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REGULATORY SCRUTINY BOARD OPINION

Digital Networks Act

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EUROPEAN COMMISSION
REGULATORY SCRUTINY BOARD

Brussels,
RSB

Opinion

Title: Impact assessment / Digital Networks Act

Overall 2nd opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

The Digital Networks Act (DNA) is an initiative to promote a high-quality digital network infrastructure supporting Europe's economy, security and social welfare, as laid out in the Letta, Draghi and Niinistö reports. It aims to introduce a modern and, in part simplified, legal framework that promotes the transition from legacy networks to fibre, 5G and cloud-based infrastructures.

(B) Key issues

The Board notes the improvements done to the report following the Board's previous opinion.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the lead Service to rectify the following aspects:

(1) In assessment of impacts, uncertainties of key assumptions are not sufficiently addressed, hence resulting projections and comparison of options are not robust.

(2) It is not clear what the direct and indirect costs are and how they are distributed among different stakeholder groups. Environmental impacts are not monetised. Administrative costs and cost savings are not quantified for all options.

(C) What to improve

(1) The report should clarify the magnitude of the problem and proportionality of the copper switch off options taking into account that FTTP coverage is projected to reach 90% by 2030 according to the 2025 Digital Decade Policy Programme report, while reaching the remaining 10% would be subject to significant costs.
(2) The report should more systematically justify the key assumptions underpinning the analysis of impacts. For fibre and spectrum coverage and penetration, it should explain how the projections were derived, which demand, and supply factors were considered and how. The report should provide a sensitivity analysis of the projections on the key underlying assumptions.
(3) The report should better justify how the key coefficient linking the speed and GDP has been established. It should better assess marginal benefits and marginal costs, including

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based on perceptions of economic actors. The rationale for assuming linear effects on GDP even of marginal increase of speed at given overall speed levels should be substantiated and where relevant non-linear assumptions considered. Given the high variability of the estimates in literature and resulting uncertainties regarding the impact on GDP, the report should use conservative assumptions or ranges. This uncertainty should be highlighted in the summary table of the report and Annex 3.

(4) Given the expected highest effectiveness of spectrum Option 3, the report should substantiate or re-assess the same quantitative projection of Option 2 and Option 3 in terms of the coverage which directly drives the economic impact of the options and in turn their comparison. The assumptions, calculations and related narratives need to be fully aligned through the report and annexes. The report should explain how different levels of economies of scale of various spectrum options were accounted for in the modelling.

(5) The report should provide a summary table of the costs and benefits of all options, quantified and monetised to the extent possible, and establish the benefit-cost ratios. The report should be explicit regarding who will bear the costs and clearly distinguish between public authorities, businesses and citizens.

(6) The estimates of administrative costs and cost-savings that are currently expressed in FTEs, should be converted into monetary values. The assessment and comparison of spectrum options on efficiency criteria should include a full quantification of total administrative costs over the appropriate assessment period taking into account expected smaller number of regulated entities for Option 3.

(7) The report should strengthen the environmental impact analysis by better integrating the lifecycle findings presented in Annex 9. The resulting impacts should be monetised and included in the overall assessment of costs and benefits. The reporting of the results should clearly highlight the underlying uncertainty as the analytical Annex 4 states that reported CO_2 values should not be interpreted as measurements with high numerical precision but rather as outputs of a scenario-based estimation model.

(8) The report should present a more systematic and comprehensive sensitivity analysis across all policy options. It should identify the key parameters driving results, explain how sensitive these results are to changes in the most important assumptions and state where uncertainty remains high and reflecting this in the conclusions.

(9) The report should be a concise self-standing document. By removing repetitions all and inconsistencies the report should be reduced in length. All four problems and corresponding policy blocks should be analysed in a uniform way throughout all sections of the report.

(D) Conclusion

The lead Service(s) must revise the report in accordance with the Board's findings before launching the interservice consultation.

Full title	Digital Networks Act
Reference number	PLAN/2024/2820
Submitted to RSB on	26 November 2025
Date of RSB meeting	17 December 2025

EUROPEAN COMMISSION
REGULATORY SCRUTINY BOARD

Brussels,
RSB

Opinion

Title: Impact assessment / Digital Networks Act

Overall opinion: NEGATIVE

(A) Policy context

The Digital Networks Act (DNA) is an initiative to promote a high-quality digital network infrastructure supporting Europe's economy, security and social welfare, as laid out in the Letta, Draghi and Niinistö reports. It aims to introduce a modern and, in part simplified, legal framework that promotes the transition from legacy networks to fibre, 5G and cloud-based infrastructures.

(B) Key issues

The Board notes the additional information provided and commitments to make changes to the report.

