A couple of thoughts:

1. Since we are expecting the amount of builders to be very low, don't you think we need local block building(not necessarily MeV relays) as a fallback in the events these builders fall under government sanctions or they go rouge or so? Since the builder number is small, chances of collusion and coordination might be higher right? What is stopping them from blacklisting certain inclusion lists. The only thing stopping is the stake amount and the slashing penalties be so high that the builders simply cant afford malicious behaviour. My only fear is that builders might potentially have way too much power and leaving 100% building opportunities to them might not be so great. They can't ofc change the core protocol because the block will not be attested to successfully then since we can assume a honest majority of validators but they can have the ability to censor txs and influence the protocol state. Currently validators only care if the txs are valid or not.

2. This is a noob question, but i m confused on what payload attestations actually achieve. Is it to trustlessly validate a payload i.e a way to remove the trust assumptions of the current MeV relay setup? Instead of giving builders validating power, can't we create a payload committee comprising of honest proposers and give them the ability to validate a payload, sort of like a sync committee? Since we know by data that builder set will be smaller, why not give the validation power to the honest majority?