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October 24, 2003

Mr. Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Letter of Comment No: **58**  
File Reference: **1100-LEU**  
Date Received: **10/24/03**

Dear Mr. Herz:

It is our understanding that the Financial Accounting Standards Board (FASB) may reconsider its recent decision against providing a limited scope deferral of the effective date for certain provisions of Statement of Financial Accounting Standards No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* (SFAS 150). Cingular Wireless LLC (Cingular or the Company) wishes to express its concern and disagreement with the FASB's conclusions related to the treatment of minority interests in limited-life entities. Cingular, like many companies in our industry, only recently became aware of the applicability of SFAS 150 to partnerships that are consolidated in an enterprise's financial statements and, for the reasons outlined herein, strongly encourages the FASB to reconsider this provision of SFAS 150. Should the FASB reaffirm its original conclusions that limited-life entities are included in the scope of SFAS 150, we believe the FASB should provide constituents with additional time to evaluate the consequences of this new rule and provide guidance to assist with its implementation. Additional implementation guidance, particularly with respect to the measurement of the settlement value, will assist to ensure that the new standard is consistently applied by affected companies.

Cingular is the second-largest provider of advanced wireless and data communications services in the United States with over 24 million subscribers. Cingular and several other carriers in the wireless communications industry are significantly impacted by this recent decision. By way of background, numerous partnerships were formed in the wireless industry during the 1980s due to the various methods used by the Federal Communications Commission (FCC) in granting licenses to provide wireless communications services. Approximately twenty years later, Cingular continues to operate portions of its national wireless business through over 50 consolidated partnerships.

As the implications of this new standard have recently become clear to many affected companies, including those in the wireless communications industry, we would like to provide the following comments:

- We believe that our partnerships, in substance, have indefinite lives. The majority of our partnership agreements do not provide for a termination date. While the contractual language

in certain of our partnership agreements has a specified termination date (e.g., 99 years from the date of formation), this provision was generally included pursuant to state law for this form of organization structure. As the underlying business conducted by the partnership is a going concern and is expected to have a perpetual life, the termination date is not viewed to be substantive by either the majority or minority interest.

- We are concerned about the ability to reasonably and reliably measure the settlement value of the partnerships on a quarterly basis as required by SFAS 150. Determination of the settlement value necessitates the evaluation of fair value for the underlying assets of the partnership. Licensed spectrum is the most significant asset of the partnerships. We currently evaluate the fair value of our licensed spectrum, an indefinite-lived asset, on an annual basis in accordance with SFAS 142, *Goodwill and Other Intangible Assets* (SFAS 142). To perform the impairment test under SFAS 142, we aggregate our licenses, consistent with the guidelines of EITF Issue No. 02-07, *Unit of Accounting for Testing Impairment of Indefinite-Lived Intangible Assets*, and the Company's management of the business on a national scope. The determination of settlement value for a single partnership is inconsistent with the discounted cash flow methodology used to test these indefinite-lived assets under SFAS 142. Complicating the effort to determine settlement value is the possibility that the market for a particular license held by a partnership is relatively small due to a limited number of buyers and, during certain economic cycles, the lack of comparable market transactions. Beyond this is the larger issue, as evidenced in recent years in the telecommunications industry, of extreme volatility in valuations over the course of changing business cycles and regulatory developments.
- We believe that the accounting for minority interests in finite-lived partnerships as required by SFAS 150 results in financial statements that are misleading to its users. In many of these partnerships, licensed spectrum was originally acquired at nominal cost. This licensed spectrum, however, has significantly appreciated over time. It is not logical to account for minority interests of consolidated subsidiaries at settlement value while the underlying assets and liabilities of the partnership are recorded in the consolidated financial statements at historical cost. This would result in significant distortion in the presentation of a company's financial position.

Due to the imminent deadline to file our Form 10-Q for the third quarter with the Securities & Exchange Commission, we appreciate your immediate attention to this matter.

Sincerely,

/s/ Gregory T. Hall