SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934 (Amendment No. 12)

GRAY COMMUNICATIONS SYSTEMS, INC.
(Name of Issuer)

Class B Common Stock No Par Value
(Title of Class of Securities)

389190208
(CUSIP Number)

James E. McKee, Gabelli Funds, Inc.,
One Corporate Center, Rye, NY 10580-1434 (914) 921-5294
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

January 14, 1998
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule
13G to report the acquisition which is the subject of this
Schedule 13D, and is filing this Schedule because of Rule
13d-1(b)(3) or (4), check the following box:

/___/

CUSIP No. 002535201 13D

(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
Gabelli Funds, Inc. I.D. No. 13-3056041

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a) /___/
(b) /___/

(3) SEC USE ONLY

(4) SOURCE OF FUNDS*
OO: Funds of investment company clients

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
/___/

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
New York

: (7) SOLE VOTING POWER
: 340,000 (Item 5)

: (8) SHARED VOTING POWER
: None (Item 5)

: (9) SOLE DISPOSITIVE
POWER
: 340,000 (Item 5)

NUMBER OF SHARES BENEFICIALLY
OWNED BY EACH REPORTING
PERSON WITH


(10) SHARED DISPOSITIVE POWER
: None (Item 5)

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
340,000 (Item 5)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES*
/ x /

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
10.17%

(14) TYPE OF REPORTING PERSON*
HC, IA, CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!
CUSIP No. 002535201

(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
GAMCO Investors, Inc. I.D. No. 13-2951242

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
   (a) /___/
   (b) /___/

(3) SEC USE ONLY

(4) SOURCE OF FUNDS*
   00: Funds of investment advisory clients

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
    REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) / x /

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
   New York

   : (7) SOLE VOTING POWER
      : 353,500 (Item 5)

   : (8) SHARED VOTING POWER
      : None

   : (9) SOLE DISPOSITIVE
      : POWER
      : 375,500 (Item 5)

   : (10) SHARED DISPOSITIVE
      : POWER
      : None

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
      375,500 (Item 5)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11
     EXCLUDES CERTAIN SHARES* /___/

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
     11.23%

(14) TYPE OF REPORTING PERSON*
     IA, CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!
CUSIP No. 002535201 13D

(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
Gabelli International Limited I.D. No. Foreign Corporation

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
   (a) /___/
   (b) /___/

(3) SEC USE ONLY

(4) SOURCE OF FUNDS*
WC

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  /___/

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
   British Virgin Islands

: (7) SOLE VOTING POWER
   : 22,000 (Item 5)

: (8) SHARED VOTING POWER
   : None (Item 5)

: (9) SOLE DISPOSITIVE
   : POWER
   : 22,000 (Item 5)

: (10) SHARED DISPOSITIVE
   : POWER
   : None (Item 5)

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
   22,000 (Item 5)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11
   EXCLUDES CERTAIN SHARES*  /___/

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
   0.66%

(14) TYPE OF REPORTING PERSON*
   CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!
CUSIP No. 002535201

(1) NAMES OF REPORTING PERSONS
   I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
   Mario J. Gabelli

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
   (a) /___/
   (b) /___/

(3) SEC USE ONLY

(4) SOURCE OF FUNDS*
   None

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
    REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) / /

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
    USA

: (7) SOLE VOTING POWER
  : None (Item 5)

: (8) SHARED VOTING POWER
  : None

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING
PERSON WITH

: (9) SOLE DISPOSITIVE POWER
  : None (Item 5)

: (10) SHARED DISPOSITIVE POWER
  : None

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
    None (Item 5)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11
    EXCLUDES CERTAIN SHARES* / x /

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
    0.00%

(14) TYPE OF REPORTING PERSON*
    IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!
Item 1. Security and Issuer

This Amendment No. 12 to Schedule 13D on the Class B Common Stock of Gray Communications Systems, Inc. (the "Issuer") is being filed on behalf of the undersigned to amend the Schedule 13D, as amended (the "Schedule 13D") which was originally filed on September 26, 1996. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meaning as set forth in the Schedule 13D.

Item 2. Identity and Background

This statement is being filed by Mario J. Gabelli ("Mr. Gabelli") and various entities which he directly or indirectly controls or for which he acts as chief investment officer. These entities, except for Lynch Corporation ("Lynch"), Spinnaker Industries, Incorporated ("Spinnaker"), Western New Mexico Telephone Company ("Western New Mexico"), Entoleter, Inc. ("Entoleter"), Lynch Telecommunications Corporation ("Lynch Telecom"), Lynch Telephone Company ("Lynch Telephone") and Inter-Community Telephone Company ("Inter-Community") (collectively, "Lynch and its affiliates"), engage in various aspects of the securities business, primarily as investment adviser to various institutional and individual clients, including registered investment companies and pension plans, as broker/dealer and as general partner of various private investment partnerships. Certain of these entities may also make investments for their own accounts.

