



Dear Members of the United States House and Senate,

We are writing to express urgent concern regarding the impact of tariffs on steel, aluminum, and other imported materials on the U.S. oilfield services (OFS) sector—a cornerstone of American energy leadership and industrial strength.

### **Tariffs Threaten U.S. Energy Leadership and Jobs**

The OFS sector is facing mounting headwinds as tariffs drive up costs, delay critical projects, and suppress job growth. These tariffs are not merely a trade issue; they threaten America's ability to produce, refine, and deliver energy securely and competitively. For the first time in a decade, U.S. energy dominance is being tested not by global rivals, but by domestic trade barriers that raise input costs, stall investment, and erode jobs across the country.

### **Rising Costs, Falling Margins**

Tariffs have quietly become one of the largest non-market obstacles to U.S. energy competitiveness. Leading companies have reported significant financial impacts:

- Halliburton: \$31 million hit in Q2, with Q4 costs projected to reach \$60 million.
- Baker Hughes: \$100–\$200 million annual EBITDA impact, particularly in offshore markets.
- NOV: \$100 million cost-cutting initiative to offset tariff pressures.

Between 2023 and 2025, tariffs have added more than \$500 million in cumulative costs across top service providers, shrinking margins by up to 100 basis points. Deloitte estimates that \$50 billion in U.S. offshore and greenfield projects are now delayed into 2026 or beyond, opening the door for foreign suppliers to capture market share and investment.

### **The Inflation Ripple Effect**

The Federal Reserve confirms tariffs are contributing to national inflation. The St. Louis Fed attributes 0.5 percentage points of recent headline inflation to tariffs, while the Richmond Fed reports effective tariff rates on steel and aluminum have surged to 10–12%. These costs ripple through the economy, raising prices, delaying projects, and ultimately increasing energy costs for consumers.

### **Jobs and Workforce Under Pressure**

The OFS workforce, once a pillar of American industrial strength, is slipping backward. Between January and August 2025, the sector lost over 8,000 jobs. Low commodity prices, combined with tariff-driven cost increases, are dampening drilling activity and employment. Meanwhile, the U.S. is producing too few petroleum engineers—just 400 graduates in 2024, down 83% from 2017.

### **A.I. Data Centers and Affordability:**

The massive energy demands of new data processing capacity has also dramatically increased electricity costs for consumers. Natural gas is the most obvious solution to get new electrons onto the grid, but tariffs on natural gas generators, turbines and components manufactured in the EU, Canada, and elsewhere have created several supply chain bottlenecks and increased costs for our industry partners.

### **Call to Action**

To safeguard American energy leadership, jobs, and supply chain resilience, we urge Congress to:

- Reinststate and expand the Section 232 tariff exclusion process for critical energy components.
- Exempt OCTG, valves, and essential oilfield equipment from tariff lists.
- Support policies that promote domestic production and workforce retention of the 650,000 jobs in the OFS sector.

Without action, these tariffs risk reversing a decade of American energy progress, costing jobs, weakening supply chains, and ceding market share to foreign suppliers. Congress can ensure America remains the global leader in reliable, secure, and affordable energy.

Thank you for your attention to this critical issue.



Tim Tarpley  
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Energy Workforce & Technology Council



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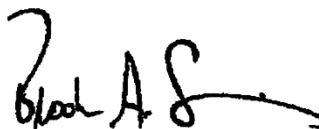
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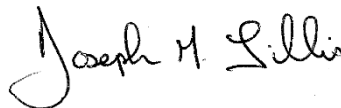
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A handwritten signature in blue ink that reads "Missi Currier". The signature is written in a cursive style with a large, stylized initial 'M'.

Missi Currier  
President & CEO  
New Mexico Oil & Gas Association