UNITED STATES CELLULAR CORP
Form 424B5
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The information in the Prospectus Supplement is not complete and may be changed. This Prospectus Supplement and the accompanying Prospectus are not offers to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 7, 2004

PRELIMINARY PROSPECTUS SUPPLEMENT
(To Prospectus Dated June 7, 2004)

$

UNITED STATES CELLULAR CORPORATION

% Senior Notes due

We are offering $ of our % Senior Notes due , which we refer to as the "Notes". The Notes will be our senior obligations and will rank on a parity with all of our existing and future unsecured and unsubordinated indebtedness, except as described herein. We will pay interest on the Notes on , , and of each year. The first such payment will be on , 2004. We may redeem the Notes, in whole or in part, at any time on and after , 2009 at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date. The Notes will be issued in minimum denominations of $25 and integral multiples thereof.

We intend to list the Notes on the New York Stock Exchange and expect trading in the Notes on the New York Stock Exchange to begin within 30 days after the original issue date. The Notes are expected to trade "flat," meaning that purchasers will not pay and sellers will not receive any accrued and unpaid interest on the Notes that is not included in the trading price.

Investing in the Notes involves risks. See "Risk Factors" beginning on page S-11.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus Supplement or the related Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Notes	Total
Public Offering Price	100.00%	$
Underwriting Discount	%	$
Proceeds to U.S. Cellular (before expenses)	%	$

The public offering price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from , 2004 and must be paid by the purchaser if the Notes are delivered after , 2004.

We have granted the Underwriters an option to purchase up to an additional $ aggregate principal amount of Notes.

The underwriters are severally underwriting the Notes being offered. The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company against payment on or about , 2004.

Joint Book-Running Managers

Citigroup **Merrill Lynch & Co.** **Morgan Stanley**

UBS Investment Bank **Wachovia Securities**

, 2004

You should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Prospectus Supplement or the accompanying Prospectus is accurate as of any date other than the date on the front of the Prospectus Supplement or the accompanying Prospectus.

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Except as otherwise stated, in this Prospectus Supplement, "U.S. Cellular," "we," "us" and "our" refer to United States Cellular Corporation and its subsidiaries and consolidated affiliates and joint ventures.

ALTERNATIVE SETTLEMENT DATE

It is expected that delivery of the Notes will be made on or about the date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of this prospectus supplement. Under Rule 15c6-1 of the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade Notes on the date of this prospectus supplement or the next succeeding business day will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of Notes who wish to trade Notes on the date of this prospectus supplement or the next succeeding business day should consult their own advisors.

FORWARD LOOKING STATEMENTS

This Prospectus Supplement and the documents incorporated by reference herein contain statements that are not based on historical fact, including statements with the words "believes," "anticipates," "intends," "expects," and similar words. These statements constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the following risks:

Increases in the level of competition in the markets in which U.S. Cellular operates could adversely affect its revenues or increase its costs to compete.

Consolidation in the wireless industry may create stronger competitors both operationally and financially which could adversely affect U.S. Cellular's revenues and increase its costs to compete.

Advances or changes in telecommunications technology could render certain technologies used by U.S. Cellular obsolete, could reduce its revenues or could increase its cost of doing business.

Changes in the telecommunications regulatory environment, such as wireless number portability and E-911 services, could adversely affect U.S. Cellular's financial condition or results of operations or ability to do business.

Changes in U.S. Cellular's enterprise value, changes in the supply or demand of the market for wireless licenses, adverse developments in U.S. Cellular's business or the wireless industry and/or other factors could require U.S. Cellular to recognize impairments of the carrying value of U.S. Cellular's investment in licenses, goodwill and/or physical assets.

Conversions of debt, early redemptions of debt or repurchases of debt, changes in prepaid forward contracts, operating leases, purchase obligations or other factors or developments could cause the amounts reported under Contractual Obligations in U.S. Cellular's Annual Report on Form 10-K for the year ended December 31, 2003, as amended, to be different from the amounts presented.

