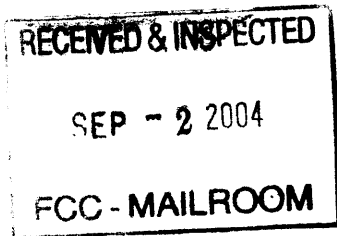


HOGAN & HARTSON
L.L.P.



August 24, 2004

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BY CERTIFIED MAIL

James Burtle
Chief, Experimental Licensing Branch
Office of Engineering and Technology
MS 1300E1
Federal Communications Commission
445 -12th Street, S.W.
Washington, D.C. 20554

**Re: Experimental License Progress Report
AirCell, Inc., Call Sign WD2XEW
FRN: 0005-8845-31**

Dear Mr. Burtle:

On behalf of AirCell, Inc. ("AirCell"), I am enclosing AirCell's regular interim progress report on its activities under its experimental license, WD2XEW, for the 12 month period ending August 15, 2004. Please contact me if you have any questions.

Sincerely,

David L. Martin
Counsel for AirCell, Inc.

Enclosure

Report to the

**Federal Communications Commission
Office of Engineering and Technology
Experimental Licensing Branch**

Radio Station WD2XEW

August 15, 2004

**AirCell, Inc.
1172 Century Drive
Building B, Suite 280
Louisville, CO 80027**

AirCell, Inc.
Radio Station WD2XEW

Experimental License
Progress Report
August 15, 2004

Introduction

AirCell, Inc. ("AirCell") submits this report to the Federal Communications Commission ("FCC") in accordance with the terms and conditions of its grant of authority to explore and test the migration of its air-to-ground communications system to the next generation digital technologies. The information below reflects AirCell's past 12 months of operation under the experimental license referenced above.

Current Status and New Developments

AirCell conducted the following flight tests this year to advance its progress towards evolution to a digital air-to-ground network architecture. AirCell is in the process of analyzing the results of these tests to determine how to best design its next generation network.

Flight Test #1:

Tests were conducted to verify operation of digital broadband technology (EvDO) in an Air-To-Ground communications environment. Tests were conducted with a belly-mounted antenna on an aircraft with standard terrestrial base transceiver station ("BTS") antennas and infrastructure. Tests were done to verify operation of technology/communications links up to 10,000 feet altitude, 200 knots speed and about 20 miles distance/radius around BTS. Computers equipped with wireless cards were used. The test setup included equipment on-board the aircraft that would communicate with a server on the ground, so that data rates in the forward and reverse link could be studied.

Flight test #2, #3:

Tests were conducted to verify operation of digital broadband technology (EvDO) in an Air-To-Ground communications environment. The tests were done with a belly-mounted antenna on an aircraft with standard terrestrial BTS antennas and infrastructure. Tests were done to verify operation of technology/communications links up to 20,000 feet altitude, 300 knots speed and about 30 miles distance/radius around BTS. Computers equipped with wireless cards were used. The test setup included equipment on-board the aircraft that would communicate with a server on the ground, so that data rates in the forward and reverse link could be studied.

Flight Test #4:

Tests were conducted to verify operation of digital broadband technology (CDMA, IS-95x) in an Air-To-Ground communications environment. The tests were conducted with a belly-mounted antenna on an aircraft with special BTS antennas that pointed at the sky (similar to what AirCell uses in its network currently). Tests were done to verify operation of technology/communications links up to 25,000 feet altitude, 300 knots speed and about 35 miles distance/radius around BTS. Test equipment was used on-board the aircraft to study in detail various parameters of the communications link such as Ec/Io (a signal-to-noise ratio measurement used in CDMA networks), mobile transmit and receive powers, frame error rates, active pilots, etc.

* * * *

As indicated in AirCell's previous reports, there continues to be NO reported incidents of interference involving AirCell's technology. Neither AirCell nor any of its cellular licensee partners have received any indication from any source that interference is being caused to any cellular service.