

September 12, 2025

Via electronic mail

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, DC 20230

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of Treasury
1500 Pennsylvania Ave, N.W.
Washington, DC 20220

Ambassador Jamieson Greer
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th St., N.W.
Washington, DC 20508

The Honorable Michael Kratsios
Assistant to the President for Science &
Technology
Office of Science and Technology Policy
1650 Pennsylvania Avenue N.W.
Washington, DC 20502

Dear Secretary Lutnick, Secretary Bessent, Ambassador Greer, and Director Kratsios:

As you and your colleagues prepare for President Trump's state visit to the United Kingdom, the undersigned trade associations would like to reiterate the importance of the UK market for U.S. businesses and workers. We laud efforts to promote closer economic ties between our two nations, with the U.S.-UK Tech Partnership offering a unique opportunity for deeper alignment and collaboration on science and innovation, particularly in the priority areas of AI, advanced computing, and space, which are vital to enhancing the global competitiveness of our technology sectors.

It is also an opportunity to reduce barriers in the digital sector, including regulatory impediments that serve as a barrier to free and fair trade. In 2023, U.S. companies generated \$68.5 billion in digital services exports to the UK,¹ while the overall export of digital services and goods supported 3 million jobs in the United States in 2022.² As such, the importance of free and fair market access for U.S. companies to maximize the benefits of this bilateral relationship cannot be overstated, and we thank you for your leadership and work to achieve this goal.

We applaud the administration's success in strengthening the trade relationship with the UK through the U.S.-UK Economic Prosperity Deal (EPD). We particularly appreciate the administration's continued commitment to address the UK's discriminatory digital services tax

¹ U.S. Department of Commerce, Bureau of Economic Analysis, [U.S. Trade in ICT Services and Digitally Deliverable Services, by Country or Affiliation](#) (accessed 9/9/2025)

² <https://www.uschamber.com/international/trade-agreements/how-digital-trade-benefits-the-american-economy>

(DST),³ as well as your emphatic August 25 statement committing to fight against discriminatory policies targeting U.S. technology companies.

However, your urgent attention to the active obstacles disadvantaging U.S. technology in the UK is necessary to achieve meaningful results for the United States. Leaving these barriers unaddressed will impede the potential success of this partnership and undermine U.S. technological leadership globally. We urge the administration to address the following policies:

- **The UK's discriminatory DST:** Despite the Trump administration's efforts, the DST continues to be a significant trade barrier, extracting approximately \$1 billion annually from predominantly U.S. companies. This discriminatory tax violates established principles of international taxation and creates an environment of double taxation that specifically targets American businesses. The tax creates an uneven playing field in the UK market, directly contradicting the principles of free and fair market access that should underpin our bilateral relationship under the EPD. We strongly urge the administration to secure a commitment from the UK government to repeal the DST entirely. This would achieve a result in the UK on par with Canada's decision to withdraw its DST and aligns with the president's direction for foreign governments to remove their measures, including DSTs, that discriminate against American companies.
- **Targeting of U.S. technology companies under the *Digital Markets, Competition and Consumers Act (DMCC)*:** The broad regulatory authority granted to the Competition and Markets Authority (CMA) under the DMCC poses substantial risks to U.S. technology companies' ability to operate in the UK market. Estimates suggest that implementation of this act could decrease investment in digital industries by 4 – 8 per cent, resulting in a £55 to £165 billion loss in consumer welfare over 10 years.⁴ The law grants the CMA wide-ranging and new powers to impose significant restrictions on American companies' business models, potentially forcing structural and product changes that would advantage UK and Chinese competitors. While we support fair competition, the current framework contradicts those principles by disproportionately targeting U.S. companies. Further, the law lacks appropriate safeguards and appeal standards. This overreach will stifle innovation, deter investment, and create uncertainty for U.S. companies seeking to export to the UK market. We urge the Administration to push back against the use of DMCC authority to target successful American technology firms, and to seek reform of the CMA's powers, most urgently by adding consistent appeal standards that allow for substantive review of regulatory decisions, and by establishing safeguards such as a higher standard of harm and stricter evidentiary standards.