Changes in accounting standards or U.S. Cellular's accounting policies, estimates and/or the assumptions underlying the accounting estimates, including those described under Application of Critical Accounting Policies and Estimates in U.S. Cellular's Annual Report on Form 10-K for the year ended December 31, 2003, as amended, could have a material effect on its financial condition, changes in financial condition and results of operations.

Settlements, judgments, restraints on its current or future manner of doing business and/or legal costs resulting from pending or future litigation could have an adverse effect on U.S. Cellular's financial condition, results of operations or ability to do business.

Costs, integration problems or other factors associated with acquisitions/divestitures of properties and or licenses could have an adverse effect on U.S. Cellular's financial condition or results of operations.

Changes in prices, the number of wireless customers, average revenue per unit, penetration rates, churn rates, selling expenses and net customer retention costs associated with wireless number portability, roaming rates and the mix of products and services offered in wireless markets could have an adverse effect on U.S. Cellular's operations.

Changes in roaming partners' rates, and the ability to provide voice and data services on other carriers' networks could have an adverse effect on U.S. Cellular's operations.

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Changes in competitive factors with national and global wireless carriers could result in product and cost disadvantages and could have an adverse effect on U.S. Cellular's operations.

Lack of standards and roaming agreements for wireless data products could place U.S. Cellular's data services offerings at a disadvantage to those offered by other wireless carriers with more nationwide service territories.

Changes in guidance or interpretations of accounting requirements, changes in industry practice or changes in management assumptions could require amendments to or restatements of disclosures or financial information included in this or prior filings with the SEC.

Uncertainty of access to capital for telecommunications companies, deterioration in the capital markets, other changes in market conditions, changes in U.S. Cellular's credit ratings or other factors could limit or restrict the availability of financing on terms and prices acceptable to it, which could require it to reduce its construction, development and acquisition programs.

Changes in income tax rates, tax laws, regulations or rulings, or federal or state tax assessments could have an adverse effect on U.S. Cellular's financial condition and results of operations.

War, conflicts, hostilities and/or terrorist attacks could have an adverse effect on U.S. Cellular's business.

Changes in general economic and business conditions, both nationally and in the markets in which U.S. Cellular operates, could have an adverse effect on U.S. Cellular's business.

Investors are encouraged to consider these and other risks and uncertainties that are discussed in this Prospectus Supplement, the accompanying Prospectus and the documents filed by U.S. Cellular with the Securities and Exchange Commission and incorporated by reference herein. We undertake no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. Readers should evaluate any statements in light of these important factors.

SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information and consolidated financial information appearing elsewhere in or incorporated by reference into this Prospectus Supplement.

Business Summary

We believe that we are the eighth largest wireless communications provider in the United States, based on the number of customers that we serve in our consolidated markets. As of March 31, 2004, we provided wireless services in 26 states.

Our customer base was 4,547,000 at March 31, 2004. Approximately 85% of our customers used digital services as of March 31, 2004. Average penetration in our consolidated markets was 9.98% at March 31, 2004.

For the three months ended March 31, 2004, we had total revenues, operating income and net income of $657.7 million, $28.3 million and $9.2 million, respectively.

We operate in six market areas, five of which cover a total population of more than two million. We have interests in consolidated markets which cover a population of 45.6 million as of March 31, 2004.

Our Strategy

Our objectives are to become the leading provider of wireless communications services in the markets we serve and to drive profitable growth by delivering exceptional customer service. We intend to achieve these objectives by pursuing the following business strategies (statistical information presented below is as of March 31, 2004):

Target Core Geographical Market Groupings. Our business development strategy is to operate controlling interests in cellular and PCS market licensees in areas adjacent to or in proximity to our other markets, thereby building geographical groups of operating markets, or market areas. We focus our market areas in selected geographic areas throughout the United States where we can efficiently integrate and manage wireless systems. We currently operate market areas of adjacent wireless systems with approximately 53% of our customers located in the five-state area of Wisconsin, Iowa, Illinois, Indiana and Missouri. Larger contiguous service areas enable our customers to benefit by permitting them to make outgoing calls and receive incoming calls within such areas without roaming restrictions or additional charges. In addition, geographically grouping our markets also provides us with economies in our capital and operating costs.

