



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

August 2, 2012

Via E-mail

Mr. Kenneth Meyers  
Chief Financial Officer  
Telephone and Data Systems, Inc.  
30 North LaSalle Street  
Chicago, Illinois 60602

**Re: Telephone and Data Systems, Inc.**  
**Form 10-K for the Fiscal Year Ended December 31, 2011**  
**Filed February 27, 2012**  
**Form 10-Q for the Quarter Ended March 31, 2012**  
**Filed May 4, 2012**  
**File No. 1-4157**

Dear Mr. Meyers:

We have reviewed your filings and have the following comments. Please comply with the following comments in future filings. Confirm in writing that you will do so and explain to us how you intend to comply. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by providing the requested information or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances, please tell us why in your response.

After reviewing the information you provide in response to these comments, we may have additional comments.

Form 10-K For the Year Ended December 31, 2011

Exhibit 13

Goodwill, page 31

US Cellular, page 31

TDS Telecom, page 32

1. We note on page 12 of your Form 10-K that the FCC's USF and ICC Reform Order could result in a material adverse effect on US Cellular's business, financial condition or results of operation and additionally, negatively impact TDS Telecom's already declining revenues.

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We further note on page 22 that TDS Telecom currently receives \$266 million in access revenues which includes approximately \$90 million received under all the USF programs and that additionally, the existing intercarrier compensation system enables TDS Telecom to recover its costs. Tell us how you considered any probable impact of the FCC's Reform Order on assumptions underlying the valuation of your reporting units and why you believe your valuations as of the 2011 balance sheet date were appropriate.

Consolidated Quarterly Information (Unaudited). Page 108

2. Tell us why your profitability was negatively impacted during the fourth quarters of 2010 and 2011 when compared to the preceding quarters within the same years.

Form 10-Q for the Quarter Ended March 31, 2012

3. Per your disclosure, the continuing weak macroeconomic conditions and financial markets and/ or the performance of TDS' stock price in the second quarter of 2012 could require an interim impairment test of Licenses and/or Goodwill in the second quarter of 2012, possibly resulting in impairment that "could be material depending on conditions at June 30, 2012." Tell us in detail how such conditions have changed since your annual impairment test in November, 2011 and how they have affected your underlying assumptions. Tell us the nature of triggering impairment indicators which you anticipate in the second quarter of 2012 that could result in impairment that could be material. In this regard, we note on pages 32-33 per your MD&A in the 2011 Form 10-K that the fair values of all your reporting units exceeded their respective carrying values by significant amounts ranging from 29% to 182% for US Cellular reporting units and 29% to 60% for TDS Telecom reporting units. Additionally, except for licenses with an aggregate carrying value of \$84.7 million in units of accounting where the fair value exceeded the carrying value by amounts less than 10% of the carrying value, your disclosure appears to suggest that the remainder of the licenses had fair values that exceeded their carrying value by 10% or more. Please advise us.

9. Commitments, Contingencies and Other Liabilities, page 15  
Legal Proceedings, page 15

4. Please disclose current developments related to the subpoena issued by the FCC's Office of Inspector General requesting information regarding receipt of Federal Universal Service Fund support relating to TDS and its affiliates. In this regard, we note your prior disclosure in the penultimate paragraph on page 22 of your Form 10-K.

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Please file all correspondence over EDGAR. We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Exchange Act of 1934 and all applicable Exchange Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In responding to our comments, please provide a written statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

You may contact Kathryn Jacobson, Senior Staff Accountant, at (202) 551-3365 or Dean Suehiro, Senior Staff Accountant, at (202) 551-3384 if you have questions regarding comments on the financial statements and related matters. Please contact Gregory Dundas, Attorney-Advisor, at (202) 551-3436, or me at (202) 551-3810 with any other questions.

Sincerely,

/s/ Robert S. Littlepage for

Larry Spirgel  
Assistant Director