



Excellence in Communications Services

TELEPHONE AND DATA SYSTEMS™

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March 4, 2009

Ms. Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington DC 20549-1090

Re: File Number S7-27-08
Roadmap for the Potential Use of Financial Statements Prepared in Accordance with
International Financial Reporting Standards by U.S. Issuers ("IFRS Roadmap")

Dear Ms. Harmon:

This letter is being written on behalf of Telephone and Data Systems, Inc. ("TDS™") and United States Cellular Corporation ("U.S. Cellular®") regarding the SEC's proposed IFRS Roadmap. TDS and U.S. Cellular are both public companies whose shares are listed on the New York Stock Exchange and registered with the SEC. TDS is a diversified telecommunications corporation founded in 1969. TDS and its business units, U.S. Cellular® and TDS Telecom® (collectively the "Company"), provides wireless, local telephone and broadband services. The Company's 2008 revenues were approximately \$5.1 billion. The Company employs 12,500 people and serves approximately 7.4 million customers in 36 states. The Company has only domestic operations.

We appreciate the opportunity to comment on the SEC's proposed IFRS Roadmap. The Company has been following the discussions related to a transition to IFRS. We have evaluated the IFRS accounting standards at a high-level and attended several training sessions offered by external experts in IFRS. Our comments with respect to the proposal are summarized below.

Cost/benefit of domestic companies

Because we only have domestic operations, we do not believe that the Company would recognize the same benefits from adopting IFRS that a multi-national company may recognize. In fact, for the Company, being required to use IFRS would add a level of complexity to our reporting process since we have several investments in partnerships and other entities that are not SEC registrants that would not be required to transition to IFRS. The Company would have to maintain these investee financial statements under IFRS for reporting purposes or influence those investees to voluntarily transition to IFRS commensurate with the Company's adoption timeline. Although this is a manageable challenge, we believe there are many other companies that would face similar challenges and related costs to comply with SEC reporting. By taking away complexity from one group of its constituents (multi-national companies), the SEC would be adding complexity to another group of its constituents (solely domestic companies). This should be considered when making the final decision on whether a transition to IFRS is in the best interest of constituents.

Convergence

In general, we support all the milestones set forth by the SEC in the proposed IFRS Roadmap. We strongly agree that the SEC's milestone related to improvements in accounting standards should be made before mandating the use of IFRS by U.S. companies. In fact, we believe this milestone should be even more rigorous than what is described in the proposed IFRS Roadmap. For instance, all significant areas of accounting (e.g., revenue recognition, lease accounting, income tax accounting, etc.) should be converged before mandating a transition to IFRS. We suggest that the FASB and IASB fully commit to convergence as outlined in the 2008 update to their Memorandum of Understanding. Adoption of IFRS as it currently stands would most likely force constituents to revert to the more specific guidance set forth in U.S. GAAP. Moreover, if such deficiencies are not resolved, there is a risk that audit firms will interpret IFRS and in effect set the accounting guidance. It is highly recommended that the milestone of improved accounting standards be a prerequisite to an IFRS adoption timeline.

To successfully converge these standards and assist the IASB in issuing guidance on topics not currently addressed in the timeframe prescribed by the IFRS Roadmap, the FASB should stop issuing guidance under U.S. GAAP that is not fully converged with IFRS. Requiring companies to assess and implement guidance that is U.S. GAAP-specific distracts resources from focusing on an IFRS conversion. Continuing to issue non-converged U.S. GAAP during this time period merely indicates a lack of commitment to full convergence and brings into question the commitment to IFRS.

Timing

We also believe 2011 is a reasonable date to reconsider progress on the milestones. However, we do not believe the timeline proposed for implementation of IFRS is reasonable. A final decision by the SEC on mandating the use of IFRS by U.S. companies sometime in 2011, and an expected adoption by 2014 is unreasonable if costs are considered. An effective date in 2014, would imply a January 1, 2012 opening balance sheet, only months after a final decision. We acknowledge that adoption of many of the IFRS standards could be applied through "top side" adjustments and would not need to be addressed on January 1, 2012. However, the SEC must recognize that other changes required by IFRS may require changes in systems and processes that cannot be practically adjusted on a retroactive basis and therefore require such system and process changes effective January 1, 2012, while maintaining existing systems and processes to measure and account for such transactions under current principles. We believe there needs to be a two year minimum transition period between the date when the SEC makes the final decision to transition to IFRS and the adoption of such IFRS standards for all periods presented. This will allow reasonable time to modify and implement systems and process changes required to comply with IFRS.