The foregoing persons in the aggregate often own beneficially more than 5% of a class of equity securities of a particular issuer. Although several of the foregoing persons are treated as institutional investors for purposes of reporting their beneficial ownership on the short-form Schedule 13G, the holdings of those who do not qualify as institutional investors may exceed the 1% threshold presented for filing on Schedule 13G or implementation of their investment philosophy may from time to time require action which could be viewed as not completely passive. In order to avoid any question as to whether their beneficial ownership is being reported on the proper form and in order to provide greater investment flexibility and administrative uniformity, these persons have decided to file their beneficial ownership reports on the more detailed Schedule 13D form rather than on the short-form Schedule 13G and thereby to provide more expansive disclosure than may be necessary.

(a), (b) and (c) - This statement is being filed by one or more of the following persons: Gabelli Funds, Inc. ("GFI"), GAMCO Investors, Inc. ("GAMCO"), Gabelli Securities, Inc. ("GSI"), Gabelli & Company, Inc. ("Gabelli & Company"), Gabelli Performance Partnership L.P. ("GPP"), GLI, Inc. ("GLI"), Gabelli Associates Fund ("Gabelli Associates"), Gabelli Associates Limited ("GAL"), Gabelli & Company, Inc. Profit Sharing Plan (the "Plan"), Gabelli International Limited ("GIL"), Gabelli International II Limited ("GIL II"), Gabelli International Gold Fund Limited ("GIGFL"), ALCE Partners, L.P. ("ALCE"), Gabelli Multimedia Partners, L.P. ("Multimedia Partners"), Gemini Capital Management Ltd. ("Gemini"), Gabelli Foundation, Inc. ("Foundation"), Mr. Gabelli, Lynch, Spinnaker, Western New Mexico, Entoleter, Lynch Telecom, Lynch Telephone and Inter-Community. Those of the foregoing persons signing this Schedule 13D are hereafter referred to as the "Reporting Persons".

GAMCO, a wholly-owned subsidiary of GFI, is an investment adviser registered under the Investment Advisers Act of 1940, as amended ("Advisers Act"). GAMCO is an investment manager providing discretionary managed account services in the equity area for employee benefit plans, private investors, endowments and foundations.

Gabelli & Company, a wholly-owned subsidiary of GSI, is a broker-dealer registered under the Securities Exchange Act of 1934, as amended ("1934 Act"), which as a part of its business regularly purchases and sells securities for its own account.

GLI, a wholly-owned subsidiary of GSI, is the trustee for the Gabelli-Rosenthal & Partners, L.P. Liquidating Trust.

Gabelli Associates is a New York limited partnership whose primary business purpose is risk arbitrage investments. GSI and Mr. Gabelli are the general partners of Gabelli Associates.

GAL is a corporation whose primary business purpose is risk arbitrage investments. Shares of GAL's Common Stock will be offered to persons who are neither citizens nor residents of the United States and may be offered to a limited number of U.S. investors. GSI is the investment manager of GAL.

GSI, a majority-owned subsidiary of GFI, is a Delaware corporation which as a part of its business regularly purchases and
sells securities for its own account. It is the immediate parent of Gabelli & Company.


The Plan, a qualified employee profit sharing plan, covers substantially all employees of GFI and its affiliates.

GPP, a New York limited partnership, is a limited partnership whose primary business purpose is investing in securities. Mr. Gabelli is the general partner and chief investment officer of GPP.

GIL is a corporation whose primary business purpose is investing in a portfolio of equity securities and securities convertible into, or exchangeable for, equity securities in order to achieve its investment objective of significant long-term growth of capital. Shares of GIL's common stock are offered to persons who are neither citizens nor residents of the United States and may be offered to a limited number of U.S. investors. The investments of GIL are managed by Mr. Gabelli who is also a director and Chairman of the Board of Directors of GIL.

GIL II is a corporation whose business purpose is investing primarily in a portfolio of equity securities and securities convertible into, or exchangeable for, equity securities in order to achieve its investment objective of significant long-term growth of capital. Shares of GIL II's common stock are offered to persons who are neither citizens nor residents of the United States and may be offered to a limited number of U.S. investors. The investments of GIL II are managed by Mr. Gabelli who is also a director and Chairman of the Board of Directors of GIL II.

