



U.S. Chamber of Commerce

May 6, 2025

Ambassador Jamieson Greer
United States Trade Representative
Washington, D.C.

The Rt Hon. Jonathan Reynolds MP
Secretary of State for Business and Trade
London

Dear Ambassador Greer and Secretary Reynolds:

The U.S. Chamber of Commerce's U.S. – UK Business Council is pleased to share recommendations for your consideration as the United States and United Kingdom pursue negotiation of a trade agreement. We are committed to working collaboratively with both governments to secure an outcome that advances shared economic strength, investment leadership, and global competitiveness.

The U.S.-UK economic relationship remains one of the strongest and most balanced in the world. In 2024, the U.S. exported \$80 billion in goods and \$90 billion in services to the UK, while importing \$68 billion in goods and \$86 billion in services. This economic relationship supports 2.65 million jobs and includes \$1.1 trillion in U.S. FDI in the UK and \$630 billion in UK FDI in the U.S. Combined, the total trade and investment between the U.S. and the UK amounts to over \$2 trillion ([U.S. Chamber, 2025 Transatlantic Economy Report](#)).

The February 27 meeting between President Trump and Prime Minister Starmer reaffirmed both leaders' commitment to deepening U.S.-UK economic engagement. President Trump stated, "We're going to end up with a very good trade agreement for both countries." Vice President Vance further underscored this progress, noting on April 15 that, "(t)here's a good chance that...we'll come to a great agreement that's in the best interest of both countries."

Business leaders on both sides of the Atlantic support a trade agreement that delivers measurable growth, reinforces supply chain resilience, drives innovation, and sets a global standard for regulatory excellence. The United Kingdom's renewed emphasis on a growth-first agenda, focused on energy, advanced manufacturing, financial services, life sciences, and technology, aligns closely with U.S. priorities. At the same time, U.S. leadership remains focused on securing agreements that promote investment, build strategic industries, and create durable advantages for American workers and companies.

We respectfully encourage both governments to finalize an agreement that:

- Terminates all the recently imposed tariffs on goods imported from the UK and excludes UK goods from contemplated duties on such products as pharmaceuticals.
- Strengthens growth and competitiveness across traditional and emerging sectors.
- Achieves tangible, politically salient outcomes that expand trade, investment, and job creation.
- Supports bilateral leadership in critical technologies, including artificial intelligence.
- Promotes regulatory predictability and transparency to ensure business confidence and sustained capital investment.

This agreement represents an opportunity to showcase a modern transatlantic model that advances prosperity, security, and leadership at a time of renewed global competition.

As negotiations enter their final weeks, timely, decisive action can benefit both nations for decades to come.

The attached sector-specific recommendations were developed with input from leading U.S. and UK businesses to help both governments shape an agreement that delivers real, mutual gains. We welcome the opportunity to discuss them further with you and your teams.

Thank you for your leadership and for the opportunity to work alongside you at this historic moment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Zach Helzer', with a stylized, cursive script.

Zach Helzer
Senior Director, Europe & Head, U.S. – UK Business Council
U.S. Chamber of Commerce

Attachment: Sectoral Recommendations

Sectoral Recommendations for A U.S.-UK Trade Agreement

Digital and Emerging Technology

- **Artificial Intelligence**
 - Issue: AI is reshaping global industries, driving productivity and competitiveness.
 - Impact: Without alignment, fragmented approaches to AI security, regulation, and commercial deployment risk creating barriers and missed opportunities for leadership.
 - Recommendation: Establish a joint U.S. – UK AI framework focused on trust, innovation, and global rule-shaping, building the foundation for long-term leadership in responsible AI.
- **Energy Infrastructure for Technology**
 - Issue: The rapid expansion of AI and data operations is placing new demands on energy systems.
 - Impact: High energy costs and supply uncertainty deter investment in mission-critical infrastructure like data centers.
 - Recommendation: Coordinate U.S. – UK energy planning for high-density digital infrastructure, with emphasis on reliability, speed-to-grid, and long-term capacity.
- **End-to-End Encryption**
 - Issue: UK legislation risks compelling firms to weaken encryption and enable access to private data.
 - Impact: These proposals undermine trust in digital services and could set a precedent that compromises global cybersecurity.
 - Recommendation: Reaffirm support for strong encryption and ensure any legal authorities do not extend extraterritorially or jeopardize digital platform security.
- **Strategic Market Status Designations**
 - Issue: The UK Digital Markets Unit may designate select large companies as having “Strategic Market Status,” triggering unique regulatory obligations.
 - Impact: Without clear boundaries, this approach risks disproportionate application to U.S. firms, creating a perception of regulatory targeting.
 - Recommendation: Ensure the regime is implemented transparently, without nationality-based distinctions, and aligned with broader digital competition principles.

Energy

- **Nuclear Innovation**
 - Issue: Small Modular Reactors (SMRs) offer scalable, low-emission power critical for resilient grids.
 - Impact: Delayed timelines and lack of regulatory harmonization slow deployment in both countries.
 - Recommendation: Deepen collaboration on SMR development, siting, and financing models to accelerate real-world implementation.
- **Insurance and Permitting**
 - Issue: Energy and infrastructure projects are often held up by risk assessment and regulatory delays.
 - Impact: These bottlenecks raise project costs and deter long-term private investment.
 - Recommendation: Support faster permitting pathways and proactive engagement with insurers to de-risk deployment of new energy assets.

