

PROGRESS REPORT OF AMBIENT CORPORATION'S TESTS
PURSUANT TO
EXPERIMENTAL LICENSE

March 4, 2004

Ambient Corporation ("Ambient") submits this six-month progress report in accordance with the conditions of its Experimental License to evaluate broadband access via carrier current systems over power lines.

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Ambient has continued its ongoing test program at the test site in Westchester County, New York since the grant of its original STA in June 2002. It anticipates that other test sites will be added during the next six months. Information regarding operation at these additional test sites will be reported in semi-annual updates to this report.

The company is also planning to update its test measurement program to reflect the FCC's proposals in its Notice of Proposed rulemaking ("NPRM") [FCC 04-29] regarding carrier current systems, including broadband over power line systems ("BPL") and amendment of Part 15 regarding new requirements and measurement guidelines for access broadband over power line systems. in ET Docket No. 03-104/ET Docket No. 04-37, released February 23, 2004. Specifically its updates will be responsive to the FCC's proposals that Access BPL systems, including all BPL electronic devices, *e.g.*, couplers, injectors, extractors, repeaters, boosters, concentrators installed on the electric utility overhead or underground medium voltage lines, etc., be measured *in-situ* to determine compliance with its Part 15 rules and that the measurement guidelines in Appendix C to its NPRM be used. The company is still studying these proposed guidelines and is considering how to introduce them into its test program at an early date.