

*"They used to rob trains in the Old West.  
Now we rob spectrum."*  
 Senator John McCain,  
 Chairman, Senate Commerce Committee



# The citizen's guide to the airwaves

**A graphic  
depiction  
of the uses  
—and misuses—  
of the radio  
frequency  
spectrum**

Sources  
and further  
reading are  
included in  
the separate  
report that  
accompanies  
this chart.

*"The wireless spectrum  
belongs to the public, and thus  
should be made to serve the public."*  
 Senator Ernest Hollings, former Chairman,  
 Senate Commerce Committee

**NEW AMERICA**  
FOUNDATION



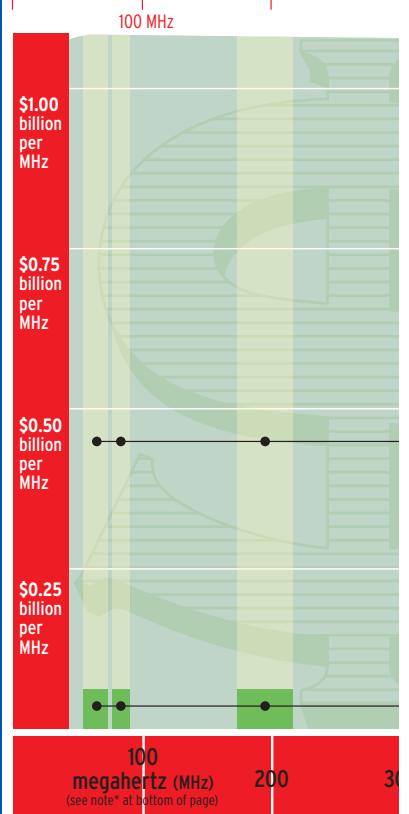
**SPECTRUM  
POLICY  
PROGRAM**

**The value  
of the airwaves  
(vertical scale)  
varies with frequency  
(horizontal scale)**

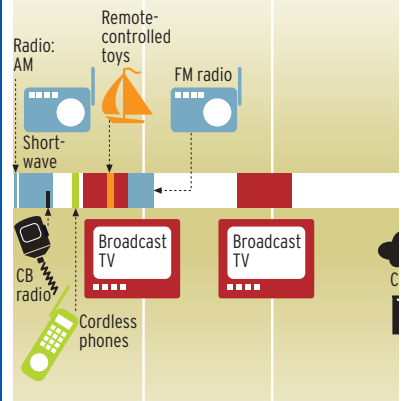
**Potential windfall  
if the spectrum  
is privatized (■)**

