



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Mail Stop 0407

July 6, 2005

Via U.S. Mail and Fax (214) 265-1289

David N. Pilotte
Chief Financial Officer
Digital Recorders, Inc.
5949 Sherry Lane
Suite 1050
Dallas, TX 75225

**RE: Digital Recorders, Inc.
Form 10-K for the fiscal year ended December 31, 2004
Filed April 1, 2005**

**Form 10-Q for the quarters ended March 30, 2005
File No. 33-82870-A**

Dear Mr. Pilotte:

We have completed our review of your Form 10-K and related filings and do not, at this time, have any further comments.

Sincerely,

Larry Spigel
Assistant Director