

PIIT welcomes the initiative on the Digital Networks Act (DNA). We believe that the current rules for the electronic communication sector do not fully support the goal of building European effective and resilient networks that enhance our digital sovereignty. The diverse regulations across EU states and the special treatment of domestic telecom operators, especially in terms of consumer protection, are holding back the development and uptake of advanced technologies in EU. PL's experience is an especially good example – more information in attachment.

In PIIT's view, EU's ambition to build a digital ecosystem that integrates the EU's potential across the entire digital value chain is commendable. The electronic communication sector can and should serve as a stable foundation for other parts of this value chain. Creating a truly single digital market and making the regulatory environment more competitive are essential steps to make it possible, as emphasized in Letta and Draghi reports. DNA has the chance to achieve what, in the case of the EECC, turned out to be unfulfilled hopes.

We ask for discussion regarding general rules as:

- a) DNA should be a master regulation for the electronic communication sector – no additional regulations without impact analysis on future DNA
- b) Each regulation may be introduced if benefits exceed costs
- c) Regulations must be simple and understandable

We ask the EC to ensure level playing field between businesses operating in EU concerning innovative services. The EU should prioritize fostering a diverse products ecosystem to ensure customers have access to a wide range of options. Any regulations or barriers that automatically block or prevent the supply of other country products and/or services into the EU based purely on non-technical grounds will cause a negative effect on open market. The EU should consider ways to encourage the development of a diverse products ecosystem that can provide a range of options to customers. This could help to ensure maintaining price, innovation and competition in a tight oligopoly of the equipment supplier market.

In terms of specific regulations we support updating and simplifying the regulatory framework to:

- a) Reduce sector-specific rules on consumer protection and apply broader, horizontal principles instead,
- b) Maintain ex ante regulation of networks built with EU funds,
- c) Improve predictability in frequency management by:
  - i. Setting a minimum license period of 40 years
  - ii. Allowing for automatic extensions licenses as a default option, if no negative circumstances arise
  - iii. With the entry into force of DNA, automatically extending existing licenses by at least 20 years within already paid fees
  - iv. Creating mechanisms to convert spectrum fees into infrastructure investments and/or R&D
  - v. Allowing the one-off payment of spectrum fees in installments,
  - vi. Ensuring protection of mobile terrestrial services from interference caused by mobile space services (D2D)
- d) Adapt open internet policies to current technology by examining how to apply existing OI regulation in a way that does not stifle European innovation and prevent deployment of new networks, technologies and services in EU, giving more regulatory certainty to solutions like network slicing in 5G SA

- e) Harmonizing data collection requirements to reduce reporting burdens by at least 50%, incl. the scope of infrastructure reporting, which are significantly excessive in PL
- f) Definitely stopping further reductions in FTR and MTR rates
- g) Stopping further reductions in wholesale roaming rates in favour of a structurally self-regulating ecosystem of international wholesale (e.g. trading platforms or other solution)
- h) Supporting the migration to fiber-optic networks, without forcing telecoms to withdraw copper networks by a specific date

We believe the best solution is to make the DNA a regulation that directly replaces the Directive, allowing for quicker and more effective changes.