ALCE is a Delaware investment limited partnership that seeks long-term capital appreciation primarily through investments in public and private equity securities. GSI is a general partner of ALCE.

Multimedia Partners is a Delaware investment limited partnership whose objective is to provide long-term capital appreciation by investing primarily in public and private multimedia communications companies. GSI is a general partner of Multimedia Partners.

Gemini is a corporation whose primary business purpose is to provide advisory services to offshore funds. The Foundation is a private foundation. Mr. Gabelli is the President, a Trustee and the Investment Manager of the Foundation.

Lynch, an Indiana corporation, is a diversified public company traded on the American Stock Exchange. Its subsidiaries are engaged in communications, services, and manufactured products. Spinnaker, a Delaware subsidiary of Lynch, is also a public company and its stock is traded through the NASDAQ System. Spinnaker is a diversified manufacturing firm with major subsidiaries in specialty adhesive-backed materials business. Another of Lynch's subsidiaries, Western New Mexico, provides telephone services in a service area in Southwestern New Mexico. Inter-Community, which is also a subsidiary of Lynch, provides local telephone services in an area 48 miles northwest of Fargo, North Dakota. Lynch and Spinnaker actively pursue new business ventures and acquisitions. Lynch and its affiliates make investments in marketable securities to preserve capital and maintain liquidity for financing their business activities and acquisitions (not in the case of Western New Mexico) and are not engaged in the business of investing, reinvesting, or trading in securities. Mr. Gabelli is Chairman of Lynch and owns beneficially 23.52% of the shares of common stock of Lynch.

Mr. Gabelli is the majority stockholder and Chairman of the Board of Directors and Chief Executive Officer of GFI and the Chief Investment Officer for each of the Reporting Persons other than Gemini. GFI, in turn, is the sole stockholder of GAMCO. GFI is also the majority stockholder of GSI. Gabelli & Company is a wholly-owned subsidiary of GSI. GLI is a wholly-owned subsidiary of GSI. Mr. Marc J. Gabelli is the majority stockholder of Gemini.
The Reporting Persons do not admit that they constitute a group.

GFI, GAMCO, Gabelli & Company and GLI are New York corporations and GSI is a Delaware corporation, each having its principal business office at One Corporate Center, Rye, New York 10580-1434. GPP is a Delaware limited partnership having its principal business office at 8 Sound Shore Drive, Greenwich, Connecticut 06830. Gabelli Associates is a New York limited partnership having its principal business office at One Corporate Center, Rye, New York 10580-1434. GAL and GIL are corporations organized under the laws of the British Virgin Islands having their principal business office at c/o MeesPierson (Cayman) Limited, British American Centre, Dr. Roy's Drive-Phase 3, George Town, Grand Cayman, British West Indies. GIL II is a corporation organized under the laws of the British Virgin Islands having their principal business office at c/o Coutts & Company (Cayman) Limited, West Bay Road, Grand Cayman, British West Indies. Gemini is a Bermuda corporation with its principal business office at c/o Appleby, Spurling & Kempe, Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda. The Foundation is a private foundation having its principal offices at 165 West Liberty Street, Reno, Nevada 89501.

Lynch is an Indiana corporation having its principal business office at 8 Sound Shore Drive, Greenwich, CT 06830. Spinnaker is a Delaware corporation having its principal business office at 251 Welton Street, Hamden, CT 06511.

For information required by instruction C to Schedule 13D with respect to the executive officers and directors of the foregoing entities and other related persons (collectively, "Covered Persons"), reference is made to Schedule I annexed hereto and incorporated herein by reference.

(d) and (e) - On December 8, 1994, the SEC instituted and simultaneously accepted offers for the settlement of an administrative proceeding against Gabelli & Company and GAMCO. The order instituting the proceeding included a finding, which Gabelli & Company and GAMCO neither admitted nor denied, that they failed to implement and maintain policies and procedures reasonably designed to prevent the misuse of material, nonpublic information by not specifically addressing the special circumstances that arose from their affiliation with Lynch Corporation, a public company. To resolve this matter, Gabelli & Company and GAMCO agreed to cease and desist from violating Section 15(f) of the 1934 Act and Section 204A of the Advisers Act, respectively. They further agreed to each pay a civil penalty in the amount of $50,000, and to retain, and adopt the recommendations of, an independent consultant regarding their Section 15(f) and Section 204A policies and procedures.

