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TELEPHONE & DATA SYSTEMS INC /DE/
Form 424B3
March 21, 2008

Filed Pursuant to Rule 424(b)(3)

Registration Nos. 033-08857-99

033-59435-99

333-125001

PROSPECTUS SUPPLEMENT

to

PROSPECTUS DATED March 12, 2008

The attached Current Report on Form 8-K dated March 20, 2008 was filed by the registrant with the Securities and Exchange Commission, and should be read in conjunction with the Prospectus dated March 12, 2008.

The date of this Prospectus Supplement is March 21, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **March 20, 2008**

TELEPHONE AND DATA SYSTEMS, INC.

(Exact name of registrant as specified in their charter)

| | | | |
|---|--|--------------------------|-----------------------------------|
| Delaware | | 001-14157 | 36-2669023 |
| (State or other jurisdiction of incorporation) | | (Commission File Number) | (IRS Employer Identification No.) |
| 30 North LaSalle Street, Suite 4000, Chicago, Illinois | | | 60602 |
| (Address of principal executive offices) | | | (Zip Code) |
| Registrant's telephone number, including area code: (312) 630-1900 | | | |

Not Applicable

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01. Entry into a Material Definitive Agreement.

See disclosure under Item 8.01 Other Events, which is incorporated herein to the extent applicable.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

See disclosure under Item 8.01 Other Events, which is incorporated herein to the extent applicable.

Item 8.01. Other Events.

As previously disclosed by Telephone and Data Systems, Inc. (TDS), TDS 's subsidiary, United States Cellular Corporation (U.S. Cellular), participated in the FCC auction of spectrum in the 700 megahertz band, known as Auction 73, indirectly through its interest in King Street Wireless, L.P. (King Street Wireless). A subsidiary of U.S. Cellular is a limited partner in King Street Wireless. King Street Wireless intends to qualify as a designated entity and be eligible for bid credits with respect to spectrum purchased in Auction 73.

The FCC released the results of Auction 73 on March 20, 2008. King Street Wireless was the provisional winning bidder for 152 licenses for an aggregate bid of \$300,478,500, net of its anticipated designated entity discount of 25%. In January 2008, U.S. Cellular made capital contributions and advances to King Street Wireless and/or its general partner of \$97 million. King Street Wireless used the funding to pay the FCC an initial deposit of \$97 million in January 2008 to allow it to participate in Auction 73. King Street Wireless bid amount, less the initial deposit, is required to be paid to the FCC by April 17, 2008. U.S. Cellular may agree to make additional capital contributions and/or advances to King Street Wireless and/or its general partner to provide additional funding for the payment and development of such licenses. U.S. Cellular may finance such amounts from cash on hand, borrowings under its revolving credit agreement and/or long-term debt. There is no assurance that U.S. Cellular will be able to obtain additional financing on commercially reasonable terms or at all. While the bidding in Auction 73 has ended, the FCC has not yet awarded any of the licenses to winning bidders nor is there any prescribed timeframe for the FCC to review the qualifications of the various winning bidders and award licenses. The licenses expected to be awarded to King Street Wireless cover areas that overlap or are proximate or contiguous to areas covered by licenses that U.S. Cellular currently owns, operates and/or consolidates.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits:

In accordance with the provisions of Item 601 of Regulation S-K, any Exhibits filed or furnished herewith are set forth on the Exhibit Index attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on their behalf by the undersigned, thereto duly authorized.

Telephone and Data Systems, Inc.
(Registrant)

Date: March 21, 2008

By: /s/ Douglas D. Shuma
Douglas D. Shuma
Senior Vice President and Corporate Controller