

# Industry Reporter



## DAY AT THE CAPITOL



Tariff Refunds



SMACNA SoCal Events



SMACNA's Legislative Action

LOOKING AHEAD

It's exciting to begin the summer months coming out of some great events and with some important momentum for the education committee.

As some of you may recall, forming an education committee was a key objective for the board of directors when I began my tenure as SMACNA SoCal president. As my term winds down in October of this year, I am pleased the education committee is growing and will undoubtedly offer a strong roster of education and training offerings for our members moving forward.

Members can sign up for a contracts and AI seminar scheduled on September 9 in Anaheim, which looks at how to responsibly and effectively use AI to make, revise, and understand contracts, and to avoid pitfalls when working with them. There is a lot AI can do and it is an important business tool, particularly if we learn its functionality and limitations and apply them in our professional settings.

We have been working hard to expand the education committee's reach and to increase participation, and we look forward to seeing our members out at this training session.



By / Gina Medel  
SMACNA SoCal President

In June, I attended the Council of Chapter Representatives meeting in Quebec City, Canada. It was a wonderful experience to connect with other presidents and chapter executives and gain valuable insights into emerging industry trends and challenges, including AI, workforce development, and construction industry trends.

Once my terms ends, I will have a short break before taking on the CAL SMACNA presidency. There, I look forward to serving our members and doing my part to make our industry stronger than ever. I look forward to helping strengthen the chapter and to making sure the association remains responsive to evolving issues and delivers value to our members for long-term success.

Have a wonderful summer! ▪

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## SMACNA SoCal UPDATE: SUMMER IS HERE

Hello and happy summertime!

SMACNA SoCal has a few new items for your attention:

The third seminar in our three-part series on SMACNA Standards: *Exterior Components, Casings, Large Duct, and Type I Kitchen Grease Ducts* was held on June 24. It, along with Seminars #1 and #2, can be seen at [SMACNA-SoCal.org](https://SMACNA-SoCal.org) > Events > Webinar Recordings.

**Save the date:** An in-person education program on Contracts and Artificial Intelligence is scheduled for September 9 from 8–11:30 am at the Anaheim Westin. Lunch will be included. Check the [SMACNA-SoCal.org](https://SMACNA-SoCal.org) website for details and registration.

**Join the SMACNA SoCal Community:** Our website is now integrated with SMACNA National, providing members with easier access to resources, programs, and networking opportunities. If you already have a [SMACNA.org](https://SMACNA.org) login, visit SMACNA Connect and join the SoCal Community. Members can connect with fellow SoCal contractors and employees, take part in discussions, and receive notifications about upcoming programs and events.

If you do not yet have a log-in and are an employee of a SMACNA SoCal contractor, creating one gives you access to SMACNA's technical standards, business resources, educational programs, and other valuable member benefits. Instructions for creating a login and profile can be found in the downloadable presentation titled "Accessing SMACNA Resources" found on the Standards Seminar #2 webinar recording page at [SMACNA-SoCal.org](https://SMACNA-SoCal.org) > Events > Webinar Recordings. Account approval is not immediate since employer verification is required using your work email address, so please allow a couple business days for the process to be completed.

### Past Events

The CAL SMACNA 2026 Convention held April 8–11 on Kauai, Hawaii, was especially exciting for SMACNA SoCal. Chapter board member Mike Hilgert of Superior Duct Fabrication completed his term as CAL SMACNA president; our current chapter president, Gina Medel of Penn Air, was installed as the 2026-2027 CAL SMACNA President-Elect; and our current chapter vice president, Michael Dean of AireMasters Air Conditioning, was installed as the CAL SMACNA Secretary. Thank you all for your commitment to the industry and congratulations to Mike for a very successful year!

April 22 was the 2026 Semi-Annual Luncheon at the San Antonio Winery where 118 chapter members heard an



By / Kristine Hammond  
SMACNA SoCal Executive Director



update on state legislation effecting the industry from CAL SMACNA Executive Vice President, Chris Walker, and candidate for State Superintendent of Public Instruction Josh Newman, who spoke about initiatives to connect high school students directly with the trades and apprenticeship programs.



## EXECUTIVE DIRECTOR'S REPORT

May 2 was our Angel Game Pre-Party where over 300 Local 105 sheet metal workers and their families joined SMACNA SoCal members for buffet lunch and beverages prior to the Angels victory or the New York Mets. A huge thank you to all that donated the fantastic raffle prizes! The event would not be the same without your generous contributions:

AirFlow Mechanical, AireMasters Air Conditioning, Applied, Air Conditioning, Certified Air Balance, Flat Out Rides, PennAir Control, Precision Air Balance, R&R Ductwork, SMART Local 105, Superior Duct Fabrication, and Thermalair.



