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TELEPHONE & DATA SYSTEMS INC /DE/
Form SC 13D/A
December 15, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

Amendment No. 15

Telephone and Data Systems, Inc.

(Name of Issuer)

Common Stock

(Title of Class and Securities)

879433100

(CUSIP Number of Class of Securities)

O. Mason Hawkins
Chairman of the Board and C.E.O.
and
Andrew R. McCarroll
Vice President & General Counsel

Southeastern Asset Management, Inc.
6410 Poplar Avenue; Suite 900
Memphis, TN 38119
(901) 761-2474

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

December 15, 2008

(Date of Event which Requires
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this Schedule because of Sections 240.13d-1(e), 240.13d-1(f), or 240.13d-1(g), check the following box: []

CUSIP No. 879433100

13D

(1) NAMES OF REPORTING PERSONS

Southeastern Asset Management, Inc.

I.D. No. 62-0951781

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(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

- (a)
(b) X

(3) SEC USE ONLY

(4) SOURCE OF FUNDS

OO: Funds of investment advisory clients

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

[X]

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
Tennessee

| | | |
|---|---------------------------|-------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | : | (7) SOLE VOTING POWER |
| | : | (Discretionary Accounts) |
| | : | 1,336,900 shares |
| | : | (8) SHARED OR NO VOTING POWER |
| | : | 1,530,800 shares (Shared) |
| | : | 234,800 shares (None) |
| | : | (9) SOLE DISPOSITIVE POWER |
| | : | (Discretionary Accounts) |
| | : | 1,565,700 shares |
| | : | (10) SHARED OR NO DISPOSITIVE POWER |
| : | 1,530,800 shares (Shared) | |
| : | 6,000 shares (None) | |

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,102,500 shares

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES
CERTAIN SHARES

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
5.8%

(14) TYPE OF REPORTING PERSON
IA

Note: All shares identified above are shares of the Issuer's class of Common Stock, and the percentage in Row 13 above relates to such class of Common Stock.

CUSIP No. 879433100

13D

(1) NAMES OF REPORTING PERSONS

Longleaf Partners Fund

I.D. No. 63-6147721

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

- (a)
(b) X

(3) SEC USE ONLY

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(4) SOURCE OF FUNDS
OO: Funds of investment company shareholders

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
Massachusetts

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

: (7) SOLE VOTING POWER
:
: None

: (8) SHARED VOTING POWER
:
: 1,530,800 shares

: (9) SOLE DISPOSITIVE POWER
:
: None

: (10) SHARED DISPOSITIVE POWER
: 1,530,800 shares

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,530,800 shares

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES
CERTAIN SHARES []

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
2.9%

(14) TYPE OF REPORTING PERSON
IV

Note: All shares identified above are shares of the Issuer's class of Common Stock, and the percentage in Row 13 above relates to such class of Common Stock.

CUSIP No. 879433100 13D

(1) NAMES OF REPORTING PERSONS
O. Mason Hawkins I.D. No. XXX-XX-XXXX

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a)
(b) X

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
OO: None

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(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
 REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
 Citizen of United States

| | | |
|---|---|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | : | (7) SOLE VOTING POWER (Discretionary Accounts) None |
| | : | (8) SHARED VOTING POWER None |
| | : | (9) SOLE DISPOSITIVE POWER None |
| | : | (10) SHARED DISPOSITIVE POWER None |

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 None (See Item 2)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES
 CERTAIN SHARES []

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
 0.0%

(14) TYPE OF REPORTING PERSON
 IN

Note: All shares identified above are shares of the Issuer's class of Common Stock, and the percentage in Row 13 above relates to such class of Common Stock.

Item 4. Purpose of Transaction

Item 4 of Southeastern's previously filed Schedule 13D entitled "Purpose of Transaction" is hereby amended and supplemented by adding the following at the end thereof:

On December 15, 2008, Longleaf Partners Fund submitted to the Issuer a shareholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, to be voted on by shareholders at the Issuer's 2009 annual meeting. The shareholder proposal requests that the Board take all steps necessary to recapitalize the Issuer's common equity structure into one class of common stock to result in all shares of common stock having one vote per share on all matters.

