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July 20, 2005

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: WT Docket Nos. 03-103, 04-435, and 05-42
Notice of *Ex Parte* Presentation

Dear Ms. Dortch:

This is to inform you that representatives of AirCell, Inc. ("AirCell") participated in an *ex parte* meeting on July 19, 2005 to discuss a number of issues in the above-referenced proceedings. Specifically, Bill Gordon, AirCell VP for Regulatory Affairs, and David Martin and I, counsel to AirCell, met with Richard Arsenault, Kathy Harris, Roger Noel, B.C. "Jay" Jackson, Jr., Diane Conley, Martha Stancill, and Oleg Golubov, all of the Wireless Telecommunications Bureau.

During the meeting, the following issues were discussed:

- AirCell requested staff to confirm that the upcoming auction of Air-to-Ground ("ATG") spectrum is still tentatively planned for the first quarter of 2006, and AirCell expressed interest in expediting the timing of this auction.
- AirCell repeated its request that the Commission provide a 35% bidding credit for very small businesses in the upcoming ATG auction. AirCell explained that it has the proven resources needed to deploy a nationwide ATG network, given that only about 135 cell sites would be required, but that a higher bidding credit is needed to ensure that it will be able to compete against extremely well-funded bidders for the spectrum.
- AirCell reiterated its opposition to Space Data's Petition for Reconsideration, which requests that the Commission allow terrestrial operations in the ATG band. AirCell noted the opposition of all other parties in the proceeding, adding that the FCC should reaffirm its earlier decision.

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- AirCell continued to question Verizon Airfone's need for a two-year transition period to move its current narrowband ATG network from 4 MHz to 1 MHz. AirCell expressed its concern that a two-year transition period could unnecessarily delay AirCell's effort to deploy a broadband ATG network should it acquire a license to provide the service.

AirCell noted, as already discussed in its prior filings, the reasons why Airfone may be able to transition from 4 MHz to 1 MHz with relatively minor changes to its current network, which would militate in favor of a much shorter transition period. AirCell reported, however, that it has recently spoken to certain industry experts who suggest that Airfone will not be able to execute the transition without investing substantial resources to reconfigure its current network, given that the network is designed to work in an N=10 reuse environment, and a reduction to 1 MHz will require a new reuse scheme that would necessitate new filters and software at every cell site and on each aircraft. If this is correct, AirCell questions whether Airfone would make the required investment for a network that has few users and limited utility, or whether Airfone would simply "ride out" the two years without undertaking any transition efforts. In either case, a two-year transition period would not be needed.

To clear up any confusion on this issue, AirCell suggested that the Commission should ask Airfone to submit a detailed description of, and rationale for, the changes needed for the transition, as well as a corresponding schedule of milestones for when those changes will be made.

Pursuant to Section 1.1206(b)(1) of the Commission's rules, I am filing this notice electronically in the above-referenced docket. In addition, I am sending one copy of this notice via e-mail to each of the FCC representatives listed below. Please contact me directly with any additional questions.

Respectfully submitted,

/s/ Michele C. Farquhar

Michele C. Farquhar
Counsel to AirCell, Inc.

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cc: Richard Arsenault
Kathy Harris
Roger Noel
B.C. "Jay" Jackson, Jr.
Diane Conley
Martha Stancill
Oleg Golubov