

TELEPHONE & DATA SYSTEMS INC /DE/
 Form 5
 January 26, 2007

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
BARR JAMES III

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)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 President of a subsidiary

535 JUNCTION ROAD

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

MADISON, WI 53717

(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
| Common Shares | Â | Â | Â | Â | Â | D | Â |
| Special Common Shares | 12/29/2006 | Â | J ⁽⁴⁾ | 504.0323 A | \$ 42.16 | D | Â |
| Common Shares | 12/31/2006 | Â | J ⁽¹⁾ | 10.28 D | \$ ⁽¹⁾ | I | By 401K plan |
| | 12/31/2006 | Â | J ⁽¹⁾ | 9.63 D | \$ ⁽¹⁾ | I | |

Special
Common
SharesBy 401K
Plan

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) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|--|-----|--|------------------|---|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | |
| Option (Right to buy) | \$ 104 | Â | Â | Â | Â | Â | Â ⁽²⁾ | 03/10/2010 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 99.44 | Â | Â | Â | Â | Â | 12/15/2001 | 04/30/2011 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 66 | Â | Â | Â | Â | Â | 04/30/2005 | 05/08/2014 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 77.36 | Â | Â | Â | Â | Â | 12/15/2005 | 04/20/2015 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 38 | Â | Â | Â | Â | Â | 12/15/2006 | 06/19/2016 | Special Common Shares |
| Restricted | Â | Â | Â | Â | Â | Â | 03/24/2007 | Â ⁽³⁾ | Tandem |

| | | | | | | | | | | |
|------------------------|----------|------------|---|------|---|----------|------------|------------|--|----------------------------------|
| Stock Units | | | | | | | | | | Common and Special Common Shares |
| Restricted Stock Units | ^ | ^ | ^ | ^ | ^ | ^ | 03/24/2007 | ^ (3) | | Special Common Shares |
| Option (Right to buy) | \$ 42.16 | 12/29/2006 | ^ | J(4) | ^ | 504.0323 | 12/29/2006 | 12/29/2006 | | Special Common Shares 5 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BARR JAMES III 535 JUNCTION ROAD MADISON, WI 53717 | ^ X | ^ | ^ President of a subsidiary | ^ |

Signatures

Julie D. Mathews, by power of atty
 Signature of Reporting Person: _____ Date: 01/26/2007

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) Voluntary reporting of 2006 share activity in the TDS 401K plan. The information is based on a plan statement dated 12/31/06. The number of shares fluctuates and is attributable to the price of the shares on 12/31/06.
- (2) Granted under the TDS 1998 Long Term Incentive Plan. The option was exercisable with respect to 6,080 common shares on 12/15/00, 12/15/01, 12/15/02, 12/15/03 and 12/15/04 for a total of 30,400 common shares.
- (3) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on March 24, 2007.
- (4) Disposition of option and acquisition of shares under the TDS Employee Stock Purchase Plan.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.