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United States Cellular Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Alright. Thank you, sir. (Operator Instructions). Our first question comes from Simon Flannery. Your line is open.

Simon Flannery - Morgan Stanley

Okay. Thank you very much. Good morning. I wonder if you could talk us through what's going on, and you expect on what the Verizon or ALLTEL transaction, how we should be thinking about ARPU impacts in 2009, what's in your guidance for that. And then are you interested potentially in acquiring assets from the divestitures there, or is there any other sort of acquisitions you might be considering this year? Thank you.

Steven Campbell

Simon, let me take the first part of your question about roaming, or about revenue and ARPU for next year. As we mentioned both in previous calls, and we have some fairly detailed disclosures in our form 10-K that's being filed today. We do expect to see a decline in roaming revenue in 2009, and that decline could be fairly significant. That decline is reflected in the guidance that you're seeing today. So it's been contemplated in the revenue and ARPU projections that underlie the guidance.

Simon Flannery - Morgan Stanley

And is sort of, is that immediate ones that close the deal, or is this something that will phase in during the course of the year?

Steven Campbell

No, as you know they close the deal, roughly speaking mid-January. And so our expectation is that the... if there is a reduction then it probably occurs over time, ramping up fairly quickly, so that within a few months, we think that we will see the majority of what we would expect to see over time.

Jay Ellison

Simon, with respect to M&A activity, I think as we've said in the past, one, the company actively reviews about every opportunity that's out there. I won't comment on any specific transaction. There are no specific transactions that our build into the guidance that we have given you. Any such guidance would be changed once we understand the timing of any transactions that we do.

Over the last year, we actually did acquire a couple of small telephone companies after not being in that market for almost four or five years because of we have prices decline. We continued to look at those, and we'll continue to look at about everything and we were on the side also.

Simon Flannery - Morgan Stanley

Okay. Thank you.

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