

TELEPHONE & DATA SYSTEMS INC /DE/
 Form 4
 December 06, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CARLSON LEROY T JR

2. Issuer Name and Ticker or Trading Symbol
TELEPHONE & DATA SYSTEMS INC /DE/ [TDS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
30 N. LASALLE ST., STE. 4000
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/04/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

CHICAGO, IL 60602

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares	12/04/2006		M ⁽¹⁾		13,233	A	(\$)
Special Common Shares	12/04/2006		M ⁽¹⁾		13,233	A	(\$)
Special Common Shares	12/04/2006		G	V	5,010	A	(\$)
Special Common Shares	12/04/2006		F ⁽²⁾		13,000	D	\$ 48.45

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- Common shares were granted without consideration under the long term incentive plan. As a result of the special common stock dividend, all options to purchase common shares as of May 13 under the long term incentive plan, whether vested or unvested, were adjusted into tandem options. The tandem option provides that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of special common. The exercise price for the tandem option is \$47.60.
- (1) all options to purchase common shares as of May 13 under the long term incentive plan, whether vested or unvested, were adjusted into tandem options. The tandem option provides that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of special common. The exercise price for the tandem option is \$47.60.
 - (2) Delivery of mature special common shares in payment of exercise price of employee stock options acquired under the Telephone and Data Systems, Inc. long term incentive plan.
 - (3) Delivery of common shares as settlement for taxes due in connection with the exercise of employee stock options under the Telephone and Data Systems, Inc. long term incentive plan.
 - (4) Gift

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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