Deliver Outstanding Customer Service. Customer satisfaction is the key differentiating factor in our business strategy. We operate six customer care centers, whose personnel are responsible for customer service, customer care, collections and some telemarketing activities. In addition, during the past three years, we have taken several steps to increase customer satisfaction and to revitalize U.S. Cellular as a dynamic organization that is committed to ensuring that all customers and potential customers have a positive experience when interacting with us. We believe the success of this strategy is reflected in our postpay churn rate of 1.3% for the quarter ended March 31, 2004, which is one of the lowest in the industry.

Grow Revenues. We plan to grow revenues by continuing to penetrate our markets, expanding our market areas' service territories where economically justified, rolling out new products and services in our markets, increasing customer awareness of the "U.S. Cellular" brand and reducing churn. We seek to increase and maintain market share and revenues by enhancing our brand recognition and associating our brand with customer satisfaction. We believe this strategy

has been important to our success in growing our revenues and customers. Operating revenues in the three months ended March 31, 2004 grew 9% compared to the same period in 2003, due primarily to our 7% increase in average number of customers served.

Benefit from Broad Local Distribution. We operate nearly 450 retail stores and kiosks which allow our customers to conveniently do business with us. We benefit from a wide network of local dealers who sell our services and products through their stores located in our markets. The combined distribution network provides us with approximately 1,800 points of presence. Our retail stores also provide local customer service for those customers who desire to do business in person.

Operate a Superior, High Quality Network. We are committed to developing and operating a superior, high quality CDMA 1XRTT network. We believe this network and technology will enable us to provide extensive coverage within our regions and consistent quality performance, which will result in the highest level of customer satisfaction. As of March 31, 2004, approximately 85% of our customers used digital services.

Expand Footprint of Our Market Groupings. We assess our wireless holdings on an ongoing basis in order to maximize the benefits derived from grouping our markets geographically. We also review attractive opportunities for the acquisition of additional wireless spectrum. Over the past few years, we have completed exchanges of minority interests or controlling interests in its less strategic markets for controlling interests in markets which better complement our operating market areas. We have also completed outright sales of other less strategic markets, and have purchased controlling interests in markets which enhance our operating market areas. In 2001, we began acquiring interests in PCS markets. These markets are either adjacent to our current operations, thus expanding our current operating market areas, or are in territories in which we currently operate, and will add spectrum capacity to those operations.

U.S. Cellular Footprint

The following table summarizes, by market area, the total population, our customer units and penetration for our majority-owned markets as of March 31, 2004.

Operating Clusters (1)	Population	Customers	Penetration (2)
Midwest Market Area	27,798,000	2,408,000	8.66%
Mid-Atlantic Market Area	5,650,000	718,000	12.71
Texas/Oklahoma/Missouri/Kansas Market Area	3,778,000	355,000	9.40
Maine/New Hampshire/Vermont Market Area	2,771,000	350,000	12.63
Northwest Market Area	2,704,000	430,000	15.90
Eastern Tennessee/Western North Carolina Market Area	1,532,000	182,000	11.88
Other Markets	1,348,000	104,000	7.72
	45,581,000	4,547,000	9.98%

(1) Based on 2003 Claritas population estimates.

(2) Penetration is computed by dividing the number of customer units at the end of the period by the total population of markets in service as estimated by Claritas for 2003.

U.S. Cellular was incorporated in Delaware in 1983. Our executive offices are located at 8410 West Bryn Mawr Avenue, Suite 700, Chicago, Illinois 60631. Our telephone number is 773-399-8900. Our Common Shares are listed on the American Stock Exchange under the symbol "USM." Our 6% zero coupon convertible Liquid Yield Option Notes, or LYONs, are also listed on the American Stock Exchange under the symbol "USM.B." Our 8.75% Senior Notes due 2032 are listed on the New York Stock Exchange under the symbol "UZG." U.S. Cellular is a majority-owned subsidiary of Telephone and Data Systems, Inc. ("TDS"). TDS owns 82% of the combined total of our outstanding Common Shares and Series A Common Shares and controls 96% of the combined voting power of both classes of common stock.