Gina Medel and I attended the Council of Chapter Representatives May 31–June 2 in Quebec City. Among the many insights shared during the conference, I gained a better understanding of how project labor agreements are strategically structured, how artificial intelligence is being applied to both jobsites and workforce development, and the key construction industry trends expected to shape market demand. It was also great to connect with other chapter execs and learn about their recent successes.

June 15 was our Friends of the Industry Golf tournament. In typical fashion, this event sold out quickly. One-hundred forty-four golfers came out to enjoy excellent golf and camaraderie in the sunshine of a spectacular day! Congratulations to the winners:

**1st Place:** Precision Air Balance (Karen Fox, Steven Miller, Danny Maley, and Mike Wood)

**2nd Place:** LMCT (David Barberio, Don Gallagher, Alex Wong, and Donny Sappington)

**3rd Place:** AireMasters A/C (Bruce Middleton, Phillip Demman, Paul Irvig, and Matt Crowley)

Thank you to our generous sponsors for their support:

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All past 2026 local event photos can be viewed and downloaded at [SMACNA-SoCal.org](https://SMACNA-SoCal.org) Events > SoCal Event Photos.

Stay cool! ▪

## LEGISLATIVE ACTION FROM SMACNA GOVERNMENT AFFAIRS

SMACNA Government Affairs was extremely active from January through June 2026. Just a few of its major legislative actions include Davis-Bacon defense in the Senate and expansion of prevailing wage requirements through the National Defense Authorization Act (NDAA); continued advancement of the *Small Business Payment for Performance Act* in both chambers, including a full slate of federal regulatory comments and monitoring; coalition coordination on prevailing wage and multiemployer pension issues, and significant executive branch action on energy infrastructure, federal contracting, and trade policy with direct implications for SMACNA signatory contractors.

### Davis-Bacon Defense and Expansion

The primary legislative threat this period is S. 4477, the *Davis-Bacon Repeal Act*, pending before the Senate Health, Education, Labor, and Pensions Committee. SMACNA opposes this bill because prevailing wage repeal would create a race to the bottom on federal construction projects, undercut local wage standards, and put responsible signatory contractors at a structural disadvantage against those competing on exploited labor.

SMACNA on Offense: The Hill staff has been advocating for a draft NDAA amendment expected from Rep. Don Norcross (D-NJ) to the Defense Community Infrastructure Program statute. Because DCIP distributes federal money as grants to state and local governments rather than through direct federal construction contracts, Davis-Bacon does not attach, leaving workers in 18 states with no federal prevailing wage protection on DCIP-funded projects. The amendment would close that gap by adding standard prevailing wage language as a condition of every DCIP grant award.

### Small Business Payment for Performance Act (H.R. 4615)

SMACNA is advancing H.R. 4615, the *Small Business Payment for Performance Act*, introduced by Representative Pete Stauber (R-MN), which would require the federal government to equitably adjust contracts when directed changes increase a contractor's costs. The bill has passed the House as a NDAA amendment multiple times and has been stripped in Senate conference each time.

This cycle, Government Affairs is pursuing both a Senate introduction to establish standing in the upper chamber and inclusion in the House-passed FY2027 NDAA. To build the member relationships needed for both outcomes, Government Affairs has conducted direct outreach to approximately 50 congressional offices, focusing on members serving on committees with jurisdiction over the NDAA and federal contracting and those representing districts with significant federal construction activity.



By / Stan Kolbe, Executive Director of Legislative and Political Affairs, SMACNA National

### Military Construction and VA Appropriations Act, FY2027 (H.R. 8469)

SMACNA engaged on H.R. 8469 as it moved to the House floor, submitting vote recommendations on two amendments. SMACNA recommended a YES vote on the Rep. Walkinshaw (D-VA) amendment, which would direct GAO review of indoor air quality, ventilation, and HVAC performance standards in military construction and VA-funded buildings, creating a direct policy hook for the kind of work SMACNA contractors perform in federal facilities.

SMACNA recommended a NO vote on the Rep. Ogles (R-GA) amendment, which would prohibit architectural, engineering, and construction design services for administrative facilities falling outside specified DOD property categories, unnecessarily restricting federal construction design and build activity. SMACNA also expressed support for the bill's overall \$157 billion discretionary funding level and urged Congress to fully fund VA construction at the President's requested level of approximately \$3.9 billion, which sustains critical veterans' healthcare infrastructure projects built by SMACNA contractors under Davis-Bacon prevailing wage standards.

