



**The Office of United States Trade Representative (USTR)**  
**600 17th Street NW**  
**Washington, DC 20508**  
**29 April 2021**

We are writing in regard to the Office of the United States Trade Representative's request for comments in relation to the Proposed Action in the Section 301 Investigation of the United Kingdom's Digital Services Tax (DST), docket number USTR-2021-0007.

BritishAmerican Business (BAB) is the leading transatlantic trade association created as a result of the merger between the British-American Chamber of Commerce in the U.S. and the American Chamber of Commerce in the UK. We are committed to strengthening the economic corridor between the United States and the United Kingdom. We support policies and actions that protect and enhance the environment for transatlantic trade and investment on behalf of our members.

We welcome the opportunity to submit comments on this hugely important issue for our members. BAB has been an advocate for a global, multilateral solution to digital services taxation since 2019, and we continue to support the OECD process.

We share the concern about the proliferation of national DSTs, which will lead to regulatory fragmentation and administrative complexity, will increase the risk of double taxation, and also lead to trade disputes.

That is why we have maintained our position that the UK should not go ahead with its DST plans and instead focus all efforts on the OECD process so that a solution can be found as soon as possible.

We fully acknowledge the United States Trade Representative's point of view as set out in the January 2021 Report, as well as the fact that Section 301 investigations are meant to lower or remove existing barriers to trade. The Administration has also embraced the nuances and complexities of the global debate and has been less confrontational, which is a positive step towards a workable solution. We also understand the reality that the Administration's options are limited until there is more clarity around an OECD solution.

However, we remain firmly opposed to using tariffs as a punitive tool, particularly between close allies and partners like the US and the UK. We are concerned that tariffs on the UK goods listed in the Annex, of up to 25% to a total of \$325m, would constitute a barrier to trade in itself and will have a disproportionate impact on small and medium sized businesses. In the vast majority of cases, it is U.S. consumers who will ultimately end up paying the cost of these tariffs.

Finally, we would like to express our concern that tariffs will result in further delays and increase tensions around the OECD process, when all energies should be devoted to finding a multilateral solution through it.

We therefore ask the USTR to consider pausing the introduction of tariffs on UK products and redouble multilateral efforts. With the Administration reinvigorating the OECD process with its recent proposals to reform global taxation, a solution is in sight.

BritishAmerican Business stands ready to assist the Office of the United State Trade Representative in finding a solution that benefits the entire U.S.-UK trade and investment corridor.

Duncan Edwards  
CEO

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Emanuel Adam  
Director of Policy & Trade

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