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TELECOMMUNICATIONS COMPANIES ANNUAL REPORT

Air Speed, LLC
421 C Street, Suite 1A
Washougal, WA 98671

Full name and address of Company

ENTERED IN COMPUTER *plc*
JAN 22 2010

Correct name and address, if different than shown

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION for the YEAR ENDED DECEMBER 31, 2008

SECTION I

INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:

NAME: William Jorgenson TITLE: VP Operations
 ADDRESS: 421 C Street, Suite 1A
 CITY: Washougal STATE: WA ZIP: 98671
 TELEPHONE: 360.835.1000 FAX: 360.335.9334 E-MAIL: bill@airspeedinternet.com

The company must notify the Commission, in writing, of any changes to the above information.

SECTION II

TYPE OF PAYMENT - DO NOT SEND CASH IN THE MAIL

For Commission Use Only

Check Money Order AMEX Visa MasterCard

Credit Card Authorization #: _____

Credit Card Number:

Expiration Date

Month/Year

CERTIFICATION: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.

Name (Printed) William Jorgenson

Title VP Operations

Signature *William Jorgenson*

Date 1-21-10

For Commission Use Only

Reception Number: _____ 001-111-02-68-170-11: _____ Reference Number: _____

001-111-02-68-170-01: _____ 001-111-02-68-032-05: _____

Original to be mailed to the Washington Utilities and Transportation Commission, PO Box 47050, Olympia, WA 98512-0050
Web Site: www.utc.wa.gov

Do not remove, rearrange or deface the contents of this Report in any way. If you need copies, please contact the Records Center Staff at 4-1234.

SECTION III

1. Have you attached the following additional documents (please check to show what's attached):

Income statement (**required**):

Balance sheet (**required**):

Regulatory Fee Calculation Schedule (**required**):

Additional information if required under WAC 430-120-385 (1) (c) (i), (ii), or (iii).

Other documents (please describe): _____

2 **Washington Unified Business Identifier (UBI) No.:** 602 265 516

If you do not know your UBI Number you may contact the Department of Licensing at (360)664-1400.

3 Services

a. Does your company provide operator services (automated or live assistance to customers in completing or billing a telephone call) at a call aggregator location, such as at a pay phone? Yes No

b. Does your company provide local exchange services in Washington? Yes No

4. Lines in service

a. If your company filed Form 477 with the FCC within the last 12 months for its Washington operations, please proceed to Section IV, otherwise proceed to 4.b. (below):

b. If the company did not file FCC Form 477 for its Washington operations within the last 12 months, please complete the following:

Washington State Data as of December 31, 2008

1. Total voice-grade equivalent lines and voice-grade equivalent wireless channels in service: 0

2. Total lines and channels you currently provided to end users: 0

SECTION IV

ANNUAL REPORT CERTIFICATION

I certify that I, William Jorgensen, the responsible account officer for AIR SPEED, LLC have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2008, to December 31, 2008, inclusive.

Name (Printed) William Jorgensen Title VP OPERATIONS

Signature *William Jorgensen* Date 1/21/10

9:39 AM
 01/19/10
 Accrual Basis

Air Speed Internet
Profit & Loss
 January through December 2008

	Jan - Dec 08
Ordinary Income/Expense	
Income	
AR Optigold	0.00
Fees	-922.19
Labor	-1,697.60
Monthly Recurring Charges	2,666.43
Sales	
Broadband Service-Resid Cust	536,276.53
Sales - Other	750.00
Total Sales	537,026.53
Services	625.75
Total Income	537,698.92
Gross Profit	537,698.92
Expense	
Accounting Services	875.00
Advertising	3,325.10
Amortization Expense	1,846.11
Automobile Expense	5,284.62
Bank Service Charges	18.33
Cable, fittings, etc	2,087.44
Cell Phone	7,434.90
Chargeback Fee	6.00
Chargeback Item	306.97
Co-Location	12,875.00
Commissions	89.41
Connect Fee	250.00
Contract Labor	16,735.95
Credit Card Fees	11,056.52
Cross Connect - Pittock	2,205.00
Dental Insurance	5,239.59
Depreciation Expense	45,236.40
Employee Meals	2,427.54
Equipment & Installation	40,486.39
Expense Report	1,805.35
Fuel	3,156.98
Healthcare	60,825.71
Insurance	
Work Comp	2,470.17
Insurance - Other	4,617.30
Total Insurance	7,087.47
Internet Service	21,098.95
Late Fee	69.00
Licenses and Permits	59.00
Local Link	4,700.00
Membership	335.00
Mileage	1,930.08
Miscellaneous	4,215.45
Office Cleaning	100.00
Office expense	0.00
Office Supplies	58.82
Payroll Expenses	185,628.71
Plumbing Repairs	196.69
Postage and Delivery	754.12
Printing and Reproduction	680.57
Professional Fees	7,701.37
Purchase Agreement	0.00
Refund	795.91
Rent	8,000.00
Shipping - Equipment	859.68

