

TELEPHONE & DATA SYSTEMS INC /DE/
 Form 4
 July 26, 2007

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)
07/25/2007

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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Shares	07/25/2007		M ⁽⁵⁾		3,600	A	(2)	3,695.2	D	
Special Common Shares	07/25/2007		M ⁽⁵⁾		3,600	A	(2)	10,706	D	
Common Shares	07/25/2007		S		3,600	D	\$ 72.1014 (3)	95.2	D	
Special Common Shares	07/25/2007		S		3,600	D	\$ 67.0177 (3)	7,106	D	

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. I Der Sec (In	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to Buy) ⁽²⁾	\$ 43.75	07/25/2007		M	3,600	⁽⁴⁾	11/05/2007	Tandem Common and Special Common Shares	3,600

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARLSON LEROY T JR 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602	X		President and CEO	

Signatures

Julie D. Mathews, by power
of atty

07/26/2007

**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) Granted under the 2004 Long-Term Incentive Plan.

As a result of the special common dividend on 5/13/05, all options to purchase common shares were adjusted into tandem options. The tandem option provide that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of special common shares.

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- (3) Weighted average sales price
- (4) The option became exercisable with respect to 18,200 common shares on 12/15/98, 12/15/99 and on 12/15/00 for a total of 54,600.
- (5) Exercise of a stock options pursuant to a previously disclosed 10b5-1 Rule 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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