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THE OFFERING

Issuer	United States Cellular Corporation
Securities Offered	$ of % Senior Notes due .
Maturity	The Notes will mature on .
Interest Rate	The Notes will bear interest from , 2004 at the rate of % per annum.
Interest Payment Dates	Interest will be payable quarterly on , , and of each year, beginning , 2004.
Optional Redemption	We may redeem the Notes, in whole or in part, at any time on and after , 2009 at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date. See "Description of Notes Optional Redemption".
Ranking	The Notes are unsecured and unsubordinated obligations and will rank on a parity with all of our existing and future unsecured and unsubordinated indebtedness. Nevertheless, in certain circumstances the Notes may become effectively subordinated to the claims of the holders of certain other senior indebtedness of U.S. Cellular, including certain credit facilities and approximately $250 million of our 7.25% notes that are currently outstanding. See "Description of the Notes Ranking" and "Description of Other Indebtedness." However, we intend to use the proceeds of the offering to redeem some or all of our 7.25% notes. In addition, because U.S. Cellular is a holding company which conducts substantially all of its operations through subsidiaries, the right of U.S. Cellular, and therefore the right of creditors of U.S. Cellular, including the holders of the Notes, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is subject to the prior claims of creditors of the subsidiary, except to the extent that claims of U.S. Cellular itself as a creditor of the subsidiary may be recognized.
Use of Proceeds	We expect to use the estimated $ million in net proceeds from this offering, after deducting the underwriting discounts and estimated offering expenses, to redeem senior indebtedness, which may include some or all of our 7.25% senior notes, to redeem subordinated indebtedness, which may include some or all of our 6% Liquid Yield Option Notes, to repay a portion of our short-term debt and for other corporate purposes, which may include acquisitions. See "Use of Proceeds."
Tax Consequences	See "Material Federal Income Tax Considerations" in the Prospectus Supplement for a discussion of the federal income tax consequences of the purchase, ownership and disposition of the Notes.

Selected Historical Financial Data

The balance sheet data as of December 31, 2002 and 2003 and statement of operations data for each of the years ended December 31, 2001, 2002 and 2003 are derived from the audited historical financial statements and related notes, which are incorporated by reference herein. Our independent public accountant for years prior to 2002, Arthur Andersen LLP, has not consented to the incorporation by reference of its reports on our financial statements in this Prospectus Supplement. In addition, Arthur Andersen has not performed any procedures in connection with this Prospectus Supplement or the registration statement of which this Prospectus Supplement is a part. See "Risk Factors Purchasers of the Notes may be unable to obtain recoveries from Arthur Andersen with respect to its audits of our financial statements," and "Experts" and "Change in Accountants" in the Prospectus. The balance sheet data as of December 31, 2001 are derived from audited historical financial statements and related notes, which are not included or incorporated by reference herein. The statement of operations and balance sheet data as of March 31, 2003 and 2004 and for the three months then ended are derived from the historical unaudited financial statements and related notes, which are incorporated by reference herein, and which, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods. The results of operations for the three months ended March 31, 2004 are not necessarily indicative of the results to be expected for the full year.

	Year Ended December 31,			Three Months Ended March 31,	
	2001	2002 (As Restated) (1)	2003 (As Restated) (1)	2003 (As Restated) (1)	2004
	(Dollars in thousands, except customer data and ratios)				
Statement of Operations Data(2)(3):					
Service revenue	$ 1,826,385	$ 2,098,893	$ 2,423,789	$ 564,601	$ 619,382
Equipment sales revenue(3)	68,445	98,693	158,994	39,173	38,268
Operating income (loss)	317,212	281,166	118,983	(4,324)	28,282
Interest expense	35,164	47,878	64,607	15,454	20,315
Income (loss) before income taxes and minority interest	331,337	(12,388)	106,150	(10,639)	23,005
Income (loss) before cumulative effect of accounting changes	173,876&				