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TELEPHONE & DATA SYSTEMS INC /DE/
Form SC 13D/A
June 28, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

Amendment No. 2

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)

June 24, 2005

(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) |
| | : | 5,800,615 shares |
| | : | (8) SHARED OR NO VOTING POWER |
| | : | 3,441,600 shares (Shared) |
| | : | 1,727,800 shares (None) |
| | : | (9) SOLE DISPOSITIVE POWER |
| | : | (Discretionary Accounts) |
| | : | 7,519,415 shares |
| | : | (10) SHARED OR NO DISPOSITIVE POWER |
| : | 3,441,600 shares (Shared) | |
| : | 9,000 shares (None) | |

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 10,970,015 shares

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES
 CERTAIN SHARES [X] See Item 5(a)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
 21.5%

(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
:
: 3,441,600 shares

: (9) SOLE DISPOSITIVE POWER
:
: None

: (10) SHARED DISPOSITIVE POWER
: 3,441,600 shares

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
3,441,600 shares

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

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
6.7%

(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 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 10,970,015 shares of the common stock of the Issuer, constituting approximately 21.5% of the 51,125,217 shares outstanding.

| | Common Shares Held | % of outstanding Common Shares |
|------------------|-----------------------|-----------------------------------|
| <hr/> | | |
| Voting Authority | | |
| Sole: | 5,800,615 | 11.3% |
| Shared: | 3,441,600* | 6.7% |
| None: | 1,727,800 | 3.4% |
| Total | 10,970,015 | 21.5% |

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*Shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust. Does not include 84,000 shares held by one non-discretionary account over which the filing parties have neither voting nor dispositive authority. Beneficial ownership is expressly disclaimed with respect to these shares.

Dispositive Authority

| | | |
|---------|------------|-------|
| Sole: | 7,519,415 | 14.7% |
| Shared: | 3,441,600* | 6.7% |
| None: | 9,000 | 0.0% |
| Total | 10,970,015 | 21.5% |

*Shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust. Does not include 84,000 shares held by one non-discretionary account over which the filing parties have neither voting nor dispositive authority. Beneficial ownership is expressly disclaimed with respect to these shares.

(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.

(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: June 28, 2005

SOUTHEASTERN ASSET MANAGEMENT, INC.

By /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President & General Counsel

LONGLEAF PARTNERS FUND

By /s/ O. Mason Hawkins

O. Mason Hawkins
Trustee and Co-Portfolio Manager

O. MASON HAWKINS
(Individually)

/s/ O. Mason Hawkins

Joint Filing Agreement

In accordance with Rule 13d-1(f) 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. 1 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. 1 to Schedule 13D. In evidence thereof, the undersigned hereby execute this Agreement as of June 28, 2005.

Southeastern Asset Management, Inc.

By: /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President and General Counsel

Longleaf Partners Fund

By: /s/ O. Mason Hawkins

O. Mason Hawkins
Trustee and Co-Portfolio Manager

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 | 06/24/05 | 275,200* | \$39.82 |
| Sale | 06/14/05 | 6,700 | \$40.30 |
| Sale | 06/13/05 | 10,700 | \$39.83 |
| Sale | 06/10/05 | 15,600 | \$39.51 |
| Purchase | 05/10/05 | 7,000 | \$76.05 |
| Purchase | 05/05/05 | 4,200 | \$76.19 |
| Purchase | 05/04/05 | 11,000 | \$76.18 |
| Purchase | 05/03/05 | 17,800 | \$76.18 |
| Sale | 04/27/05 | 11,200 | \$76.09 |

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Purchases and sales by Southeastern's private account clients, unless otherwise indicated, in the ordinary course of business on the American Stock Exchange or through Electronic Communication Networks (ECNs).

* Includes sales by Longleaf Partners Fund of 156,900 shares

** Net of commissions