

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 25, 1998

CELLULAR TECHNICAL SERVICES COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-19437

11-2962080

(Commission File Number)

(IRS Employer Identification No.)

2401 Fourth Avenue, Seattle, Washington

98121

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (206) 443-6400

Not Applicable

(Former name or former address, if changed since last report)

This Current Report on Form 8-K is filed by Cellular Technical Services Company, Inc., a Delaware corporation (the "Company") in connection with the matters described herein.

Item 5. Other Events

On March 3, 1998, the Company issued a press release (the "Press Release") reporting that the Company and U.S. Wireless Corporation announced the signing of a Letter of Intent (dated February 25, 1998) calling for the combining of the two companies.

A copy of the Press Release is attached to this report as Exhibit 99.01

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial statements of business acquired:

Not applicable.

(b) Pro forma financial information:

Not applicable.

(c) Exhibits:

99.01: Press Release dated March 3, 1998.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CELLULAR TECHNICAL SERVICES
COMPANY, INC.

Date: March __, 1998

By: /s/ Michael E. McConnell

Michael E. McConnell
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.01	Press Release dated March 3, 1998.

NEWS RELEASE

CTS

U.S. WIRELESS CORPORATION

CELLULAR TECHNICAL SERVICES COMPANY, INC.

COMPANY CONTACT:

David S. Klarman
Vice President and General Counsel
Tel: (510) 327-6202
david@uswcorp.com

COMPANY CONTACT:

Joseph D. Pititto
Director, Investor Relations
Tel: (516) 887-0727

MEDIA CONTACT:

Jeyran Ghara
Southard Communications Inc.
Tel: 212-777-2220
Jeyran@southardine.com

U.S. Wireless Corporation and Cellular Technical Services Company
Announce Letter Of Intent To Combine Companies

San Ramon, CA, March 3, 1998 -- U.S. Wireless Corporation (NASDAQ Symbol: USWC) and Cellular Technical Services Company, Inc. (NASDAQ Symbol: CTSC) today announced the signing of a letter of intent calling for the combining of the two companies. The letter of intent provides U.S. Wireless with the option to acquire or merge with CTSC. Under either option, upon completion of the transaction the shareholders of CTSC and USWC will each own 50 percent of the shares of the resulting company. The board of directors of the resulting company will be controlled by the stockholders of USWC. The companies have commenced a 45-day due diligence and final agreement negotiation process. In connection with the merger, the letter of intent calls for the companies to seek approximately \$15 million in new financing.

Dr. Oliver Hilsenrath, President and CEO of U.S. Wireless, said "We have today an opportunity to build a market leader in the area of value added cellular applications and services. We believe the effectiveness of RadioCamera in both metropolitan and heavily built suburban environments is a major competitive advantage over other proposed solutions to wireless caller location. Combining the strength of the RadioCamera with the widely deployed CTSC Blackbird fraud interdiction system in 40 markets throughout the nation will give us an efficient nationwide rollout platform from which to offer a solution to wireless carriers for meeting the FCC Emergency 9-1-1 phase II mandate."

Stephen Katz, CTSC Chairman and CEO said, "Our combined companies will be able to provide value-added products and service to carriers deploying both analog and digital networks, including domestic and international cellular and PCS providers. We believe the CTSC investment in deploying the Blackbird fraud interdiction network in thousands of base stations throughout the United States will help springboard the joint team into a position of leadership in the promising future of mobile wireless information services."

-- more --

U.S. Wireless and CTS Sign Letter-of-Intent, pg. 2:

Founded in 1996, U.S. Wireless Corporation is a developer and manufacturer of wireless infrastructure for emergency 911 and other applications. RadioCamera(TM) technology is designed to interface with wireless telecommunications carriers' existing base stations, adding functionality and services while providing the location of cellular callers.

CTSC provides technologically advanced solutions for the wireless industry to rapidly and cost-effectively grow their businesses. The company's

Blackbird (R) Platform fraud prevention product line is shutting down millions of fraudulent calls each week in more than 40 of the largest markets across the United States, including: Los Angeles, San Francisco, Chicago, Detroit, Boston, Atlanta, Milwaukee, Philadelphia, Baltimore, Washington D.C., San Diego.

Special Note Regarding Forward-Looking Statements: A number of statements contained in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the applicable statements. A description of these risks and uncertainties can be found in the U.S. Wireless Corporation and Cellular Technical Services Company, Inc. filings with the Securities and Exchange Commission.

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