Financial Services

- **Digital Assets**
 - Issue: Divergent digital asset regulations limit clarity for cross-border investment.
 - Impact: Businesses face compliance uncertainty, slowing innovation and adoption in financial services.
 - Recommendation: Align regulatory frameworks to enable responsible digital asset growth, protect consumers, and support financial innovation.
- **Cross-Border Data Flows**
 - Issue: Restrictions on data flows create operational challenges for global service firms.
 - Impact: Fragmentation increases costs, reduces scalability, and weakens competitiveness.
 - Recommendation: Preserve and strengthen data mobility commitments to support modern trade and investment across sectors.

Life Sciences and Healthcare

- **Sector Growth and Innovation**
 - Issue: The UK's life sciences sector has global strengths but faces regulatory and infrastructure hurdles.
 - Impact: Unpredictable policy environments limit clinical research and investment in biotech and pharmaceutical manufacturing.
 - Recommendation: Prioritize flexible regulatory frameworks and robust, reciprocal IP protection (including patent dispute resolution mechanisms) agreements to boost innovation, investment and manufacturing.

Raw Materials and Manufacturing

- **Supply Chain Resilience**
 - Issue: Critical input shortages have exposed vulnerabilities in industrial supply chains.
 - Impact: Manufacturing costs rise, and production timelines extend without reliable access to key materials.
 - Recommendation: Eliminate tariffs on essential inputs and build bilateral sourcing frameworks for strategic sectors.
- **Strategic Steel Flows**
 - Issue: Current trade measures impact flows of specialized UK steel to the U.S.
 - Impact: These materials are essential to infrastructure, defense, and energy sectors on both sides of the Atlantic.
 - Recommendation: Advance recognition of steel product differentiation and remove barriers to trusted transatlantic steel supply.
- **Remanufactured Goods Recognition**
 - Issue: Remanufactured goods are frequently treated as used products under trade classifications.
 - Impact: This limits market access and undermines efforts to build circular manufacturing economies.
 - Recommendation: Include clear definitions and treatment for remanufactured goods that reflect their commercial and environmental value.
- **UK Retaliatory Tariffs on U.S. Products**
 - Issue: The UK is weighing new tariffs on U.S. exports, including chemical inputs.

- Impact: Tariff escalation would increase costs and destabilize cross-border production in key sectors.
- Recommendation: Avoid retaliatory measures by terminating U.S. tariffs on imports of UK goods.
- **Sourcing and Materials Cooperation**
 - Issue: U.S. and UK manufacturers face structural cost disadvantages compared to low-cost imports.
 - Impact: These pressures limit domestic production and erode competitiveness.
 - Recommendation: Align procurement incentives and supply chain strategy to support U.S. and UK sourcing and critical input access.

Transport and Connectivity

- **Aviation**
 - Issue: Aviation infrastructure requires modernization to meet rising trade and travel demand.
 - Impact: Capacity shortfalls and outdated regulations constrain economic connectivity.
 - Recommendation: Prioritize joint aviation infrastructure investment and harmonized air transport frameworks.
- **Next-Generation Vehicles**
 - Issue: Regulatory divergence slows development of electric and autonomous vehicles.
 - Impact: Innovation, production, and export of future transport technologies are held back by incompatible standards.
 - Recommendation: Coordinate R&D priorities and regulatory benchmarks to accelerate deployment of advanced mobility solutions.

Consumer Product Regulation

- **Energy Drinks**
 - Issue: UK policy proposals on energy drink regulation lack comprehensive scientific grounding.
 - Impact: Unvetted restrictions may undermine consumer confidence and investment in the beverage sector.
 - Recommendation: Ensure future measures are based on risk-based assessments and aligned with international food safety practices.

Regulation and Taxation

- **Digital Markets, Competition and Consumers Act (DMCC)**
 - Issue: Sweeping UK digital regulations risk exceeding proportional oversight.
 - Impact: Unclear application and broad enforcement authority could deter innovation and investment.
 - Recommendation: Focus implementation on clarity, fairness, and targeted remedies to preserve competition and avoid unintended consequences.
- **Digital Services Tax (DST)**
 - Issue: The DST continues to apply unevenly, targeting large U.S. firms.
 - Impact: This creates a perception of discrimination and distorts the digital trade environment.
 - Recommendation: End unilateral digital taxes.
- **Streaming Levy Proposal**
 - Issue: A proposed 5% levy on streaming revenue would disproportionately affect U.S. media investors.
 - Impact: The levy could reduce original content budgets and deter future investment in UK creative industries.
 - Recommendation: Avoid punitive sector-specific taxes and reinforce the UK's role as a global destination for entertainment investment.

Trade Facilitation

- **Customs Efficiency**
 - Issue: Friction at the border hampers time-sensitive trade.
 - Impact: Delays drive up costs, disrupt delivery, and erode service reliability.
 - Recommendation: Expand trusted trader recognition, digitize clearance procedures, and promote alignment of customs practices.
- **Data and Logistics Mobility**
 - Issue: Restrictions on cross-border data impede logistics and delivery operations.
 - Impact: Without real-time access, supply chains slow down, affecting competitiveness and customer satisfaction.
 - Recommendation: Guarantee stable rules for cross-border data that enable real-time operations and integrated supply chains.