

HERBERT C THEODORE
Form 4
December 14, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
HERBERT C THEODORE

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)
12/12/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP Human Resources

CHICAGO, IL 60451

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

(City) (State) (Zip)

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	12/12/2006		F ⁽¹⁾	2,352 D \$ 53.88	18,191	D	
Common Shares	12/12/2006		M ⁽²⁾	2,663 A 2	18,191	D	
Special Common Shares	12/12/2006		M ⁽²⁾	2,663 A 2	27,124	D	
Special Common Shares	12/12/2006		F ⁽³⁾	883 D \$ 49.85	27,124	D	

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Table with 8 columns: 1. Title of Derivative Security, 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date, 3A. Deemed Execution Date, 4. Transaction Code, 5. Number of Derivative Securities, 6. Date Exercisable and Expiration Date, 7. Title and Amount of Underlying Securities, 8. Amount or Number of Shares. Row 1: Option (Right to Buy) (2) at \$47.6, 12/12/2006, Code M, 2,663 shares, 02/26/1997 to 12/15/2006, Common and Special Common Shares.

Reporting Owners

Reporting Owners table with columns: Reporting Owner Name / Address, Relationships (Director, 10% Owner, Officer, Other). Entry: HERBERT C THEODORE, 30 N. LASALLE ST., STE. 4000, CHICAGO, IL 60451, VP Human Resources.

Signatures

Julie D. Mathews, by power of atty, 12/14/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
(1) Delivery of mature common shares in payment of exercise price of Employee Stock Options acquired under the Telephone and Data Systems, Inc. Long Term Incentive Plan.
(2) 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 uner the long term incentive plan, whether vested or unvested, were adjusted into tandem options.

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to the option plus an equal number of special common. The exercise price of the tandem option is \$47.60.

- (3) Delivery of special common shares as settlement for taxes due in connection with the exercise of Employee Stock Options acquired under the Telephone and Data Systems, Inc. Long Term Incentive Plan.

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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