



2500 Citywest Blvd., Suite 1110
Houston, TX 77042-3049
Office: 713.932.0168
Fax: 713.932.0497

June 11, 2020

The Honorable Bobby Rush
United States House of Representatives
2188 Rayburn House Office Building
Washington, DC 20515-1301

The Honorable Fred Upton
United States House of Representatives
2183 Rayburn House Office Building
Washington, DC 20515

**Re: House Energy and Commerce Committee Subcommittee on Energy, Hearing entitled:
"Reviving Our Economy: COVID-19's Impact on the Energy Sector"**

Dear Chairman Rush and Ranking Member Upton,

The Petroleum Equipment and Services Association (PESA) is the national trade association for the oilfield services and equipment sector, representing more than 500,000 US jobs in the technology-driven energy value chain.

Research conducted by PESA has found that employment in the oilfield services and equipment (OFS) sector has fallen by more than 86,000 jobs due to pandemic-related demand destruction. OFS employment is down more than 107,000 jobs from May 2019 and now stands at its lowest point since 2016.

Using Bureau of Labor Statistics data, PESA, in consultation with researchers from the Hobby School of Public Affairs at the University of Houston, estimates OFS sector jobs in the U.S. dropped from 780,000 in February to 694,000 in May, a decline of 11.0%. Losses were heaviest in April, totaling more than 60,000 jobs.

OFS employment year-over-year fell from 801,623 jobs in May 2019 to 694,549 in 2020, a decline of 13.4%. However, due to limitations with the BLS data and the difficulty in accurately tracking furloughs, this number is likely significantly underreporting what is truly going on in the OFS sector. Many OFS companies have between 25%-50% or more of their workforces currently on furlough, and some of the largest companies in the sector are set to lay off thousands of employees in the near future.

The employment decline thus far represents estimated annual wages of approximately \$11.5 billion. PESA member companies have operations in 47 states. With no realistic expectation of a quick recovery in global demand, PESA believes that job losses and bankruptcies in the OFS sector will continue to mount throughout the summer and into the fall. This holds significant negative economic and environmental consequences, as the oilfield services and equipment sector is where much lower-carbon energy innovation begins.

Sincerely,

Leslie Beyer
President, PESA