Southeastern and/or one or more of its affiliates and investment advisory clients, including Longleaf Partners Fund (collectively, the "Southeastern Group"), may purchase from time to time in open market or privately negotiated transactions additional Securities, or options or derivatives related thereto. From time to time, one or more members of the Southeastern Group may also hold

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discussions or otherwise communicate with the Issuer's management, Board and other representatives of the Issuer, as well as other shareholders of the Issuer or other relevant parties, to discuss potential strategic alternatives available to the Issuer, including, but not limited to, a recapitalization, a sale of all or a portion of the Issuer or other matters that may include one or more of the other actions described in subsections (a) through (j) of Item 4 of Schedule 13D. The Southeastern Group may also seek representation on the Board of Directors of the Issuer or pursue other available courses of action. In addition, the Southeastern Group may determine to dispose of all or a portion of its Securities.

Except as set forth above, none of the Reporting Persons has any plans or proposals which relate to, or could result in, any of the matters referred to in subsections (a) through (j) of Item 4 of Schedule 13D. Each member of the Southeastern Group may, at any time, review or reconsider its position with respect to the Issuer and formulate plans or proposals with respect to any of such matters.

Item 5. Interest In Securities Of The Issuer

Item 5 shall be amended and restated as follows:

(a) The aggregate number and percentage of Securities to which this Schedule 13D relates is 3,102,500 shares of the common stock of the Issuer, constituting approximately 5.8% of the 53,197,083 shares outstanding.

| | Common Shares Held | % of outstanding Common Shares |
|------------------|-----------------------|-----------------------------------|
| <hr/> | | |
| Voting Authority | | |
| Sole: | 1,336,900 | 2.5% |
| Shared: | 1,530,800* | 2.9% |
| None: | 234,800 | 0.4% |
| Total | 3,102,500 | 5.8% |

*Shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust.

Dispositive Authority

| | | |
|-----------|---------------|----------|
| Sole: | 1,565,700 | 2.9% |
| Shared: | 1,530,800* | 2.9% |
| None: | 6,000 | 0.0% |
| Total | 3,102,500 | 5.8% |

*Shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust.

(b) Southeastern generally has the sole power to dispose of or to direct the disposition of the Securities held for discretionary accounts of its investment clients, and may be granted the sole power to vote or direct the vote of such Securities; such powers may be retained by or shared with the respective clients for shared or non-discretionary accounts, for which Southeastern generally makes recommendations with respect thereto. Shares held by any Series of Longleaf Partners Funds Trust are reported in the "shared" category.

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(c) Transactions in the Securities during the past sixty days are attached as Schedule II.

(d) The investment advisory clients of Southeastern have the sole right to receive and, subject to notice, to withdraw the proceeds from the sale of the Securities, and the sole power to direct the receipt of dividends from any of the Securities held for their respective accounts. Such clients may also terminate the investment advisory agreements without penalty upon appropriate notice. Southeastern does not have an economic interest in any of the Securities reported herein.

(e) Not applicable.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 15, 2008

SOUTHEASTERN ASSET MANAGEMENT, INC.

By /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President & General Counsel

LONGLEAF PARTNERS FUND

By Southeastern Asset Management, Inc.
By /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President & General Counsel

O. MASON HAWKINS, Individually

/s/ O. Mason Hawkins

Joint Filing Agreement

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, the persons or entities named below agree to the joint filing on behalf of each of them of this Amendment No. 14 to Schedule 13D with respect to the Securities of the Issuer and further agree that this joint filing agreement be included as an exhibit to this Amendment No. 14 to Schedule 13D. In evidence thereof, the undersigned hereby execute this Agreement as of December 15, 2008.

Southeastern Asset Management, Inc.

By: /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President and General Counsel

Longleaf Partners Fund

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By Southeastern Asset Management, Inc.
By: /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President & General Counsel

O. Mason Hawkins, Individually

/s/ O. Mason Hawkins

Schedule II
Transactions in the Last Sixty Days

| Transaction Type | Date | # of Shares | Price per Share * |
|------------------|----------|-------------|-------------------|
| Sale | 10/24/08 | 26,000 | \$22.64 |
| Sale | 10/24/08 | 3,000 | \$22.64 |
| Sale | 10/24/08 | 5,000 | \$22.64 |
| Sale | 11/12/08 | 1,100 | \$27.86 |
| Sale | 12/12/08 | 1,000 | \$31.14 |

Sales by a Southeastern private account client pursuant to a letter of instruction, in the ordinary course of business on the American Stock Exchange or through Electronic Communication Networks (ECNs).

* Net of commissions