



In Touch-In Flight®

FCC Update

June 25, 2003

Who are we?

- Leading provider of air-ground communications equipment and service to general aviation (business jets).
- “Largest” cellular company in the USA.
- Only real competition for Verizon Airfone.
- Developer of Technology of Choice for Airline Security Requirements.

What We Do

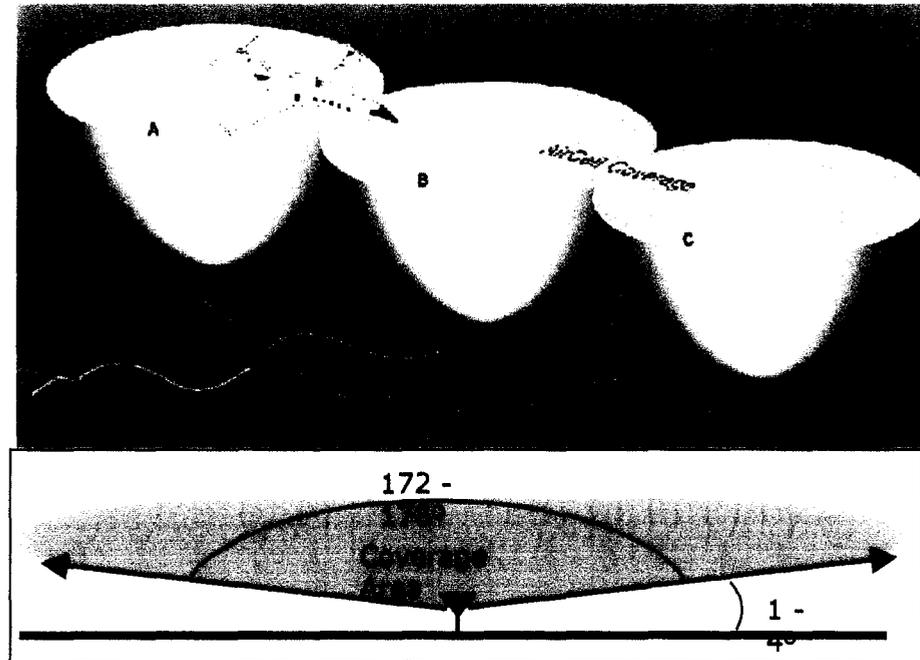
- ❑ **Only Cellular Network for Aviation**
 - FCC/FAA authorized products and services
 - Logical extension to provide service for personal cellular phone use aboard airliners in flight.
- ❑ **Make, Market and Support Airborne Telecom Systems for:**
 - Business Aviation
 - Federal Air Marshals
 - Airlines
 - U.S. (AirCell) and global (Iridium) coverage



In Touch-In Flight[®]

Leverages Existing Cellular Infrastructure

- ❑ **Lower Operating Cost as a reseller yields lower prices to all customers.**
- ❑ **Full Conus coverage through 25 Cellular Partners. (US Cellular, Alltel, Rural, etc.).**
- ❑ **Adds new customers and revenue to Cellular Partners.**
- ❑ **Benefits from \$Billions Invested in R&D.**



134 Sites, 165 Miles Apart

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Business Aviation

- ❑ **Over 1,400 Systems “On Net”**
- ❑ **Offered by Major OEMs**
 - Cessna, Bombardier, Lear, Embraer, Raytheon
- ❑ **Leading Supplier to Fractional Owners**
 - Flight Options, NetJets, Citation Shares
- ❑ **Major Customers**
 - US Army, US Navy, Dept of Energy, Intel, Sony, Conoco, ConAgra
 - 300+ Dealer Network

Unique "Window of Need" in
Commercial Aviation Communications

❑ **Mission Critical Air Marshal System**

- In-flight communications for Federal Air Marshals

❑ **"Evolutionize" Passenger Voice/Data**

- *One Phone Goes Anywhere* - Personal Mobiles In-flight
- Prototype systems successfully tested

❑ **Alternative for Airlines stranded by AT&T**

Airlines - Market Drivers

ATT Claircom Gone

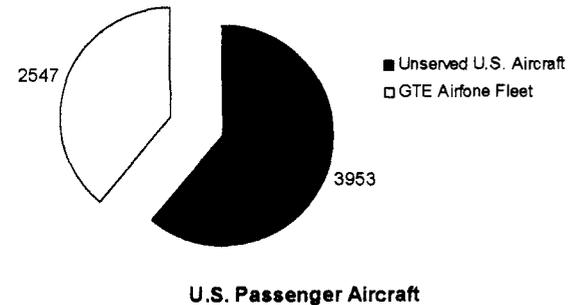
- 61% of Market Unserved

Verizon Airfone

- Too Heavy, Too Expensive.... Underutilized
- Obsolete, Stand-Alone Network Model

Crew Needs: Medical and Flight Ops

9/11 Radically Changed Security Requirements





In Touch-In Flight®

- AirCell and our cellular partners operate as a secondary service under a waiver to 22.925.
- AirCell has requested a long term renewal of that authority and...
 - Increase in allowed channels from 6 to 19
 - Removal of certain limits on frequency coordination (digital exclusion).



In Touch-In Flight®

- AirCell has requested a long term renewal cycle (today- 2 years) to stabilize our business. All protective criteria remain intact.
- AirCell has requested an increase in authorized channels to allow cost effective growth when and where needed.
- AirCell has requested the removal of the digital exclusion in frequency coordination to allow growth and continued operation as analog is phased out for terrestrial service.



In Touch-In Flight®

- AirCell's actions have been vigorously opposed by Verizon Wireless, AT&T Wireless and Cingular because of concerns over potential interference, FCC Policy and spectrum rights.
- AirCell operating results and rigorous testing continues to demonstrate that our system does not and will not cause harmful interference.

Recent Filings show AirCell Petition
Satisfies the Commission's waiver standards
Serves the public interest by :
 promoting aviation safety and security
 providing competition in a monopolistic
 environment held by Verizon Wireless
Supports FCC Policy on efficient spectrum use
Provides sound technical analysis supporting
non-harmful interference operations.

Recent filing by opposition is seriously flawed.

Noise floor measured incorrectly.

Measured "system noise" not co-channel interference noise which is true limiter.

Incorrectly calibrated equipment.

Reported "physically impossible" results

Did not follow Lucent published procedures for testing.

Opposition Filing:

Flight tests also flawed:

Disabled part of AirCell system (DPC).

Moved AirCell antennas and changed switch settings to degrade system.

Disabled handoff capability

Tested outside of AirCell range 59% of the time.

Selectively presented data "out of context"

Opposition filing:

Case study compounds errors

flight data wrong

noise floor measurements wrong

Interference measurements “unreal”

QED- Their conclusions grossly misrepresent
reality

AirCell Technical Conclusions

Recast V-Comm data actually supports original and new AirCell tests and FCC analysis and conclusions.

AirCell's new flight tests reconfirm original Texas test results.

AirCell's digital testing and analysis is scientifically sound and accurate and clearly demonstrates that AirCell does not and will not cause Harmful Interference.

AirCell[®]

In Touch-In Flight[®]

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