

TELEPHONE AND DATA SYSTEMS™

Excellence in Communications Services

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June 16, 2009

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

Re:

File Reference Number: 1660-100

Preliminary Views on Revenue Recognition in Contracts with Customers

Dear Mr. Golden:

This letter is being written on behalf of Telephone and Data Systems, Inc. ("TDS TM") and United States Cellular Corporation ("U.S. Cellular®") regarding the FASB's Preliminary Views on Revenue Recognition. 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"), provide 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 Revenue Recognition. We have evaluated the proposed document as it relates to the Company. 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 6 Prevenue and to Recognition to improve consistency and comparability in measuring and reporting revenue and to develop a single revenue recognition model that can be applied to various transactions. In addition, the Company agrees that for a majority of transactions, the proposed model will not change the way that the Company recognizes revenue. However, the Company has concerns with the discussion paper as it is currently written as there are several critical areas that the Company believes must be addressed prior to a final standard being issued. These areas where the guidance is incomplete or silent could have a financial impact to the Company, and therefore, the Company deems these areas to be important concepts in revenue recognition guidance. A summary of these open areas that the Company urges the Boards to deliberate prior to publishing an exposure draft include the following:

- Scope As indicated in the discussion paper, no contracts are currently being excluded from the proposed revenue recognition model; however, the Boards are considering whether the proposed model would provide useful information about, among other things, leasing contracts. The Company believes that leasing contracts should be excluded from the scope of the discussion paper and instead included within the scope of the Boards' current project on Leases.
- Collectibility As indicated in the discussion paper, the Boards have not yet discussed
 collectibility as it relates to revenue recognition or as it relates to the measurement of an
 entity's rights. The Company believes revenue should not be recognized unless collectibility
 is reasonably assured. We encourage the Boards to incorporate this concept into the
 proposed model.
- Contingent Revenue As the discussion paper is currently written, there will be no limitation to amounts that are contingent upon the delivery of additional items or requirements to meet other specified performance obligations. The Company believes that the existing guidance found in Emerging Issues Task Force No. 00-21, Revenue Arrangements with Multiple Deliverables (refer to par. 14 and Exhibit 00-21B, Example 1), related to contingent revenues should be incorporated into the proposed model.
- Presentation in the Financial Statements As the discussion paper is currently written, presentation in the financial statements is currently not addressed. The Company understands that the Boards are currently deliberating between gross versus net presentation of the contract position in the financial statements. The Company believes that presenting a net contract position in the balance sheet is consistent with current practice and is more representationally faithful. Moreover the Company believes gross presentation would be unduly onerous to preparers. The cost of tracking and reporting revenue in this manner would far outweigh the benefit to the investor as, in the Company's opinion, such presentation is not meaningful and does not provide any incremental benefit to predicting future cash flows.

Finally, in regards to transitioning to the proposed model, the Company believes the guidance should be prospectively applied for contracts initiated after the effective date of the final standard.

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