### Other Legislative Priorities

SMACNA supports H.R. 7460, the *Airborne Act of 2026*, introduced by Rep. Don Beyer (D-VA) which creates a tax credit for indoor air quality assessments and HVAC upgrades at commercial and public properties with apprenticeship utilization requirements that directly benefit SMACNA-SMART contractors, and H.R. 5123, the *Indoor Air Quality and Healthy Schools Act*, bipartisan bill introduced by Reps. Paul Tonko (D-NY) and Brian Fitzpatrick (R-PA) which drives ventilation and filtration work in schools and childcare facilities.

SMACNA supports H.R. 5862, the *American Energy Independence and Affordability Act*, introduced by Rep. Mike Thompson (D-CA) and 128 cosponsors. This bill will be a featured energy efficiency tax incentive bill late this year or early next year if the House flips to Democrats in November, as is widely expected. The Capitol Hill office is also tracking H.R. 4105, the *Veterans Energy Transition Act*, which provides employer-side reimbursements for hiring veterans in the energy sector and maps to the SMACNA-SMART joint apprenticeship pipeline.

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## CAL SMACNA's 2026 Day at the Capitol

# Small but MIGHTY

On May 13, 2026, CAL SMACNA kicked off its 2026 Day at the Capitol (DAC) event. The annual event brings CAL SMACNA members together to visit and talk with legislative members to share their concerns, collaborate, and explain the day-to-day impact that political decisions have on contractors and their businesses. In total, 27 CAL SMACNA representatives (contractors and chapter staff) traveled to Sacramento with their families to meet their Legislators and discuss issues of importance to the industry.

The event was smaller than usual but packed a big punch. CAL SMACNA members attended in-person meetings with 44 different legislative offices. It was terrific to hear members remark how meaningful they felt the meetings actually were and that they were listened to by the legislators and their staff.

The Four Goals for this Day at the Capitol were:

1. Create, Build, and Maintain Relationships
2. Hit Pause — Educate Your Legislator on the Real-World Difficulty of Being an Employer in California
3. Oppose New Litigation Costs in California — AB 1898 (Schultz) Workplace AI Tools & New Litigation
4. Support SB 33 (Cortese) — Change Order Reform

AB 1898 (Schultz) was held (killed) in the Appropriations committee. This is a big win for the sheet metal industry.



Day at the Capitol attendees also heard from guest speakers Ashley Zavala and Dan Walters during a panel discussion titled, California Politics in 2026: Power, Policy, and Pitfalls. The goal of the panel discussion was to have a candid conversation about how California's politics reflect taxpayers' and residents' needs, or doesn't, and what is driving lawmakers and voters in the upcoming election cycle.

Visit [calsmacna.smugmug.com/CAL-SMACNA-Day-at-the-Capitol](https://calsmacna.smugmug.com/CAL-SMACNA-Day-at-the-Capitol) to view photos from the Day at the Capitol event.

Thank you to the CAL SMACNA Legislative Committee and to every attendee for taking the time to meet with Legislative members! We hope to see you in Sacramento in 2027! ■

# Chamber Clears Up Tariff Refunds and More at SMACNA Conference

The average effective United States tariff has risen fivefold in the past year



By Austin Keating

**Sheet metal contractors** hoping for relief from the recent Supreme Court-mandated tariff refunds are likely to be disappointed: Unless you are the importer of record, you will not see a direct payout or price break.

“The money belongs to the importer of record,” John Murphy, senior vice president of international policy at the United States Chamber of Commerce, told industry leaders at the 2026 SMACNA Washington, DC Leadership Conference. “There’s a lot of noise in Washington about whether Costco or somebody like that should give the money back to their customers. But the law is clear—it goes right back to the company that paid it.”

The \$166 billion in refunds is spread across roughly 53 million import entries and 300,000 importers, underscoring how diffuse any financial benefit will be across the supply chain. “That’s a whole lot of data, but spread across 300,000 importers,” Murphy said, “it’s not a clean windfall.”

For most contractors, that means any hope of downstream price relief is out of reach, as refunds are not passed down through the supply chain.

Murphy described the process as a major milestone for manufacturers and importers battered by years of trade volatility and rising costs. “About half of everything we import in this country is used by American manufacturing companies,” he said. “If you’re setting their prices up, then their ability to compete in global markets is reduced. These are good jobs, and we need more of them.”

Earlier this year, the Supreme Court struck down tariffs imposed under the *International Emergency Economic Powers Act* (IEEPA), which Murphy called “a pretty good deal” for American companies. “It’s \$166 billion that companies paid—American companies. The importer of record has to be an American company or your customs broker,” Murphy said.