**Market value of  
current use (■)**

**FREQUENCIES**



**Frequency  
assignments used by  
everyday devices**



**Citizen's access  
spectrum  
(unlicensed, amateur, personal radio)**

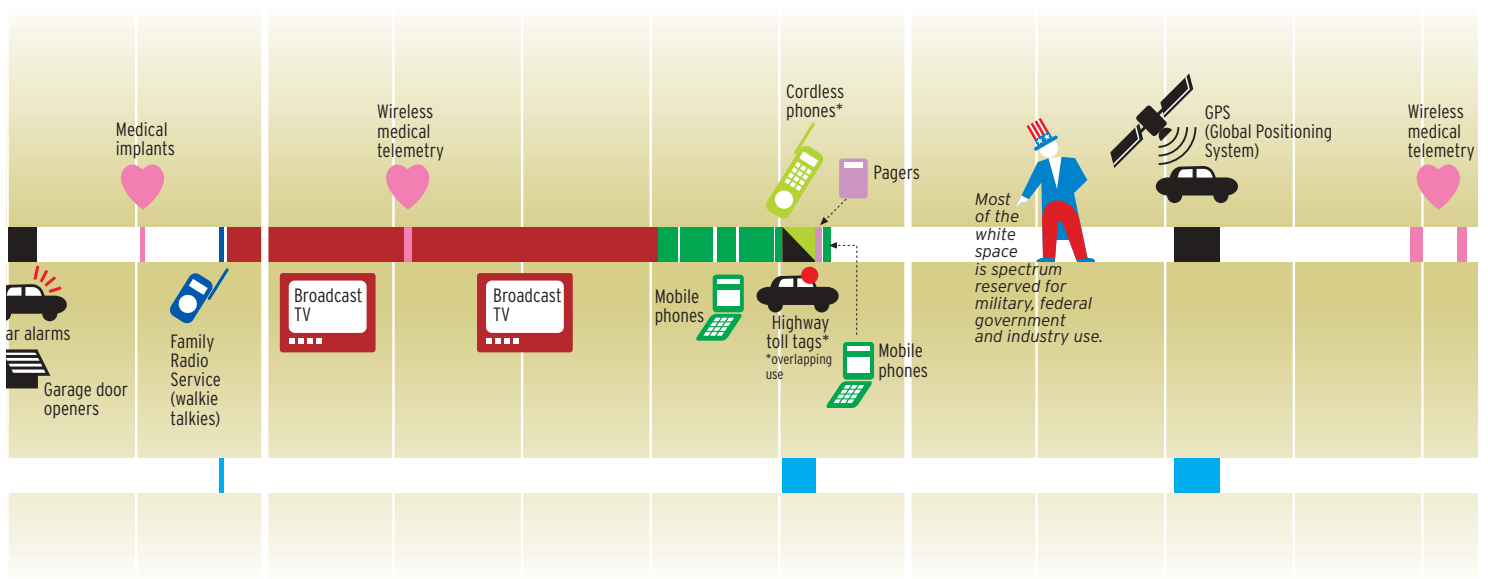
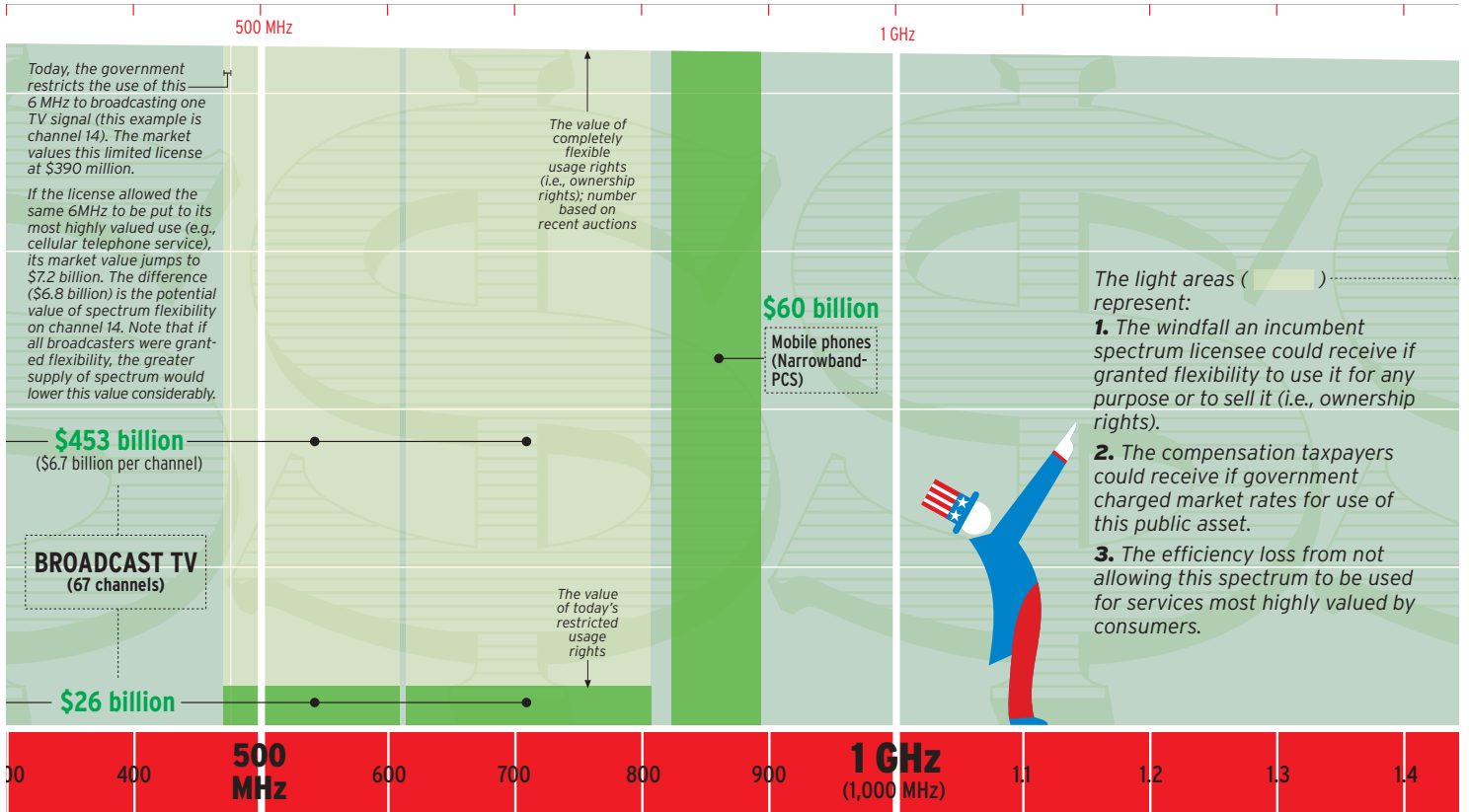
**Obstacles frequencies  
can overcome  
(propagation characteristics)**

