together is rarely assessed as a whole.



The outline’s baseline definition must be strengthened to explicitly require that analysts account for the cumulative prospective regulatory burden already borne by affected facilities, including requirements under active development at the state and federal level. A regulation that adds \$50 million in compliance costs to a facility already carrying \$300 million in existing regulatory obligations is a very different economic proposition than a \$50 million cost in isolation. EBLC urges the Board to require that the baseline reflect where facilities actually stand, not a hypothetical pre-regulatory baseline.

3. Property Tax and Local Government Fiscal Impact Analysis

Major energy and industrial facilities are a consequential part of Contra Costa County’s local tax base, contributing more than \$50 million annually in property-tax revenues that help support schools, fire protection, special districts, and core public services. Regulations that materially impair facility viability could therefore affect not only jobs and economic output, but also local fiscal capacity.

For rules exceeding the \$10 million enhanced-analysis threshold, the policy should require fiscal impact analysis, including effects on property-tax revenues, local sales and use-tax revenues, special-district revenues, and state income-tax impacts associated with employment and wage changes in affected counties.

4. Small Business and Contractor Supply Chain Impacts

Major industrial facilities in the East Bay support extensive local contractor and vendor networks. Turnaround maintenance at a Bay Area refinery, for example, can involve hundreds of local contractors employing thousands of workers over a period of weeks. Capital compliance projects generate similar contractor activity. When compliance costs reduce facility throughput, accelerate facility closures, or curtail capital investment, the effects on these small and mid-size contractors can be severe — and they are rarely captured in facility-level economic impact analyses.

The policy should require explicit analysis of supply chain and contractor impacts for rules affecting major industrial facilities in the enhanced analysis tier. This analysis should identify the number of businesses and workers in contractor industries that depend materially on the regulated facilities and estimate the employment and revenue effects of the proposed rule on those businesses.

5. Enforceability and Evidentiary Standards

Finally, EBLC encourages the Board to adopt explicit enforceability language and an evidentiary standard for analytical omissions. A policy with requirements that can be waived or applied inconsistently does not provide reliable protection for the communities and employers that depend on rigorous socioeconomic analysis. We support adoption of a “clear and convincing evidence” standard as the threshold for omitting any required analytical element, and policy language that unambiguously establishes the enhanced analysis requirements as mandatory obligations.



CONCLUSION

EBLC represents an economy that is simultaneously one of the most productive and one of the most regulated in the nation. The industrial employers of Contra Costa and Alameda Counties have demonstrated, over decades, their capacity to invest in compliance and continue providing the jobs, tax revenues, and economic activity that East Bay communities depend on. What they require — and what the communities that depend on them require — is a regulatory process in which the full economic consequences of proposed rules are rigorously and transparently assessed before those rules are adopted.

The District's proposed socioeconomic analysis policy has the potential to provide that assurance. The outline is a meaningful foundation. To fulfill its purpose for East Bay communities, it must be strengthened to require county-level employment analysis, a forward-looking cumulative cost baseline, fiscal impact analysis, supply chain and contractor impact assessment, and enforceable analytical standards.

EBLC looks forward to continued engagement with the Board and District staff on the development of the final policy. Please do not hesitate to reach out to me (mark@eblcmail.org) to further discuss these comments. Thank you for your commitment to serving our region.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark Orcutt", with a long horizontal flourish extending to the right.

Mark Orcutt
President & CEO
East Bay Leadership Council