

POSITION PAPER

on the Call for Evidence for an Evaluation and Impact Assessment on the Digital Networks Act

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On June 6, the European Commission published a call for evidence for an impact assessment on the regulation of digital network infrastructure in the European Union. The aim is to examine the possible adoption of a harmonised *Digital Networks Act* (DNA) to strengthen the internal market for electronic communications. Key goals include simplifying the legal framework, improving cross-border interoperability and fostering investment in high-capacity and cloud-based networks.

Despite existing instruments such as the European Electronic Communications Code (EECC), the EU connectivity landscape remains fragmented. Different scopes of implementation continue to obstruct the development of a fully integrated digital single market. These scopes particularly hamper the rollout of new-generation infrastructures and cross-border services.

The DNA, foreseen for Q4 2025, seeks to address these shortcomings by modernising and harmonising the regulatory environment. It is closely tied to the evaluation of the EECC and responds to the increasing convergence of telecom, satellite, cloud and edge services.

The initiative aims to create a more investment-friendly and innovation-enabling framework by reducing regulatory complexity and strengthening coordination among Member States. The DNA may consolidate existing legal acts and introduce a harmonised authorisation regime, more efficient spectrum assignment procedures and clearer rules for innovative services under open internet principles. Further elements include measures to accelerate the transition from copper to fibre infrastructure, as well as stronger roles for EU bodies like BEREC and the RSPG to promote regulatory consistency.

Overall, the initiative is designed to facilitate technological transformation, unlock cross-border investment, and support the development of a secure and future-proof European network ecosystem, capable of underpinning key digital applications, including artificial intelligence.

eco would like to take this opportunity to comment on the consultation and respond to the debate with the following points:

1. Strategic Objectives of Regulatory Reform

The report on “[The future of European competitiveness](#)” identifies several substantial challenges. Strengthening Europe’s competitiveness and ensuring the resilience of its digital infrastructure requires a regulatory environment that supports investment, guarantees effective competition, and fosters innovation. A reform of the current telecommunications regulatory framework is thus considered necessary by some stakeholders. However, any such reform must be carefully balanced to avoid unintended negative consequences for market dynamics or infrastructure diversity.

2. Harmonisation and Simplification as Core Priorities

A central objective of the proposed *Digital Networks Act* (DNA) should be the harmonisation of regulatory frameworks across the EU. Diverging national rules, inconsistent administrative processes, and fragmented frequency allocation regimes continue to obstruct the development of a fully integrated digital single market. Coordination and standardisation could facilitate cross-border services and the development of innovative business models. The Commission's proposal to consolidate existing regulatory instruments and reduce reporting obligations is therefore welcomed, particularly as it can reduce administrative burdens for SMEs and enable greater focus on investment and innovation. By using a regulation as legal instrument for the DNA the Commission could avoid fragmentation through gold-plating by Member States.

3. Maintaining Fair Competition and Avoiding Market Distortion

Regulatory reform must ensure the preservation of fair and equal competitive conditions. Market consolidation must be critically assessed, especially given the diversity and dynamism of the European digital ecosystem. The balance between consolidation, which may generate scale economies in some cases, and a blanket push toward market concentration, that risks undermining competition and raises costs and reduces consumer choice, is narrow. Merger control should remain based on case-by-case assessments that consider actual market dynamics and infrastructure competition. These assessments should also take into account the investment and innovation needs of the European digital ecosystem, as well as the impact on end-users.

4. Network Access Reforms

The Call for Evidence includes proposals for regulating network access. The EU Commission’s proposed simplification raises questions on the existing framework

for ex-ante identification and oversight over operators with significant market power which has been central to fostering competition and diversity in the market. This shift needs very careful consideration and weighing of different factors to ensure the effective and efficient rollout of next-generation connectivity that will underpin technologies like cloud computing, edge computing and artificial intelligence. Before considering abandoning the existing SME approach and ex-ante regulation, a comprehensive impact assessment should first be carried out. Otherwise, there is a considerable risk of profound market intervention with far-reaching consequences.

5. Consolidation of the telecom market

The objectives outlined in the Call for Evidence to strengthen cross-border integration and harmonisation in the EU telecom market are generally to be welcomed. However, market enlargement through mergers of national operators does not automatically lead to a functioning single market. The European Union's commitment to promoting competition and innovation must be upheld. The Commission should work on completing the digital single market so that cross-border mergers can lead to efficient market outcomes. A regulatory approach is needed that safeguards competition and supports a dynamic, innovation-friendly environment in which providers of different sizes can thrive.

6. Modern Regulatory Tools and Flexible Implementation

Given the heterogeneous development of national markets, future regulation must account for differences in network architecture, investment models, and competition levels. Regulators need flexible tools to address specific bottlenecks, promote infrastructure competition, and ensure non-discriminatory access. Updating the regulatory framework through harmonised, principle-based rules rather than through over-prescriptive sectoral legislation can offer a more effective and adaptable approach.

7. Migration to modern Digital Infrastructure

A resilient and future-oriented digital infrastructure is essential to advancing Europe's digital transformation and securing its global competitiveness. Technologies such as gigabit-capable fixed networks and 5G offer significant performance improvements while contributing to environmental sustainability through greater energy efficiency. Accelerating the transition to modern networks should therefore be a shared policy objective. The introduction of harmonised European standards could facilitate this shift by lowering cross-border barriers and

supporting fair market conditions. Without a solid digital foundation, key innovation potentials across strategic sectors risk remaining untapped.

