

State Building and Construction Trades Council of California (J Smith)

February 2, 2026

Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Concerns Regarding CARB's Draft Cap-and-Invest Proposal

Dear Chair Sanchez:

On behalf of the State Building and Construction Trades Council of California (SBCTC) and the more than 450,000 hardworking men and women we represent—including many thousands working in the industrial sector, such as California's refineries—I write to express concerns about the draft proposal released by the California Air Resources Board (CARB) to amend and extend California's Cap-and-Invest program.

At the end of the last legislative session, the SBCTC and our affiliates supported AB 1207 to reauthorize California's flagship climate program through 2045. We did so with the understanding that future regulations would prioritize protecting well-paying jobs for our members at California's industrial sites and ensure their continuation until these industries are no longer needed. As you know, with nearly 30 million vehicles on the road, California remains highly dependent on refined fuel for the near future. The SBCTC has maintained that we should not import refined fuel from countries with weak or no environmental or labor standards. Instead, we should produce it in California with the highest-skilled workforce and the strictest environmental standards.

Unfortunately, CARB's current proposal does not reflect our understanding that regulations should be designed to ensure our employer companies participating in the Cap-and-Invest program can continue operating within the state. If these regulations are finalized as currently proposed, they would lead to more refinery closures, costing our members their jobs and middle-class livelihoods for their families, while also causing higher pump prices for all Californians.

To dismiss leakage risks at California refineries is to ignore the lived reality of the workers whose jobs and communities depend on facilities like the Benicia refinery. In-state refineries face significant costs to meet California's aggressive climate goals through participation in Cap-and-Invest. This puts them at a competitive disadvantage compared to foreign refineries that do not share California's high standards for labor, environment, and human rights, allowing these foreign producers to offer lower prices. These draft regulations suggest to us that the State is not fully committed to keeping our refineries open and our members employed. Instead, California appears willing to rely on imported fuel produced outside its standards and values.

We are committed to finding a solution that prioritizes California's environmental stewardship and upholds its strong labor standards and protections, while ensuring our members continue to work at the remaining California refineries.

We look forward to continued discussions about these draft regulations.

Sincerely,
CHRIS HANNAN
President

State Building and Construction Trades Council of California

CHRIS HANNAN
PRESIDENT

Established 1901
Chartered By
BUILDING AND CONSTRUCTION TRADES
DEPARTMENT
AFL - CIO

J. TOM BACA
SECRETARY-TREASURER

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CHRIS HANNAN
President

CH:ap
opeiu#29/afl-cio

cc: The Honorable Gavin Newsom, Governor, State of California
Members of the California State Legislature
Members of the California Air Resources Board