

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Implementation of the Local)
Competition Provisions in the)
Telecommunications Act of 1996)

CC Docket No. 96-98

REPLY COMMENTS OF OPTEL, INC.

OpTel, Inc. ("OpTel"), submits these reply comments in response to the notice of proposed rulemaking ("NPRM") in the above-referenced proceeding. OpTel, through its affiliates and subsidiaries, operates private telephone networks in several U.S cities.

In the NPRM, the Commission seeks comment on a wide variety of issues related to the evolution of the telecommunications market from a "natural monopoly" paradigm, in which a few monopolistic market participants are tightly regulated at the local, state, and federal level, to a competitive market paradigm based on open entry policies, full price and service competition, and minimal regulation. As a new entrant into the telecommunications market, OpTel is offering to consumers superior products and services at competitive prices. OpTel is, therefore, vitally interested in the Commission's efforts to devise a new regulatory paradigm for telecommunications services.

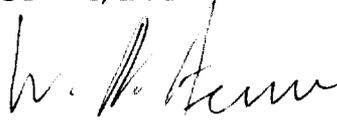
OpTel is a member of the Independent Cable & Telecommunications Association ("ICTA"). As set forth in the comments filed by ICTA, OpTel urges the Commission to promote the development of a fully competitive market for local telecommunications services. Most importantly, OpTel urges the Commission to establish national guidelines for what constitutes just, reasonable and nondiscriminatory pricing for interconnection, collocation and unbundled network elements. Specifically, OpTel supports those parties that have called rates based on a forward-looking cost methodology, such as the total service long range incremental cost ("TSLRIC") methodology. Further, all interconnection pricing must be truly nondiscriminatory. Subject to cost-based

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deviations only, all carriers should pay the same rate when they purchase the same facility or service from the same ILEC.

Respectfully submitted,
OPTEL, INC.



/s/ W. Kenneth Ferree

W. Kenneth Ferree

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April 17, 1996