TDS
Excellence in Communications Services

TELEPHONE AND
DATA SYSTEMS™

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July 29, 2011

Re: File Reference Number 4-600
May 26, 2011 SEC Staff Paper "Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers - Exploring a Possible Method of Incorporation"

Dear Sir/Madam:

This letter is being written on behalf of Telephone and Data Systems, Inc. ("TDS" or the "Company") regarding the discussion paper on Effective Dates and Transition Methods. TDS is a diversified telecommunications corporation founded in 1969. TDS does not have operations outside of the United States. Through its business units, U.S. Cellular® and TDS Telecommunications Corporation ("TDS Telecom®"), it operates primarily by providing wireless, local telephone and broadband services. The Company's 2010 revenues were approximately $5.0 billion. TDS employs approximately 12,400 people and serves approximately 7.1 million customers in 36 states as of March 31, 2011.

The Company appreciates the opportunity to comment on the SEC's Staff Paper "Exploring a Possible Method of Incorporation" ("the Paper"). We have evaluated this Staff Paper as it relates to the Company and the Company's investors. Our comments with respect to a possible method of incorporation of International Financial Reporting Standards ("IFRSs") into the U.S. financial reporting system discussed in the Paper are summarized below. The Company supports the proposed "condorsement" approach for incorporating IFRSs into the United States generally accepted accounting principles ("U.S. GAAP") accounting guidance.

Methods of Incorporation

The Commission has previously discussed the following alternative approaches for incorporating IFRS into the U.S. financial reporting system:

- Full adoption of IFRS on a specified date without any U.S. endorsement mechanism;
- Full adoption of IFRS after a staged transition over several years;
- An option for U.S. issuers to apply IFRS.

We believe that full adoption of IFRS on a specified date will be extremely burdensome and costly. A single implementation date will require the use of extensive external resources, as such an initiative cannot be absorbed by internal accounting, IT, and finance personnel.

More importantly, we believe full adoption on a specified date will likely mask the impact of any one given standard. Several of the proposed standards are highly complex and we believe it is critical that the standards are introduced in a methodical fashion such that the transparency of their impacts to the investor is clear.

The Company also believes that providing issuers with the option to apply IFRS is not prudent. Optional adoption of IFRS will lead to inconsistencies and lack of comparability across companies. This defeats the purpose of the initiative to create a single set of global accounting standards.

The Company supports the "condorsement" approach discussed in the Staff Paper. The Company believes a staggered approach will reduce the burden and costs associated with a defined implementation date by allowing extra time for changes in systems and processes that will be needed to implement IFRS. Moreover, the Company believes a gradual transition will provide FASB with extra time to deliberate and resolve discrepancies between U.S. GAAP and IFRS and develop standards with the highest level of quality. Our Company has been very pleased to see the extra efforts the FASB is taking to finalize the Lease and Revenue Recognition standards through an extended comment period and re-exposure of the drafts. We hope to see the same degree of thoroughness and diligence with future projects.

The Company strongly agrees with the FASB's proposed role, in particular, its focus on participating in the IASB's standard-setting process rather than developing new U.S. accounting standards or modifying existing U.S. GAAP. Discontinuing the issuance of U.S.-specific guidance will demonstrate the FASB's commitment to full convergence. The Company also supports the FASB's proposed role as a standard setter, including its authority to allow prospective application of IFRS whenever possible to lessen the costs and burden of transition. Finally, the Company supports the FASB's proposed authority to determine the need for supplemental or interpretive guidance and provide the IASB with such recommendations. We believe that both the U.S. and international constituents will benefit from illustrative examples, requirements for specific transactions, as well as industry-specific interpretations that bridge any gaps in guidance.

In general, the Company believes the "condorsement" approach discussed in the Staff Paper is well thought-out and best addresses concerns of different constituents, while achieving the overall goal of incorporating IFRS into the U.S. financial reporting system.

The Company, however, urges the Boards to be cognizant of the modification and additions that the FASB will be allowed to make to IFRS in its new role. As stated in the Paper, if modifications by the FASB to IFRS-issued standards are frequent, there is a risk that the U.S. version of IFRS could differ more than insignificantly from the body of IFRS issued by the IASB resulting in less comparable results among jurisdictions.

Transition Period

Although the Staff Paper does not define the transition period, it cites examples of five years or more into the future. The Company believes this is a reasonable time frame to be able to modify and implement systems and process changes required to comply with IFRS.

We would appreciate your consideration of these matters. 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