

June 16, 2025

Eric Longnecker
Deputy Assistant Secretary for Technology Security
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

Re: Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process

Dear Mr. Longnecker,

Energy Workforce & Technology Council (“EWTC”) is the national trade association for the global energy technology and services sector, historically known as the oilfield services (OFS) and equipment sector, representing more than 650,000 U.S. jobs in the technology-driven energy value chain. EWTC advances member policy priorities and empowers the energy workforce of the future.

Energy and oilfield service companies are the backbone of the energy industry, providing both the technology and manpower to ensure the efficient and safe production of oil and natural gas. The energy services sector is a critical partner in ensuring American energy dominance by providing essential components such as artificial lift systems, production enhancement tools, drilling fluids, tubulars, and fracking equipment. Many of the services and equipment are exceptionally technical and specialized. The sector is heavily invested in U.S. operations and makes significant contributions to the domestic economy and job creation.

Our companies are on the front lines of achieving the President’s stated goal of adding 3 million barrels per day to U.S. production. These companies are also invested in the broader national objective of reshoring critical manufacturing and strengthening domestic supply chains. However, the uncertainty surrounding proposed tariffs — particularly new tariffs on key industrial inputs — threatens to undermine these goals. The proposed tariffs pose a significant risk to the competitiveness and cost-efficiency of the U.S. oil and natural gas industry.

EWTC opposes the Section 232 tariff increase from 25% to 50% on steel and aluminum for the disruptive and cost-increasing effect on the domestic oil and gas industry. In addition, EWTC requests that no additional critical energy components and derivative steel and aluminum products (finished or semi-finished) be included in the Section 232 list. EWTC urges the Administration to consider a “critical energy security” exclusion for both components and materials for the purposes of increasing domestic oil and gas production.

Critical Energy Security Components and Materials

EWTC encourages the Administration to establish a *Critical Energy Security* exemption from Section 232 tariffs for highly specialized components essential to oil and gas production. These include items such as fluid ends, drill pipe, artificial lift systems, wellhead control equipment, and other proprietary tools that enable drilling, completion, and ongoing production. These components are often unavailable from U.S. manufacturers in the necessary volume or specifications, and penalizing their import will directly hinder domestic energy output and national energy security goals.

Section 232 Tariffs Increasing from 25% to 50%

As currently written, the increase in Section 232 tariffs from 25% to 50% on steel and aluminum would raise the cost of producing oil and gas, as well as the necessary equipment, in the United States due to current supply chain realities. Surveys of operators in Texas indicate that steel tariffs significantly raise the cost of drilling, completing, and servicing wells for companies of all sizes, thus reducing capital available for new drilling and resource development. Further, these cost increases coupled with reduced pipe availability for all but the very large public companies disproportionately affect private independent oil and gas companies, including smaller, private service and drilling companies. Most problematically, steel tariffs have historically done little to incentivize greater domestic production of oil country tubular goods (OCTG) because the resulting higher prices increase revenue and profits on current production.

Additional Section 232 Inclusion Request Petitions

The additional petitions to include critical energy components and derivative steel and aluminum products include claims that have not been independently verified and therefore lack transparency and supporting data. EWTC believes that short-term domestic capacity remains insufficient to meet demand. Penalizing the industry for gaps that cannot yet be filled domestically will hinder energy production and economic growth.

Procedurally, EWTC respectfully requests the following actions:

1. **Extend Time for Public Comment.** EWTC membership is concerned that many of the 232 petitions were filed at the same time over a holiday weekend and minimal time to respond to the petitions was given. A longer time period will yield significantly richer data and evidence about the potential impact of inclusions. The short 14-day window for the public to comment on proposed products made it difficult for stakeholders to consider the implications as well as to fully research their response to the petition. To allow sufficient time for affected oilfield service and equipment companies to effectively review and analyze the products proposed, EWTC requests that the public comment period be extended to at least 45 days.

2. **Hold a Public Hearing.** Public hearings are a critical element for government rulemaking processes and provide an important complement to written submissions. A hearing offers distinct advantages that written comments alone cannot provide. Public hearing testimony, questions, and responses would better inform both the public and decision-makers at Commerce. Should a public hearing process be enacted there will be robust participation from U.S. energy service companies.
3. **Provide Clear & Transparent Inclusion Criteria.** EWTC urges Commerce to publish clear and objective criteria for how it will evaluate inclusion requests. This will allow the industry to fully understand the criteria and be able to plan and react accordingly.
4. **Process for Removing Derivative Product Designation.** When a derivative product is approved for inclusion, this designation should not continue permanently. The Department should add a formal process for reviewing and removing products from the derivative tariff list when factual circumstances have changed.

EWTC Member Investments in U.S. Manufacturing

EWTC Member Companies are working towards achieving the long-term goals of the Trump Administration to move manufacturing back to the U.S. and increase domestic oil and gas production. These companies have headquarters throughout the lower 48 states, large manufacturing and production sites nationwide, and have made significant investments in the last decade. Some examples include:

- Over the past decade, one EWTC member company has invested over \$75 million in its U.S.-based tube-processing, heat-treat, and testing infrastructure. They have funded joint R&D programs with multiple U.S. steel mills to accelerate their capabilities.
- An EWTC company has fully reshored all steel bar sourcing to U.S.-based suppliers.
- An EWTC member company has already reshored its Tier 1 Suppliers, where applicable, but noted they do not have as much control in Tier 2 & 3 levels
- EWTC company activity in the United States includes: frac spread components, artificial lift equipment in Oklahoma; competition tolls (such as flow control lines, casings) in Louisiana; drill bits in Houston, Texas; oilfield tubulars in Corpus Christi; Gas turbines in San Diego, CA; additive manufacturing in Houston, TX and radiation measurement tool production in Ohio
- Building digital infrastructure components in Shreveport, LA, creating 600 new jobs and a \$18 million investment

EWTC and its member companies remain committed to supporting domestic energy production, strengthening supply chains, and reshoring key manufacturing. We appreciate the opportunity to provide input and stand ready to further engage on this matter.

Sincerely,

Tim Tarpley

President

Energy Workforce & Technology Council