



Excellence in Communications Services



LETTER OF COMMENT NO. 64

**TELEPHONE AND
DATA SYSTEMS™**

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April 10, 2009

Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference Number: 1630-100
Preliminary Views on Financial Statement Presentation

Dear Mr. Golden:

This letter is being written on behalf of Telephone and Data Systems, Inc. ("TDS™") and United States Cellular Corporation ("U.S. Cellular®") regarding the FASB's Preliminary Views on Financial Statement Presentation. TDS and U.S. Cellular are both public companies whose shares are listed on the New York Stock Exchange and registered with the Securities and Exchange Commission (SEC). TDS is a diversified telecommunications corporation founded in 1969. TDS and its business units, U.S. Cellular® and TDS Telecommunications Corporation ("TDS Telecom®") (collectively the "Company"), provides wireless, local telephone, and broadband services. The Company's revenues for the year ended December 31, 2008 were approximately \$5.1 billion. The Company employs 12,500 people and serves approximately 7.4 million customers in 36 states.

We appreciate the opportunity to comment on the FASB's Preliminary Views on Financial Statement Presentation. We have evaluated the proposed document as it relates to the Company, the Company's investors, and general financial statement users. Our comments with respect to the proposed document are summarized below.

Generally, we support the FASB's and IASB's continuing efforts to converge United States generally accepted accounting principles (U.S. GAAP) with international accounting guidance prior to the adoption of international financial reporting standards (IFRS) in the United States. By continuing to converge U.S. GAAP and IFRS, we believe first-time application of IFRS by SEC registrants will be less onerous. We believe continued convergence will allow for a more seamless, and perhaps less costly, transition to a single set of global accounting standards.

The Company generally agrees with the overall objectives of the Preliminary Views on Financial Statement Presentation, in that by distinguishing between business activities and financing activities in the financial statements, users of the financial statements may be better able to differentiate between a company's value-creating activities and activities undertaken to finance a company's business activities. Furthermore, the proposed format may enable users unfamiliar with a company to more readily understand a company's business and its specific structure. However, the Company has several concerns with the proposal as it is currently written.

Under the proposed guidance, it appears management will be given discretion on how specific items of the business are classified within the proposed set of financial statements (e.g., classifying a particular asset as an "operating" or "investing" asset). Therefore, it is plausible that businesses within the same industry will classify similar transactions in different categories. Presumably, management is the most knowledgeable on how such line items should be classified. However, we believe that utilizing an entity-

specific or management classification approach may deteriorate financial statement comparability and therefore reduce the usefulness of financial statement information to investors.

Additionally, the Company has concerns about the proposed changes to the statement of cash flows. The Company, like the vast majority of SEC registrants, currently uses the indirect method. The indirect method of presenting cash flows from operating activities focuses on reconciling the difference between net income and net operating cash flows which presents useful information to financial statement users about the management of working capital components and provides a link between the statement of cash flow, the statement of operations and the balance sheet. Moreover, financial statement users presumably have a strong base-level of knowledge to read and understand the indirect method of presenting cash flows.

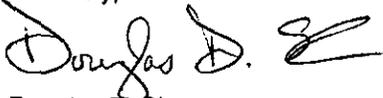
While the Company sees some value in using the direct method (e.g., discretely presenting the Company's cash receipts and cash disbursements), we believe the predictability of the Company's ability to generate future cash flows using the direct method is not enhanced versus using the indirect method. Further, consideration must be given to the cost of requiring companies to use this approach. To prepare a statement of cash flows under the direct method, we believe the required preparation time and related auditing fees may drastically increase. Additionally, significant system changes may be required to accurately compile a direct method statement of cash flows as our accounting systems do not support a cash basis of accounting and the information required to prepare the direct method statement of cash flows and related reconciliation. The Company suggests that the FASB and IASB conduct a more robust field study to determine if the costs of presenting a direct method statement of cash flows outweigh the benefits of the information that would be obtained from presenting such a statement. In addition, the Company suggests that more feedback be solicited from the investor and analyst communities regarding the direct method cash flow presentation benefits they obtain during the above mentioned field studies.

The Company also does not see the benefit in the currently proposed reconciliation requirement. The Company feels that the FASB and IASB should reconsider whether the benefits of requiring entities to provide a reconciliation of cash flows to comprehensive income outweigh the cost of preparation. As proposed in the Preliminary View, the reconciliation document appears to be lengthy and extremely detailed, even for the rather simple example company. The Company believes that the current format may require financial statement users to spend undue time searching through numerous line items and various columns to obtain even the most basic financial information.

Lastly, the Company questions whether users of the financial statements prefer and will utilize the proposed financial statement presentation and corresponding information versus the current presentation of basic financial statements with footnote disclosures. The Company recognizes that by providing more financial information to financial statement users, these users are able to make more informed decisions as the Company and its specific accounting transactions become more transparent; however, it also acknowledges that there is a point where too much detail may confuse and overload financial statement users. As written, this proposal would require companies to disaggregate line items first by function and then further by nature; most accounting and information systems are designed to capture costs either by category or by nature, but very few are designed to capture both. For these reasons, the Company sees incremental costs to redesign systems and little benefit in providing financial information (e.g., disaggregating and separating line items) beyond the point where the financial information is no longer practicably usable or comparable.

We would appreciate your consideration of these issues. If you have any questions or would like to discuss this matter further, please call me at (608) 664-6122.

Sincerely,



Douglas D. Shuma
Chief Accounting Officer
Senior Vice President and Corporate Controller