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December 15, 1998

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Ms. Regina Keeney
 Chief, International Bureau
 Federal Communications Commission
 2000 M Street, NW
 Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
 OFFICE OF THE SECRETARY

Re: IB Docket No. 98-172
Request for Clarification

Dear Ms. Keeney:

I am writing on behalf of OpTel, Inc. ("OpTel"), which, through its subsidiaries, operates private cable/telecommunications systems and franchised cable systems in several major U.S. cities.

As you know, on September 18, 1998, the International Bureau released an NPRM in which it proposed changes to the "18 GHz" band plan. See In the Matter of Redesignation of the 17.7-19.7 GHz Frequency Band, IB Docket No. 98-172 (rel. Sept. 18, 1998) (the "NPRM"). Among other things, the Commission has asked whether terrestrial users should be reduced from co-primary to secondary status in the 18.3-18.55 GHz band. In addition, however, "to protect the existing investment in terrestrial fixed service operations" in the 18 GHz band, the Commission has proposed grandfathering any terrestrial operations that have been licensed, or for which applications are pending, as of September 18, 1998.

OpTel currently receives microwave transmission services from Transmission Holdings, Inc. ("THI"), which holds licenses for over 600 18 GHz microwave paths nationwide. OpTel has an option to purchase 100% of the issued and outstanding equity of THI and has filed for and received FCC consent to transfer of control of THI to OpTel.

OpTel herein requests clarification that, if it were to consummate the proposed transfer of control, the 600-plus existing paths licensed to THI would not lose their grandfathered status under the rules proposed in the NPRM.

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The proposed transfer of control would not "expand or change" the operational characteristics of the systems in question "in any manner that might increase interference to satellite earth stations." NPRM ¶ 40. However, because OpTel's networks are predicated on the continuing availability of these paths, it cannot proceed with the proposed transfer of control without assurance from the FCC that THI's systems will not lose their grandfathered status merely because the ownership of the licensee will have changed as a result of the transaction.

Accordingly, OpTel requests clarification that, under the rules proposed in the NPRM, a transfer of control of a "grandfathered" station will not change the grandfathered status of that station.

Respectfully submitted,



W. Kenneth Ferree
Attorney for OpTel, Inc.

cc: Magalie R. Salas — Secretary
Peter Pappas — IB
Rick Engelman — IB
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