(f) - Reference is made to Schedule I hereto.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 to Schedule 13D is amended, in pertinent part, as follows:

All Reporting Persons used an aggregate of approximately $946,849 to purchase the additional Securities reported as beneficially owned in Item 5 below. GAMCO and GFI used approximately $196,675 and $750,174, respectively, of funds that were provided through the accounts of certain of their investment advisory clients (and, in the case of some of such accounts at GAMCO, may be through borrowings from client margin accounts) in order to purchase the additional Securities for such clients.

Item 5. Interest In Securities Of The Issuer

Item 5 to Schedule 13D is amended, in pertinent part, as follows:

(a) The aggregate number and percentage of Securities to which this Schedule 13D relates is 737,500 shares, representing 22.04% of the 3,345,970 shares outstanding as reported in the Issuer's most recently filed Form 10-Q for the quarter ended September 30, 1997. The Reporting Persons beneficially own those Securities as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares of Class B Common</th>
<th>% of Class B Common</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFI: As Principal</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>As Agent</td>
<td>340,000</td>
<td>10.17%</td>
</tr>
<tr>
<td>GAMCO: As Principal</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>As Agent</td>
<td>375,500</td>
<td>11.23%</td>
</tr>
</tbody>
</table>
(b) Each of the Reporting Persons and Covered Persons has the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of the Securities reported for it, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, except that GAMCO Investors, Inc. does not have the authority to vote 22,000 of the reported shares, and except that GFI has sole dispositive and voting power with respect to the 340,000 shares of the Issuer held by the Funds, so long as the aggregate voting interest of all joint filers does not exceed 25% of their total voting interest in the Issuer and in that event, the Proxy Voting Committee of each of the Funds shall respectively vote that Fund's shares, and except that, at any time, the Proxy Voting Committee of each such Fund may take and exercise in its sole discretion the entire voting power with respect to the shares held by such Fund under special circumstances such as regulatory considerations, and except that the power of Mr. Gabelli and GFI is indirect with respect to Securities beneficially owned directly by other Reporting Persons.

Information with respect to all transactions in the Securities which were effected during the past sixty days or since the most recent filing on Schedule 13D, whichever is less, each of the Reporting Persons and Covered Persons is set forth on Schedule II annexed hereto and incorporated herein by reference.
After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 9, 1997

MARIO J. GABELLI

By:_____________________________
   James E. McKee
   Attorney-in-Fact

GABELLI FUNDS, INC.

By:_____________________________
   James E. McKee
   General Counsel

GAMCO INVESTORS, INC.

By:_____________________________
   Douglas R. Jamieson
   Executive Vice President

GABELLI INTERNATIONAL LIMITED

By:_____________________________
   Mario J. Gabelli, Chairman
   and Investment Manager
   by: James E. McKee
   Attorney-in-Fact
Schedule I

Information with Respect to Executive Officers and Directors of the Undersigned

Schedule I to Schedule 13D is amended, in pertinent part, as follows:

The following sets forth as to each of the executive officers and directors of the undersigned: his name; his business address; and his present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted. Unless otherwise specified, the principal employer of each such individual is Gabelli Funds, Inc., Gabelli & Company, Inc., or GAMCO Investors, Inc., the business address of each of which is One Corporate Center, Rye, New York 10580, and each such individual identified below is a citizen of the United States. To the knowledge of the undersigned, during the last five years, no such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), and no such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities law or finding any violation with respect to such laws except as reported in Item 2(d) of this Schedule 13D.
Gabelli Funds, Inc.

Directors:

Mario J. Gabelli*

Richard B. Black  
Chairman of Raster Image Processing Systems; Chairman ECRM; Director of Archetype and Oak Technology; Director of The Morgan Group, Inc.; General Partner of KBA Partners, Parker Plaza 400 Kelby Street, Fort Lee, NJ 07029

Charles C. Baum  
Chairman, Director and Chief Executive Officer of The Morgan Group, Inc.; Secretary & Treasurer United Holdings 2545 Wilkens Avenue Baltimore, MD 21223

Dr. Eamon M. Kelly  
President Tulane University 218 Gibson Hall 6823 St. Charles Avenue New Orleans, LA 70118

Marc J. Gabelli  
Vice President

Officers:

Mario J. Gabelli  
Chairman, Chief Executive Officer and Chief Investment Officer

Stephen G. Bondi  
Executive Vice President, Chief Financial and Administrative Officer

James E. McKee  
Vice President, General Counsel and Secretary

* Mr. Gabelli is the Chairman, Chief Executive Officer and Chief Investment Officer of Gabelli Funds, Inc. and of GAMCO Investors, Inc.; Director/Trustee of all registered investment companies advised by Gabelli Funds, Inc.; Chairman and Chief Executive Officer of Lynch Corporation.
GAMCO Investors, Inc.