³ <https://ustr.gov/about/policy-offices/press-office/fact-sheets/2025/may/ustr-fact-sheet-us-uk-reach-historic-trade-deal>

⁴ <https://ccianet.org/news/2024/01/proposed-uk-tech-regulations-under-dmcc-could-cost-consumers-up-to-160-billion-new-research-finds/>

- **Disproportionate regulatory oversight of digital providers through the *Online Safety Act*:** The *Online Safety Act*'s regulatory framework imposes burdensome oversight requirements on digital service providers, creating operational challenges for U.S. companies. The law generally applies ill-fitting obligations on a diverse range of digital services, thereby failing to match proportionate regulatory oversight with actual risk profiles. We urge the administration to advocate for an alternative approach that incentivizes standards developed and tested by industry and civil society partnerships to protect internet users instead of the existing extraterritorial and ill-fitted restrictions.

The president's visit to the UK also provides an essential opportunity to establish mechanisms that coordinate regulatory powers, including cooperative measures between the two partners. We believe the U.S.-UK tech partnership now being negotiated can facilitate cooperation between the two countries in AI, quantum computing, and technological advancements in space. Many of these workstreams have the potential to boost the administration's crucial efforts to catalyze the full stack of U.S. AI exports, as articulated in the AI Action Plan.⁵ Discussions for this partnership should prioritize collaboration in the following areas:

- **AI:** The UK should commit to regulatory harmonization with the United States regarding the training and deployment of AI. Harmonization of standards and oversight would streamline innovation while ensuring consistent safety and ethical standards across both markets. This alignment could build upon existing collaborative efforts, such as the U.S. Food and Drug Administration and the UK's Medicines and Healthcare products Regulatory Agency partnership on AI principles in digital health.⁶ Thus, creating a cohesive approach to AI governance that benefits both governments and industry seeking to operate across markets. If the U.S. and UK diverge in digital regulations impacting AI, it will create compliance challenges for American companies, potentially slowing AI development and deployment in the UK market. A unified approach would reduce regulatory barriers, accelerate advancements in AI technologies, and allow U.S. companies to more easily scale their AI solutions globally. The U.S. government should pursue commitments from the UK to move towards harmonization, such as through a joint task force or ongoing forum that focuses on key areas for cooperation, such as cross-border data flows, AI training, and standard-setting for testing and deployment. Doing so would allow U.S. companies to leverage the significant AI infrastructure investments that have been made in the UK. The UK should also commit to ensuring public procurement policy will not disadvantage American companies, as it looks to adopt AI across the public sector.

⁵ <https://www.whitehouse.gov/presidential-actions/2025/07/promoting-the-export-of-the-american-ai-technology-stack/>

⁶ <https://www.fda.gov/medical-devices/software-medical-device-samd/transparency-machine-learning-enabled-medical-devices-guiding-principles> (Health Canada is also a member of this collaborative effort.)

- **Space:** Collaboration in space technology and standards presents a significant opportunity for both nations to advance next-generation technologies and security initiatives. By working together, the U.S. and the UK can address critical regulatory bottlenecks in third-party fora, such as the International Telecommunication Union (ITU), while promoting innovation in areas like satellite broadband connectivity. Such cooperation would strengthen both nations' space capabilities while ensuring continued technological leadership in this crucial sector. We recommend initiating a bilateral working group to modernize space-related regulations to reflect modern technological capabilities and operations.
- **Quantum:** The United States and United Kingdom have a unique opportunity to deepen collaboration in quantum computing, building on America's world-leading position in this critical technology. This partnership would expand on existing successful partnerships between U.S. companies and UK research institutions, such as support for the UK's National Quantum Computing Center. These initiatives simultaneously promote U.S. leadership in cloud and quantum computing, while also developing complementary UK capacity to enhance a collective competitive position against China in this strategically critical sector. A more structured partnership would maximize the impact of our combined quantum computing capabilities and expertise by accelerating research breakthroughs and strengthening both nations' quantum computing ecosystems. A deeper and more formalized partnership should be an aspect of any tech partnership between the U.S. and the UK.

The above outcomes would maximize the benefits of the U.S.-UK agreement in promoting American innovation and technology and would be a sign of significant success. We, the undersigned associations, look forward to working with you to achieve these goals.

Sincerely,

ACT | The App Association
 Coalition of Services Industries (CSI)
 Computer and Communications Industry Association (CCIA)
 Consumer Technology Association (CTA)
 National Foreign Trade Council (NFTC)
 Software & Information Industry Association (SIIA)
 TechNet
 U.S. Chamber of Commerce
 US Council for International Business (USCIB)

cc: The Honorable Marco Rubio, Secretary of State
The Honorable Kevin Hassett, Director of the White House National Economic Council
The Honorable Jason Smith, Chairman, House Committee on Ways and Means
The Honorable Richard E. Neal, Ranking Member, House Committee on Ways and Means
The Honorable Mike Crapo, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance