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Opinion

Title **Impact Assessment Report for the Commission Communication on Transforming the digital dividend opportunity into social benefits and economic growth in Europe: Towards an EU Roadmap, and the Commission Recommendation to the Member States to maximise the benefit of the digital dividend in the European Union**

(draft version of 19 August 2009)

Lead DG **DG INFSO**

1) Impact Assessment Board Opinion

(A) Context

This impact assessment accompanies a Commission Communication and Recommendation on a European approach to allocating spectrum in the 470–862 MHz frequency band freed by the transition from analogue to digital terrestrial television ('DTT'). This spectrum is referred to as the 'digital dividend'.

The impact assessment builds on the previous Communication on the digital dividend [COM (2007) 700] which identified the potential for synergies at EU level. It initiated a consultation and "consensus-building" process to identify the best possible approach, and stimulating the dialogue between interested sectors.

(B) Positive aspects

The report is clearly written and presents the key issues in a way which is generally accessible to the non expert.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

General recommendation: The report needs further work on a number of aspects.

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In particular it should strengthen the assessment of the social and distributional impacts of the proposed measures, including the possible adaptation costs for consumers, and provide the evidence and underlying analysis for the expected social benefits as highlighted in the title of the proposed initiative. The report should also address distributional impacts for Member States, and deal with third-country and border region aspects more fully. The main results of the stakeholder consultation should be integrated into the main text of the report which should also address clearly those views which do not support the preferred approach. The report should explain better what follow-up measures are envisaged, and how the impacts of these measures will be assessed.

During the IAB meeting, DG INFSO agreed to make the necessary changes in the impact assessment on this basis. Given that the original draft was not available in time for discussion in a meeting of the impact assessment steering group, such a meeting should be organised to discuss the revised report.

(1) Strengthen the assessment of the social and distributional impacts of the proposed measures, including the possible adaptation costs for consumers, and provide the evidence and underlying analysis for the expected social benefits. The report should provide a more explicit analysis of social and distributional impacts of the proposed measures, and address more explicitly how this will impact consumers. This analysis should include an explanation of the "social benefits" the title of the initiative refers to. It should provide a summary of the underlying economic analysis on all relevant points in the main text and provide the methodology for the calculations of the projected benefits and costs. Where wide ranges are now reported more conservative estimates should probably be preferred. The report should for example provide the assumptions and the evidence that underpin the claim that accelerating the adoption of the 760-862 MHz sub-band by a few months could create benefits in the order of several billion euro.

(2) Address distributional impacts for Member States and third-country and border region aspects. Given that the costs of insisting on the analogue switch-off on 1 January 2012 are limited to the few Member States which would have done so later while the benefits would be realised across the EU, the report should analyse clearly the assumptions underpinning the choice of the specific date and the distributive effects of the switch-off in greater detail. The report should explain more fully the implications of technical harmonisation for those Member States with third country neighbours which do not plan to use the sub-band for the same purposes, or may do so at a later date. In this context, the range of options should include the possibility of coordination and cooperation beyond EU borders as a prior step to harmonisation or at least as part of that process.

(3) Integrate the main results of the stakeholder consultation into the main body of the report. The report should address clearly those views which do not support the preferred approach. In particular it should reply to concerns expressed by Member States that changing their plans for the analogue switch-off would be unworkable or counterproductive, and the view of certain stakeholders that certainty in national planning is more important than abiding by the date of 1 January 2012. The report should assess the implications of these views for the planned initiative on the analogue switch-off.

(4) Explain better what follow-up measures are envisaged, and how the impacts of these measures will be assessed. The report should indicate clearly which technical harmonisation measures will be proposed in the context of this policy initiative, and

whether a more adequate assessment of specific costs and benefits of such measures for different groups of actors (including businesses, sectors, regions, and groups of citizens, especially disadvantaged social groups) will be presented to accompany these proposals.

(D) Procedure and presentation

As the draft version of the report was not subject of an impact assessment steering group meeting, the revised version should be discussed in such a group. The name of the initiative should be reconsidered to match a more realistic level of ambition for this particular step in the process.

2) IAB scrutiny process

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