9:39 AM
01/19/10
Accrual Basis

Air Speed Internet
Profit & Loss
January through December 2008

	<u>Jan - Dec 08</u>
Taxes	
Property	856.18
State	16,974.49
Total Taxes	<u>17,830.67</u>
Telephone	2,999.77
Tower Expense	
Camas Prune Hill	10,678.73
Livingston	17,996.00
Yacolt Tower	9,372.91
Zion (Biddle Butte)	7,062.00
Tower Expense - Other	441.02
Total Tower Expense	<u>45,550.66</u>
Travel & Ent	
Meals	814.53
Travel	290.06
Total Travel & Ent	<u>1,104.59</u>
Utilities	
Gas and Electric	1,226.58
Water	466.12
Utilities - Other	495.70
Total Utilities	<u>2,188.40</u>
Voip Service	0.00
Web Hosting	377.46
Total Expense	<u>537,896.68</u>
Net Ordinary Income	<u>-197.76</u>
Net Income	<u><u>-197.76</u></u>

REGULATORY FEE CALCULATION SCHEDULE

Company Name

Annual Report Year

Air Speed, LLC

2008

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1 Total Gross Intrastate Operating Revenue **	1	\$	512,947.30
2 Less Non Fee-Paying Revenue	2	\$	512,947.30
3 Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)	3	\$	-
4 Regulatory Fee Calculations:	4		
4a If line 3 is UNDER \$20,000, Enter ZERO (Filing ZERO indicates schedule is complete)	4a		ZERO
4b If line 3 is BETWEEN \$20,000 and \$50,000-enter amount from line 3 (Filing BETWEEN \$20,000 and \$50,000 indicates schedule is complete. If filing after May 1 go to Line 6)	4b	\$	x .1 % (.001) = \$
4c If line 3 is OVER \$50,000-enter amount from line 3	4c	\$	x .1 % (.001) = \$
4d First \$50,000 is subject to .1% regulatory fee	4d	\$	50,000.00 x .1 % (.001) = \$
4e Adjustment of Gross Intrastate Operating Revenue (subtract Line 4d from 4c)	4e	\$	x .2 % (.002) = \$
5 Total Regulatory Fees owed (enter line 4b, or add 4d and 4e)	5	\$	
		Agency Use Only:	001-111-02-68-170-01
Complete Lines 6 through 9 if filing after May 1			
6 Penalties on Regulatory Fees filed after May 1	6		
6a Total Penalties on Regulatory Fees owed - enter amount from line 5	6a	\$	x 2 % (.02) = \$
7 Interest on Regulatory Fees filed after May 1	7		
7a Amount from line 5 _____ x Number of months past May _____ x 1% (.01) =	7a	\$	
8 Total Penalties and Interest owed (add lines 6a and 7a)	8	\$	
		Agency Use Only:	001-111-02-68-170-01
9 Total Regulatory, Penalty and Interest Fees Due (add lines 5 and 8)	9	\$	200.00

Paid (9/30/09)

Note: The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

9:40 AM
01/19/10
Accrual Basis

Air Speed Internet
Balance Sheet
As of December 31, 2008

	<u>Dec 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
Petty Cash	242.34
Riverview Community Bank	39,767.39
Total Checking/Savings	<u>40,009.73</u>
Other Current Assets	
BG Wireless Goodwill	21,230.00
Inventory	10,041.40
N/R - William Jorgenson	2,000.00
Total Other Current Assets	<u>33,271.40</u>
Total Current Assets	73,281.13
Fixed Assets	
Accumulated Depreciation	-267,492.00
Licensed Link	37,424.52
Wireless	277,708.10
Total Fixed Assets	<u>47,640.62</u>
Other Assets	
Accumulated Amortization	-2,512.78
Bigfoot Goodwill	10,000.00
Total Other Assets	<u>7,487.22</u>
TOTAL ASSETS	<u><u>128,408.97</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	1,500.00
Total Accounts Payable	<u>1,500.00</u>
Other Current Liabilities	
Sales & Excise Tax Payable	7,441.69
Total Other Current Liabilities	<u>7,441.69</u>
Total Current Liabilities	<u>8,941.69</u>
Total Liabilities	8,941.69
Equity	
Partner Paid in Capital	119,665.04
Net Income	-197.76
Total Equity	<u>119,467.28</u>
TOTAL LIABILITIES & EQUITY	<u><u>128,408.97</u></u>