In addition, we believe that under the proposed IFRS Roadmap there is no incentive for companies to commit resources to an IFRS conversion until a final decision is made in 2011. Given the current economic environment, significant issues challenging most companies, and given the uncertainty regarding the final decision in 2011, it is contrary to sound fiscal management to expend resources on a long-term project that has not been fully vetted and where the final outcome is not readily apparent. Therefore, as mentioned above, upon final decision in 2011, we believe companies should be given a minimum transition period of two years from the date of the decision and the implementation of the earliest year presented in the financial statements. Further, during this transition period, we suggest that the SEC request the IASB and FASB to put a moratorium on issuing further guidance.(e.g., no new IFRS or U.S. GAAP guidance should become effective during the U.S. transition to IFRS).

Principles-Based Standards

A conceptual concern we have with IFRS relates to it being a more “principles-based” set of standards. We agree that IFRS provides more conceptual guidance and less bright-line tests and specific rules than U.S. GAAP. The idea of having a principles-based set of accounting standards is attractive in many respects. However, this will be a difficult change to accomplish since accountants, auditors, and regulators are accustomed to having rules to point to in order to determine the “correct” accounting. Recognize that U.S. GAAP was also principles-based at one time.

We believe that accounting under IFRS as currently presented will require significant internal and external costs to assess effective adoption and the impact on processes and systems supporting the accounting of business transactions under such standards. Even in today’s U.S. GAAP-based accounting standards, local audit teams are often not able to conclude on issues that do not have specific accounting rules, and they need to consult with their national office. This will become even more common under a principles-based system, which will inherently increase accounting/auditing costs for companies.

In addition, we share some of the concerns that have already been expressed by constituents about principles-based standards. Specifically, we are concerned about comparability. Applying professional judgment when accounting for transactions may lead to different accounting results for similar transactions at different companies. It is our understanding that IFRS requires robust disclosures about accounting policies such that a user of financial statements should be able to distinguish differences in accounting applications through reading disclosures. We do not believe this benefits users of financial statements or enhances the comparability of such financial statements. We believe users of financial statements prefer to rely on the quality of the primary financial statements and not have to rely on reading and understanding the detailed, often lengthy, footnote disclosures in order to compare companies.

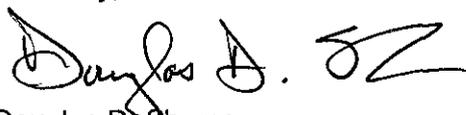
In addition, if U.S. companies transition to IFRS and are expected to apply more professional judgment when analyzing transactions, an accompanying shift in regulator oversight and the U.S. legal system needs to be considered. The regulatory oversight and U.S. legal system would have to accept that a similar transaction may be accounted for differently depending on how professional judgment was applied. To help alleviate the concerns of applying judgment in a principles-based system as well as associated costs, we support the recommendation by the Pozen Committee recommending the SEC put forth a policy statement on what is required to demonstrate that appropriate and reasonable judgment was applied based on available facts at the time such judgment was made.¹ Management and auditors would be able to take more comfort in conclusions reached based on available facts, and not fear being “second-guessed” by the SEC and PCAOB.

¹ Per the *Final Report of the Advisory Committee on Improvements to Financial Reporting to the United States Securities and Exchange Commission* dated August 1, 2008: “ In recognition of the increasing exercise of accounting and audit judgments, we recommend that the SEC and PCAOB adopt policy statements on this subject. These policy statements would provide more transparency into how these regulators evaluate the reasonableness of a judgment. We have offered factors that we believe are important in this evaluation process, including the available alternatives a company identified; the robustness of a company’s analysis of the relevant literature and review of the pertinent facts; the degree to which a company’s approach is consistent with current accounting practice; and how a company’s conclusions meet investors’ information needs. Further, we believe that the statement of policy should emphasize that judgments be documented contemporaneously to ensure that the evaluation of the judgment is based on the same facts that were reasonably available at the time the judgment was made. We believe that adoption of these policy statements would not only provide more transparency into how the SEC and the PCAOB evaluate the reasonableness of a judgment, but also encourage preparers and auditors to follow a disciplined process in making judgments. As a result, investors should have more confidence in the ways in which accounting and auditing judgments are being exercised.”

However, even if the SEC and PCAOB adopt such a policy statement, this will not protect companies or their auditors from lawsuits that attempt to second guess their judgments. Litigation in the U.S. is significantly greater than that in other countries where IFRS has been adopted. We believe that the litigation risk to companies and auditors will increase if IFRS is adopted in the U.S. whereby bright-line rules are replaced by principles-based standards that give companies and auditors more flexibility in accounting for transactions and applying a higher degree of judgment. If adopted as recommended by the Pozen Committee, SEC and PCAOB policy statements in this regard may be helpful, but will not be determinative in any such litigation. This will be determined by statute, case law and legal precedent, which the SEC and PCAOB do not have the power to change. As a result, we believe the SEC should consider the potential effect that a transition to IFRS in its present form will have on the litigation risk to companies and auditors, and work with Congress and other governmental agencies to undertake efforts to mitigate such risk prior to mandating adoption of 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,

A handwritten signature in black ink, appearing to read "Douglas D. Shuma" followed by a stylized flourish.

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