**The value of the  
spectrum if it were  
thought of as  
real estate**

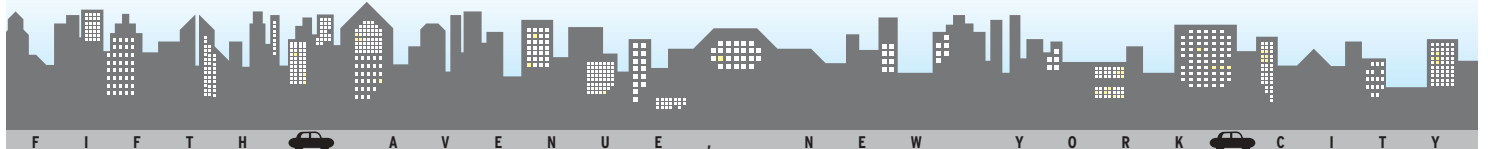


**Notes and  
definitions**

\* Radio waves are transmitted at different frequencies measured in **hertz (Hz)**. A slice of spectrum contains a band of frequencies. The wider the band, the more information carrying capacity it has. (It has more "bandwidth").



**Permeable zone:** signals, which carry information, can easily traverse through dense objects such as buildings, mountains, forests, and storms.



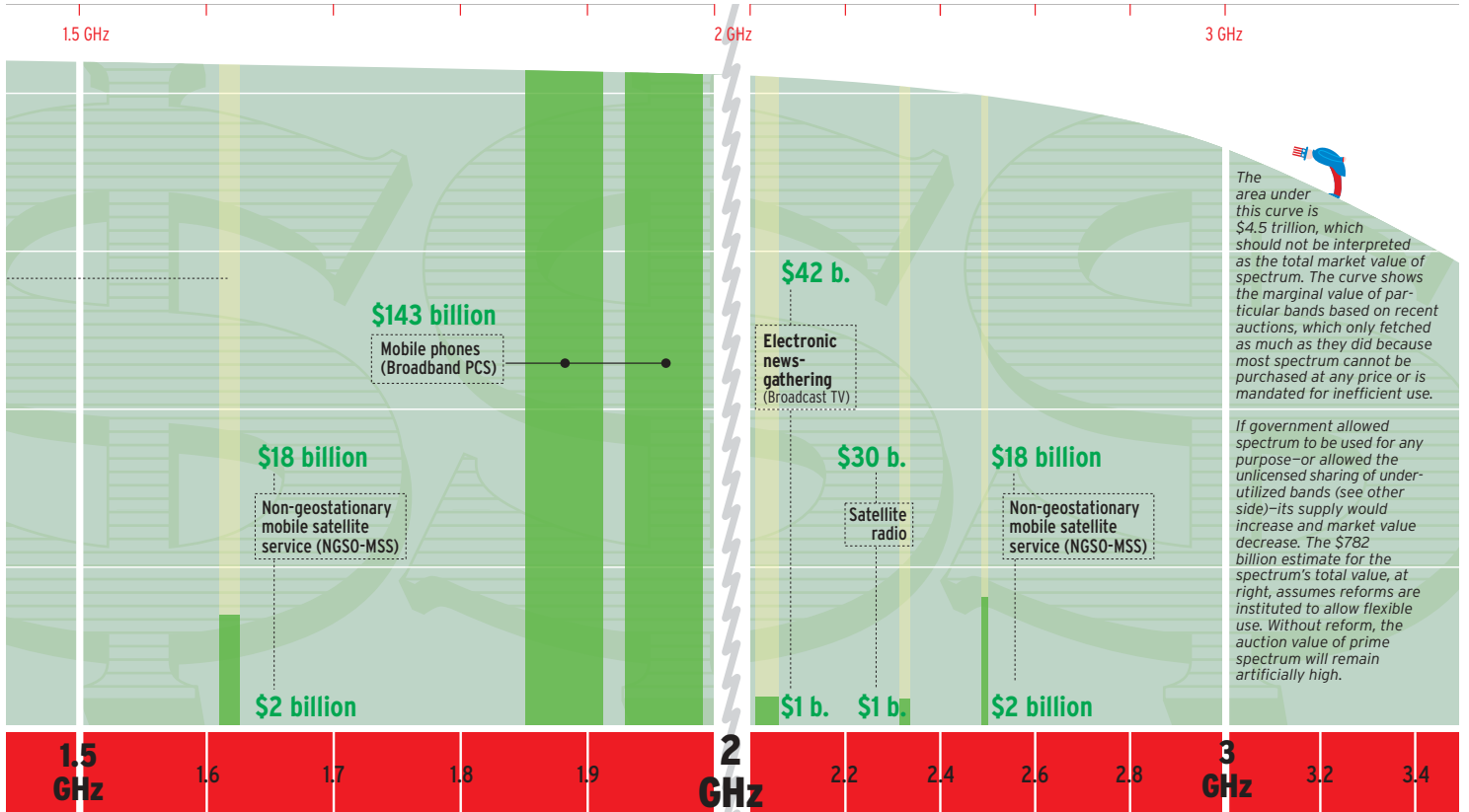
Wireless bandwidth is generally counted in megahertz.

