

Hanley Joseph R
 Form 5
 January 18, 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 *
 Hanley Joseph R

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)
 VP-Technology Planning Service

30 N. LASALLE ST., STE. 4000
 (Street)

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

6. Individual or Joint/Group Reporting
 (check applicable line)

CHICAGO, IL 60602

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) Amount or (D) Price			
Common Shares	12/31/2006	∅	J(2)	2.4204 A \$ (2)	284.8	D	∅
Special Common Shares	12/31/2006	∅	J(2)	2.5348 A \$ (2)	285	D	∅

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

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SEC 2270 (9-02)

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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)	Amount or Number of Shares
					(A)	(D)	Date Exercisable	Expiration Date		
Option (Right to buy)	\$ 106	Â	Â	Â	Â	Â	12/15/2000	03/10/2010	Tandem Common and Special Common Shares	1,622
Option (Right to buy)	\$ 99.44	Â	Â	Â	Â	Â	04/30/2002	04/30/2011	Tandem Common and Special Common Shares	356
Option (Right to buy)	\$ 59.9	Â	Â	Â	Â	Â	Â ⁽¹⁾	07/01/2012	Tandem Common and Special Common Shares	2,579
Option (Right to buy)	\$ 59	Â	Â	Â	Â	Â	04/30/2003	07/05/2012	Tandem Common and Special Common Shares	677
Option (Right to buy)	\$ 43.09	Â	Â	Â	Â	Â	04/30/2004	04/30/2013	Tandem Common and Special Common Shares	785
Option (Right to buy)	\$ 65.96	Â	Â	Â	Â	Â	04/30/2005	04/30/2014	Tandem Common	1,255

										and Special Common Shares		
buy)											Tandem Common and Special Common Shares	
Option (Right to buy)	\$ 78.1	Â	Â	Â	Â	Â	12/15/2005	04/21/2015			Special Common Shares	3,433
Option (Right to buy)	\$ 38	Â	Â	Â	Â	Â	12/15/2006	06/19/2016			Tandem Common and Special Common Shares	20,669
Restricted Stock Units ⁽³⁾	Â	Â	Â	Â	Â	Â	12/15/2007	Â ⁽³⁾			Special Common Shares ⁽³⁾	594
Restricted Stock Units ⁽⁴⁾	Â	Â	Â	Â	Â	Â	12/15/2008	Â ⁽⁴⁾			Special Common Shares ⁽⁴⁾	1,512

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hanley Joseph R 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602	Â	Â	Â VP-Technology Planning Service	Â

Signatures

Julie D. Mathews, by power
of atty 01/18/2007

__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) 860 shares became exercisable on 12/14/02 and on 12/14/03. 859 shares became exercisable on 12/14/04
- (2) Voluntary reporting of shares acquired through dividend reinvestment in 2006.
- (3) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.
- (4) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2008.

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.