



**TELEPHONE AND DATA SYSTEMS<sup>TM</sup>**

30 North LaSalle Street  
Suite 4000  
Chicago, IL 60602  
312/630-1900

March 19, 2009

**VIA U.S. MAIL AND EMAIL**

Mr. Peter D. Goldstein  
GAMCO Asset Management Inc.  
One Corporate Center  
Rye, NY 10580

Re: GAMCO Asset Management Inc., ("GAMCO") - Notices of Intent to Nominate  
Director at 2009 Annual Meeting of Shareholders, dated February 17-20, 2009

Dear Mr. Goldstein:

Reference is made to GAMCO's Notices of Intent to Nominate Directors at the 2009 Annual Meeting of Shareholders of Telephone and Data Systems, Inc. ("TDS") dated February 17 and February 20, 2009. The notices named Gary Sugarman, Clarence Davis, Vincent Enright and Jack Liebau, Jr. as the persons that GAMCO intends to nominate (the "GAMCO Candidates"). For the reasons stated in this letter, the TDS Board of Directors has rejected such notices with respect to Gary Sugarman and Vincent Enright because they are ineligible to serve as directors at TDS's 2009 Annual Meeting of Shareholders.

Section 1.15 of the TDS Bylaws provides that "a person properly nominated by a shareholder under Section 1.2 or 1.13 shall not be eligible for election as a director unless he or she signs and returns to the Secretary, within fifteen days of a request therefor, written responses to any questions posed by the Secretary [with respect to certain identified subjects]." Pursuant to such section, questionnaires were sent to each of the GAMCO Candidates on February 23, 2009, together with a letter advising the GAMCO Candidates that, pursuant to Section 1.15 of the TDS Bylaws, they were required to return a completed and signed questionnaire within fifteen days, or by the close of business on March 10, 2009, in order to be eligible for election as a director. Clarence Davis and F. Jack Liebau, Jr. returned completed questionnaires before March 10, 2009, but Gary Sugarman and Vincent Enright did not return questionnaires as required by Section 1.15 of the TDS Bylaws. Accordingly, the TDS Board of Directors has determined that Gary Sugarman and Vincent Enright are not eligible for election as directors at TDS's 2009 Annual Meeting of Shareholders. If GAMCO attempts to nominate Gary Sugarman or Vincent

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Enright at TDS's 2009 Annual Meeting of Shareholders, the chairman of the meeting intends to rule that such nominations are out of order. A copy of the bylaws is available on TDS's website at [www.teldta.com](http://www.teldta.com) and was filed with the SEC on a Form 8-K dated November 3, 2008.

Sincerely,

Telephone and Data Systems, Inc.

By: \_\_\_\_\_

cc: Mr. Gary Sugarman (by Certified Mail)  
Mr. Vincent Enright (by Certified Mail)

**IMPORTANT INFORMATION:** TDS and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies from the shareholders of TDS in connection with the TDS 2009 annual meeting of shareholders. Information regarding TDS directors and executive officers and their respective interests in TDS by security holdings or otherwise is set forth in TDS's preliminary proxy statement relating to its 2009 annual meeting, as filed with the Securities and Exchange Commission ("SEC") on March 13, 2009. The 2009 proxy statement, other solicitation material and other reports that TDS files with the SEC, when available, can be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov) or from TDS on its website at [www.teldta.com](http://www.teldta.com). TDS SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE PROXY STATEMENT AND OTHER SOLICITATION MATERIAL FILED BY TDS IN CONNECTION WITH THE TDS 2009 ANNUAL MEETING OF SHAREHOLDERS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING DECISION BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION RELATING TO THE ELECTION OF DIRECTORS OF TDS.