Since the ruling, United States Customs and Border Protection (CBP) has built a system for processing refunds through the Automated Commercial Environment, or ACE portal. “We’ve seen construction by Customs and Border Protection of a system for refunds. It’s called CAKE ... It’s a tab on the ACE portal, the automated commercial environment that Customs and Border Protection runs,” Murphy said. “You complete a spreadsheet in a certain format for all your entries and upload it. We’re starting to see refunds arrive.”

According to Murphy, two-thirds of the affected imports are “pretty straightforward and simple” to process, while the remaining third involve additional complexities, such as overlapping anti-dumping or countervailing duties.

Refund processing began April 20, with initial payments expected around May 10 and a 60- to 90-day window for review. “They’ve been saying that some of the very first of them start to come out about May 10,” Murphy told the audience. He estimated that roughly half of claims could be resolved by July 1.

Many companies absorbed tariff costs or financed them through loans, and with new or revised tariffs, as well as inflationary

## Chamber Clears Up Tariff Refunds and More at SMACNA Conference

pressures from high energy prices, the likelihood that refunds will translate into lower prices for contractors is limited.

Still, the issue of who ultimately benefits from the refunds remains contentious. “Some people are saying, ‘How is Costco going to give back its refund to the customers?’” Murphy said. “It’s complicated, because a lot of small businesses, they hate the tariff. Some of them took out loans. Many industries are facing new tariffs that they have to continue to pay.”

Murphy said the average effective United States tariff has risen from about 2% to roughly 10% in the past year—a fivefold increase. Section 232 tariffs remain in place, including 50% duties on steel and aluminum—key inputs for sheet metal fabrication—and 25% on autos and auto parts.

Murphy noted there were 33 changes to tariff classifications last year, compared to a typical single annual update. “That volatility has been a problem for the business community,” he said.

Murphy pointed to roughly 100,000 manufacturing job losses over the past year, including about 40,000 in the auto sector, as higher input costs weighed on hiring and profitability.

Tariffs have become a flashpoint in Washington, with both political parties expressing concern over their impact on prices and economic growth. “Tariffs are not popular, and, in

fact, affordability generally is absolutely the biggest negative that the administration is facing right now,” Murphy said.

While Congress is increasingly interested in reclaiming its constitutional authority over trade, Murphy warned that for now, the administration is preparing “a third wave” of tariffs under different statutes. “These tariffs don’t seem to be going away,” he said.

For importers waiting on refunds, the process is underway, but patience is required. “It’s a big job,” Murphy said. “But CBP, they’ve shown goodwill, and they’re working really hard.”

And for American manufacturers and small businesses, Murphy said, the outcome of these policies will ripple through the economy. “It all shows how these things are connected, and tariffs and the war are having an impact,” he said. “We want to get to that 3% economic growth. The United States economy—it’s hard to keep it down.”

*This article was reprinted with permission from [ACHRNews.com](http://ACHRNews.com). Austin Keating is the special section editor of SNIPS NEWS at The ACHR NEWS. He covers sheet metal, mechanical contractors, duct cleaning, testing and balancing, steel, building information modeling (BIM) and architecture, engineering and construction (AEC). ■*

## LEGISLATIVE UPDATE

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In April 2026, GOP Representatives Fitzpatrick (R-PA), Lawler (R-NY), Max Miller (R-OH), and Carey (R-OH) introduced SMACNA-endorsed H.R. 8477, the *American Energy Dominance Act*, also backed by North America’s Building Trades Unions, to restore energy tax credits accelerated for phase-out under the *One Big Beautiful Bill Act*, including the 179D commercial buildings deduction without expiration, the 45L home credit through 2032, and

the 45Y and 48E clean electricity credits that drive energy infrastructure construction. SMACNA supports the bill given its direct relationship to commercial HVAC upgrade and energy construction work. SMACNA maintains firm opposition to any legislation repealing or weakening Davis-Bacon, restricting project labor agreements on federal construction, or undermining the Registered Apprenticeship system in any form. ■

### SMART Local 105 2026 Holidays

Holidays	LA/OE Commercial	Bakersfield Commerical	Orange Empire Residential	LA/OE S&M	Bakersfield S&M	LA/OE Residential	Bakersfield Residential
Labor Day Monday, September 7	✓	✓	✓	✓	✓	✓	✓
Veteran’s Day Wednesday, November 11	✓	✓	✓	✓	✓	✓	✓
Thanksgiving Day Thursday, November 26	✓	✓	✓	✓	✓	✓	✓
Friday After Thanksgiving Friday, Novmber 27	✓	✓	✓	✓	✓	✓	✓
Christmas Eve Thursday, December 24	✓	✓	✓			✓	
Christmas Day Friday, December 25	✓	✓	✓	✓	✓	✓	✓
New Year’s Day Friday, January 1, 2027	✓	✓	✓	✓	✓	✓	✓