

1,149,000 Shares

VTEL CORPORATION
Common Stock
\$.01 par value

This first prospectus supplement supplements and amends the prospectus dated May 4, 1999, relating to 1,149,000 shares of our common stock, that may be offered and sold from time to time by certain of our stockholders.

Our common stock is traded on the Nasdaq National Market under the symbol "VTEL." On July 19, 1999, the closing price for our common stock on the Nasdaq National Market was \$5.19.

We will receive none of the proceeds from the sale of the common stock offered by the selling stockholders. We will pay for expenses of preparing and filing the registration statement, the prospectus, this first prospectus supplement and all other prospectus supplements. The selling stockholders will pay all selling and other expenses that they incur.

The prospectus, together with this first prospectus supplement, constitutes the prospectus required to be delivered by Section 5(b) of the Securities Act with respect to offers and sales of the shares of common stock. All references in the prospectus to "this prospectus" are hereby amended to read "this prospectus (as supplemented and amended)".

YOU SHOULD READ THE PROSPECTUS AND THIS PROSPECTUS SUPPLEMENT CAREFULLY BEFORE YOU INVEST, INCLUDING THE RISK FACTORS WHICH BEGIN ON PAGE 2 OF THE PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus Supplement is July 22, 1999.

The prospectus is hereby amended to modify the table located in the section of the prospectus entitled "Plan of Distribution; Selling Stockholder" to delete the reference to Vosaic Company, LLC and, in lieu thereof, add the following information:

The table below sets forth information as of July 22, 1999 concerning beneficial ownership of the shares of the selling stockholders therein listed. All information concerning beneficial ownership has been furnished by the selling stockholders.

Selling Stockholder	Number of Shares of Common Stock Beneficially Owned Prior to Offering	Number of Shares of Common Stock Offered	Common Stock Beneficially Owned After Offering(1)	
			Number	Percent
Vosaic Company, LLC(2)	397,769	397,769	--	--
Stuart Johnstone	143,469	143,469	--	--
Charles G. Colby, Jr.	147,082	147,082	--	--
Pacific Advisors, Inc.	34,607	34,607	--	--
Roy Campbell	41,174	41,174	--	--
See-Mong Tan	25,083	25,083	--	--
Zhigang Chen	27,842	27,842	--	--
Dong Xie	2,204	2,204	--	--
Miguel Valdez	2,015	2,015	--	--
Dave Raila	1,694	1,694	--	--
Fabio Kon	435	435	--	--
Matt Younkle	320	320	--	--
Chuck Thompson	93	93	--	--
Erik Simon	252	252	--	--
Doug Jones	64	64	--	--
Willy Liao	64	64	--	--
Martin Bargon	28	28	--	--
Tim Offenstein	28	28	--	--
Kent Johnson	1,225	1,225	--	--
Irwin Smith	1,225	1,225	--	--
Dan Grigsby	7,500	7,500	--	--
Digital Video Communications, Inc.	314,827	314,827	--	--

<FN>

(1) Assumes that all shares of common stock offered hereby by the selling stockholders are actually sold. Such presentation is based on 24,264,537 shares of common stock outstanding as of March 9, 1999.

(2) The address of Vosaic is 2320 Grand Canal Venice, California 90291.

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The selling stockholders have not, nor within the past three years have the selling stockholders had, any position, office or other material relationship with us or any of our predecessors or affiliates, except that See Mong-Tan, Zhigang Chen, Miguel Valdez and Jim Wong have become employees of VTEL.

The shares of common stock beneficially owned by the selling stockholders, together with the underlying registration rights, were acquired in a private transaction from Vosaic. Additional selling stockholders or other information concerning the above listed selling stockholders may be set forth from time to time in additional prospectus supplements.