8. Regulation of IP Interconnection

To date, the European Commission has not announced any formal plans to introduce a regulatory framework governing commercial, bilateral IP interconnection agreements. It has, however, considered introducing a dispute resolution or an arbitration mechanism which, de facto, would be an intervention in the IP interconnection market. Should such regulation be considered at the EU level, it is essential that any initiative be preceded by a comprehensive and transparent impact assessment that objectively weighs all relevant factors. From the perspective of the internet industry, intervention in this area must be justified by clear evidence of market failure.

In support of an informed debate, eco has published a [short study](#) in 2022 analysing current developments in the IP interconnection market, including recent trends and the economic rationale behind interconnection cost structures. The study examines the extent to which traffic-dependent network costs arise and how network cost structures of access providers respond to market dynamics.

The public consultation on the Commission's White Paper on the future of the electronic communications sector did not reveal substantiated indications of systemic market failure or significant competition issues in IP interconnection. Given the current effectiveness of commercially negotiated arrangements in the field of IP interconnection, acknowledged by both the White Paper and BEREC, regulatory intervention should pay regard to unintended adverse effects. Proposals on this topic should navigate sensibilities and take into account the risk that restructuring the market could amount to indirect regulation, with potentially adverse effects on the open character of the internet, the stability of established business models and the affordability of services for end users.

Unwarranted intervention in a functioning market, e.g. IP interconnection, risks distorting well-established mechanisms, hindering innovation and weakening incentives for private investment in digital infrastructure. Any policy proposal in this area should therefore be based on a clearly identified regulatory need and supported by verifiable data to avoid disproportionate measures and unintended negative effects.

9. Safeguarding Net Neutrality

Net neutrality remains a fundamental principle of the open internet and must be upheld in any future regulatory framework. It guarantees clear set rules for data transmission while supporting open markets and seamless network communication

across borders. Any reform must prevent fragmentation and prohibit preferential treatment that could distort digital markets or limit innovation.

The internet industry is committed to maintaining the core principles of an open and innovative digital ecosystem. Regulatory reforms should allow for evolving technological and market realities while it must be ensured that users retain unrestricted access to digital services and new offerings. It should maintain the beneficial impacts of the current EU net neutrality framework on competition and innovation, while adapting to changing technological and market dynamics.

As digital infrastructures become more complex and application-specific, the open internet architecture in the EU should be further developed in a way that fosters innovation and investment while providing legal certainty and competitive fairness for all stakeholders potentially through updated guidelines clarifying the regulatory treatment of emerging services. The open, interoperable and decentralised structure of the internet must be maintained.

A balanced approach is required. One that safeguards the openness of networks while allowing for the flexibility needed to accommodate future digital developments. This includes a clear and harmonised regulatory framework for specialised services and quality-of-service provisions, particularly in areas such as industrial applications, telemedicine and other fields of applications that require special configuration. Any differentiation must be clearly defined, applied without discrimination and justified by specific service needs. Regulatory safeguards should create conditions for fair access to markets while promoting innovation and ensuring that user rights and technical realities are properly balanced.

Conclusion

The planned *Digital Networks Act* (DNA) offers an opportunity to modernise the EU's regulatory framework for digital infrastructure. To succeed, this reform must reinforce Europe's competitiveness, promote innovation, and ensure resilient and diverse connectivity markets.

Key to this is the harmonisation of regulatory conditions across Member States. Fragmented rules and spectrum regimes hinder the development of a digital single market and discourage cross-border investment particularly by SMEs. A coherent, streamlined framework would reduce complexity and unlock growth potential across the sector.

Equally essential is the preservation of fair and open competition. Market consolidation may be justified in individual cases but must never come at the expense of innovation, affordability, or consumer choice. Merger control must remain evidence-based and tailored to actual market dynamics, while taking into account the increasing investment and innovation needs to keep Europe competitive globally.

Regulatory flexibility is needed to reflect national differences in infrastructure, competition, and investment models. The Commission should continue to reduce regulatory burdens and unnecessary regulation. Intervention in well-functioning market mechanisms, e.g. IP interconnection, should be avoided. Any regulatory intervention in the IP-interconnection market should be based on comprehensive impact assessment and evidence for competitive necessities.

Lastly, net neutrality remains a foundation of the open internet. Any potential new guidance must uphold this principle while supporting new technological developments where justified. This balance is critical to safeguard user rights, innovation and legal certainty. A Regulatory readjustment should maintain the beneficial impacts of the current EU net neutrality framework on competition and innovation, while adapting to changing technological and market dynamics.

The DNA must be shaped by these priorities to deliver a future-proof framework that is competitive, innovation-friendly, and capable of supporting the EU's digital transformation.

About eco: With approximately 1,000 member companies, eco (international.eco.de) is the leading Association of the Internet Industry in Europe. Since 1995, eco has been highly instrumental in shaping the Internet, fostering new technologies, forming framework conditions, and representing the interests of its members in politics and international forums. eco has offices based in Cologne, Berlin and Brussels. In its work, eco primarily advocates for a high-performance, reliable and trustworthy ecosystem of digital infrastructures and services.