**Abbreviations:** kilohertz (1,000 hertz) is written as **kHz**, megahertz (1 million hertz) is written as **MHz**, and gigahertz (1 billion hertz, or 1,000 megahertz) is written as **GHz**.

A **wavelength** is the distance between the recurring peaks of a wave.

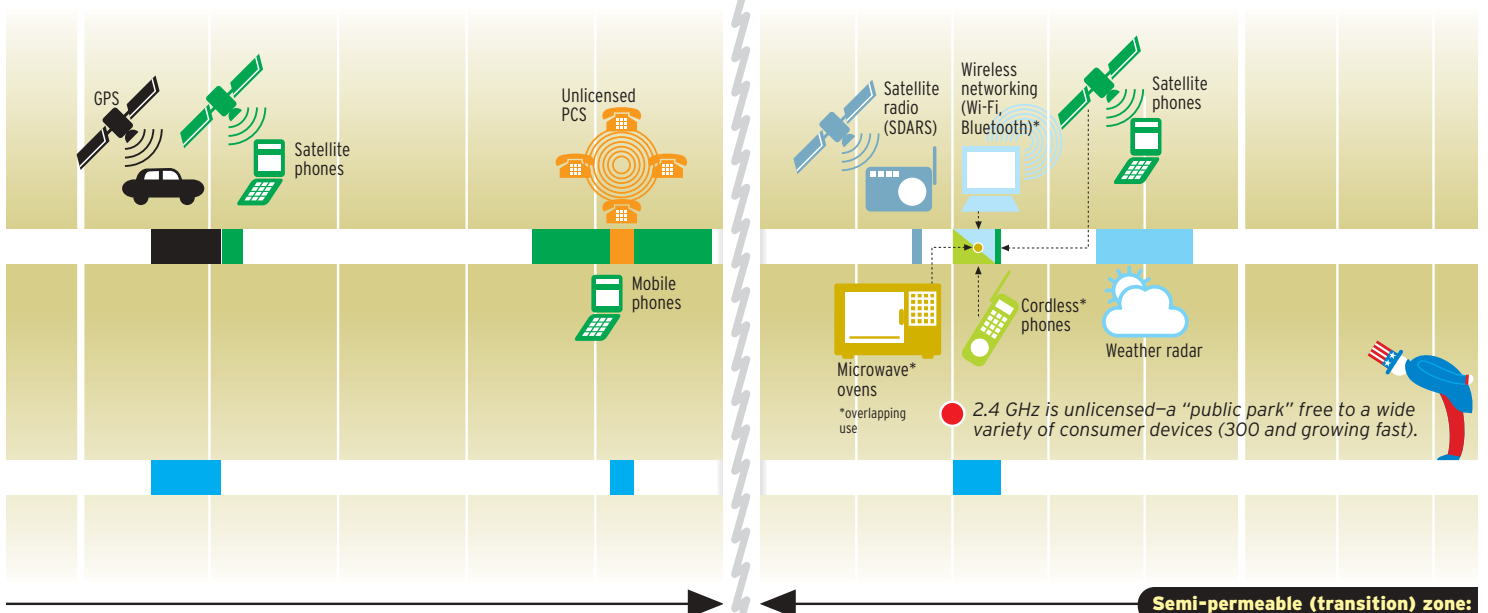
The **electromagnetic spectrum** has long wavelengths (low frequency) at one end and short wavelengths (high frequency) at the other end.