However, the Board gives a negative opinion because the report contains the following serious shortcomings that the lead Service must address:

(1) The report does not provide an economic analysis of problems and problem drivers, in particular the effects of different regulatory approaches.
(2) The report does not provide a clear intervention logic for each area addressed. The report does not assess a sufficient range of options.
(3) The economic and social impacts are not sufficiently assessed. It is not clear what the direct costs and benefits are, how these are distributed among the different stakeholder groups.
(4) The report is not clear about the methodology for assessing the economic and environmental impacts. Resulting estimates are not robust.

(C) What to improve

(1) Based on an analysis of the root causes of each problem, the report should identify all the problem drivers, their causal links and their relative importance for each of the identified problem areas.
(2) Regarding fibre roll-out, the report should analyse various regulatory approaches deployed in Member States and their effects including on revenue, incentives to invest into fibre and persistence of legacy infrastructure. The report should analyse to what extent the persistence of legacy infrastructure is a consequence of different regulatory regimes. In case the persistence of copper is maintained as a problem driver, the report should provide evidence about the persistence of copper slowing down the deployment and adoption of fibre as there are Member States with high coverage of both, i.e. copper and fibre.
(3) Similarly, the report should analyse the root causes related to the identified underinvestment in spectrum, including the analysis of various regulatory approaches deployed in Member States and their effects, including on the revenues and incentives to invest in 5G stand-alone. The report should assess the impact of fragmented regulation across the EU and the related potential for economies of scale, taking also into account available evidence from comparable markets outside the EU.
(4) The general objectives should be revised as they are generic and overlapping. The specific objectives should be defined in S.M.A.R.T. terms and their link with the general objective(s) should be clarified.
(5) The report should provide a clear intervention logic and sufficient detail for the policy measures in each policy area, including their rationale, based on the analysis of problem drivers and where relevant taking into account available evidence on markets development also from outside the EU, as well as justification on how they are packaged into policy options. The report should demonstrate whether the mandatory switching off of the copper network is a necessary and proportionate intervention, both in light of the analysis of the co-existence of both high copper and high fibre coverage in some Member States and taking into consideration limited willingness to pay of some users for switching to fibre. The report should analyse options including different regulatory regimes without mandatory copper switch-off.
(6) The baseline should provide a dynamic scenario of how the problems would evolve without the intervention, including relevant quantification. It should discuss the consequences of the current regulatory regime in terms of costs, incentives to invest for the telecom industry, coverage and prices for end-users. It should be clear about the magnitude of the investment gaps in fibre, spectrum and satellite services and contain a clear summary of the development of fibre coverage for households and enterprises, in the absence of interventions.
(7) The report should demonstrate the impacts based on robust economic analysis. It should provide an analysis of how the regulatory changes will impact the behaviour of economic operators and end-users. The analysis should better take into account the effects of potential varying national regulatory approaches.
(8) The report should be transparent to what extent the options differ in terms of digital inclusion and social equity. The report should analyse any consequences regarding the costs to vulnerable end-users, and consequences on affordability of services. Regarding the options including mandatory switch-off of copper networks, the report should better assess the related risks, including the costs to end-users and deteriorating broadband coverage in difficult-to-reach areas.

(9) The report should provide a summary table of the costs and benefits of all options, quantified to the extent possible, and establish the benefit-cost ratios. The report should be explicit regarding who will bear the costs and clearly distinguish between public authorities, businesses and citizens. The report should be clear about additional public funding needed for rolling out fibre.
(10) The report should be transparent about the methodology for the calculations of impacts, including on GDP and environment. The key assumptions used for the modelling of impacts should be substantiated. It should present the key assumptions and model features behind the forecast of coverage and adoption of fibre. It should assess and justify other key assumptions behind the modelling of the impact on the GDP, including the linear relationship between connectivity speed and GDP. The report should update and justify extrapolations from external studies based on speeds a decade ago, i.e. speeds of an order of magnitude lower than the speeds expected to be reached in the assessed period and their applicability on the marginal increases expected due to the intervention compared to the baseline. The report should better acknowledge uncertainty as to underlying assumptions in terms of perceived marginal productivity increases and preferences and behaviour of end users regarding switching from copper to fibre.
(11) The report should perform a corresponding sensitivity analysis and discuss its results in respect of the marginal difference between the options. The sensitivity analysis should reflect the principle of proportionality, i.e. addressing the key assumptions behind the main impacts assessed, including direct costs, GDP and CO2 emissions. The analysis of CO2 emissions under the environmental impacts should be based on a life cycle assessment, taking into account the replacement of physical legacy infrastructure and emissions related to the operation of all relevant equipment. The analysis should take into account the expected increase of data volumes. The resulting effects should be monetised.
(12) The report should be a concise self-standing document in line with better regulation requirements, significantly reduced in length, legible and accessible to the non-specialist reader.

Some more technical comments have been sent directly to the author Service.

(D) Conclusion

The DG must revise the report in accordance with the Board's findings and resubmit it for a final RSB opinion.

Full title	Digital Networks Act
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Submitted to RSB on	24 September 2025
Date of RSB meeting	22 October 2025