The size of the wavelength influences the ability of a wave to pass through objects. Generally, as a wavelength decreases in size, its value also decreases.

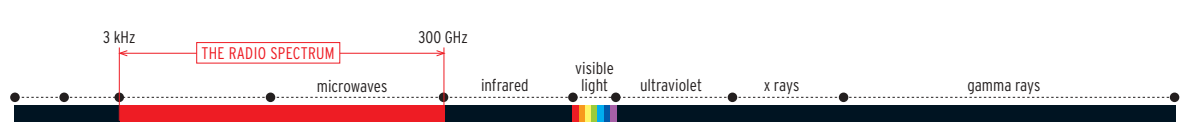


The area under this curve is \$4.5 trillion, which should not be interpreted as the total market value of spectrum. The curve shows the marginal value of particular bands based on recent auctions, which only fetched as much as they did because most spectrum cannot be purchased at any price or is mandated for inefficient use.

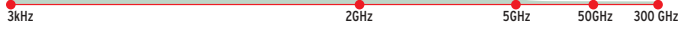
If government allowed spectrum to be used for any purpose—or allowed the unlicensed sharing of underutilized bands (see other side)—its supply would increase and market value decrease. The \$782 billion estimate for the spectrum's total value, at right, assumes reforms are instituted to allow flexible use. Without reform, the auction value of prime spectrum will remain artificially high.



The **radio spectrum** (enlarged in the charts above) is the portion of the total electromagnetic spectrum distinguished by its value for communication.



In order to emphasize the most valuable parts of the spectrum, this scale gives the lower frequencies disproportionate space.



Using an unadjusted linear scale, the values part of the chart would appear like this:



Higher frequencies are less valuable than lower ones because popular consumer services (broadcasting and cell phones) need to penetrate buildings, and this gets harder as you move up the spectrum.

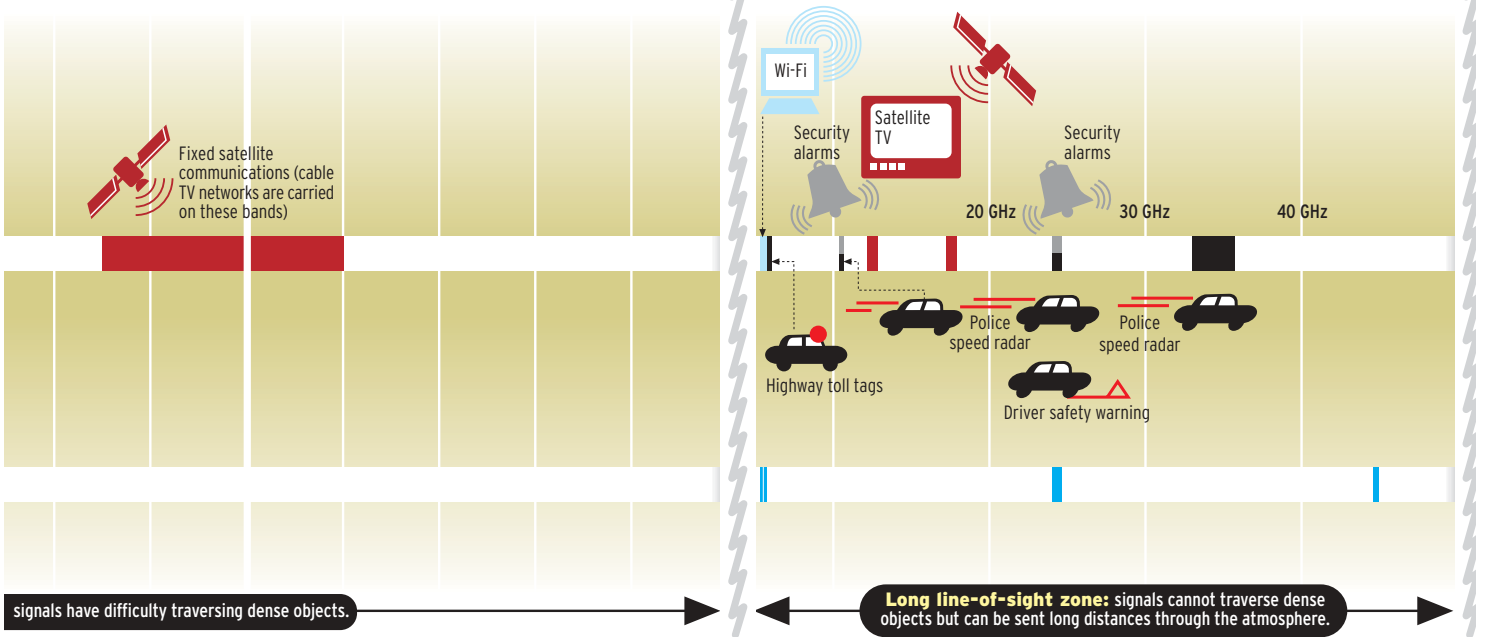
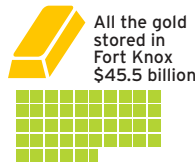
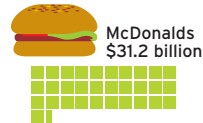
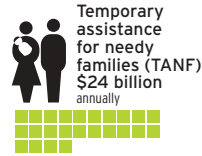
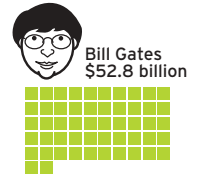


Note: Spectrum valuations, which are notoriously volatile, are as of December 31, 2001.

# The spectrum's worth compared to other things

each ■ = \$1 billion

*"[Spectrum is] the most valuable natural resource of the information age."*  
William Safire, *New York Times*



## The amount of spectrum required for everyday communications

Today, most wireless communication is low fidelity audio. In the future, high fidelity video could require up to 5,000 times as much bandwidth.

LOW FIDELITY COMMUNICATIONS	↑	APPROXIMATELY 10 kHz..... Voice (e.g., telephone quality)
		100 kHz..... Music (e.g., CD quality)
		1,000 kHz (=1 MHz)..... Standard definition TV (e.g., VCR quality)
		5,000 kHz (=5 MHz)..... High definition TV (e.g., movie theater quality)
HIGH FIDELITY COMMUNICATIONS	↓	50,000 kHz (=50 MHz)..... Super high definition TV* (e.g., glossy magazine quality)

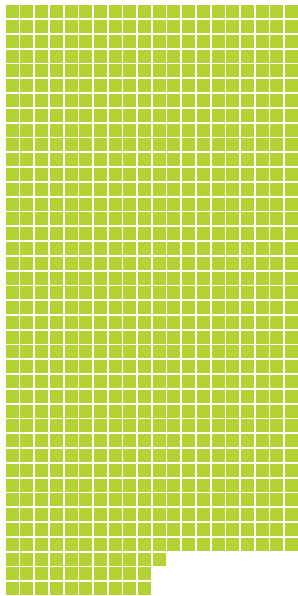
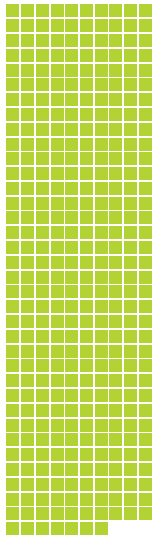
\*Super high definition video in 3D or holography would require additional bandwidth.

*"The basic problem is that demand for spectrum is outstripping the supply."*  
U.S. General Accounting Office Report, September 2002

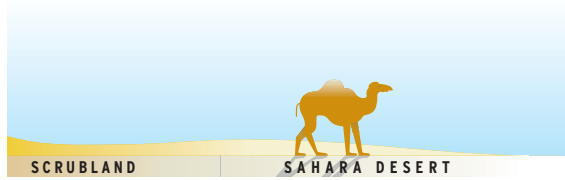


U.S. military budget  
\$357 billion  
annually

U.S. radio spectrum **\$771 billion** (est.)



The airwaves needed for all the everyday uses shown here amount to less than 2% of the total Radio Spectrum.



*"[The spectrum allocation] system is inefficient, unresponsive to consumer demand, and a huge barrier to entry for new technologies anxious to compete in the marketplace."*

Thomas Hazlett, Former Chief Economist, FCC

# The spectrum's worth compared to other things

**worth**  
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