Directors:

Mario J. Gabelli
Douglas R. Jamieson
Joseph R. Rindler, Jr.
Regina M. Pitaro
F. William Scholz, II

Officers:

Mario J. Gabelli Chief Executive Officer
and Chief Investment Officer

Joseph R. Rindler, Jr. Chairman

Douglas R. Jamieson Executive Vice President

Stephen G. Bondi Vice President

James E. McKee Vice President, General Counsel
and Secretary

Gabelli Securities, Inc.

Directors:

Robert W. Blake President of W.R. Blake
& Sons, Inc.
196-20 Northern Boulevard
Flushing, NY 11358

Douglas G. DeVivo General Partner of ALCE
Partners, L.P.
One First Street, Suite 16
Los Altos, CA 94022

Ronald L. Gallatin Consultant
Gabelli Securities, Inc.
One Corporate Center
Rye, NY 10580

Francine Sommer Chief Executive Officer of
Gabelli & Company, Inc.
Multimedia Partners, L.P.
One Corporate Center
Rye, NY 10580

Joseph R. Rindler, Jr. See above

Officers:

Gary P. Watson Executive Vice President,
Chief Financial and Admin-
istrative Officer

Stephen G. Bondi Vice President

James E. McKee Secretary

Gabelli & Company, Inc.

Directors:

James G. Webster, III Chairman

Stephen G. Bondi See above
Donald C. Jenkins  
Director of Research

Officers:

James G. Webster, III  
Chairman

Stephen G. Bondi  
Vice President

Bruce N. Alpert  
Vice President-Mutual Funds

Walter K. Walsh  
Compliance Officer

James E. McKee  
Secretary

GLI, Inc.

Directors:

Mario J. Gabelli  
See above-Gabelli Funds, Inc.

Officers:

Mario J. Gabelli  
Chairman and Chief Investment Officer

Stephen G. Bondi  
Vice President

Gabelli Associates Limited

Directors:

Mario J. Gabelli  
See above-Gabelli Funds, Inc.

MeesPierson (Cayman) Limited  
British American Centre  
Dr. Roy's Drive-Phase 3  
Georgetown, Grand Cayman  
Cayman Islands, British West Indies

Officers:

Mario J. Gabelli  
Chief Investment Officer

Kevin Bromley  
Vice President, Treasurer and Assistant Secretary

Sandra Wight  
Secretary and Assistant Treasurer

Gabelli International Limited

Directors:

Mario J. Gabelli  
See above-Gabelli Funds, Inc.

MeesPierson (Cayman) Limited  
British American Centre  
Dr. Roy's Drive-Phase 3  
Georgetown, Grand Cayman  
Cayman Islands, British West Indies

Officers:

Kevin Bromley  
Vice President, Treasurer, and Assistant Secretary

MeesPierson (Cayman) Limited  
British American Centre  
Dr. Roy's Drive-Phase 3
Gemini Capital Management Ltd.

Directors:

Marc J. Gabelli See above-Gabelli Funds, Inc.
Stephen G. Bondi See Above-Gabelli Funds, Inc.
Michael A. Salatto Controller
Michael J. Burns Appleby, Spurling & Kempe
   Cedar House
   41 Cedar Avenue
   Hamilton, HM12
   Bermuda

Douglas Molyneux Appleby, Spurling & Kempe
   Cedar House
   41 Cedar Avenue
   Hamilton, HM12
   Bermuda

Lynch Corporation
8 Sound Shore Drive
Greenwich, CT 06830

Directors:

Paul J. Evason President
   Florida Light & Power Co.
   P.O Box 14000
   700 Universe Blvd.
   Juno Beach, Fl 33408

Mario J. Gabelli See above-Gabelli Funds, Inc.

E. Val Cerutti Business Consultant
   Cerutti Consultants
   227 McLain Street
   Mount Kisco, NY 10540

Ralph R. Papitto Chairman of the Board
   AFC Cable Systems, Inc.
   50 Kennedy Plaza
   Suite 1250
   Providence, RI 02903

Salvatore Muoio Principal
   S. Muoio & Co., LLC
   655 Third Avenue
   New York, NY 10017

John C. Ferrara Business Consultant
   110 Edward Place
   Stamford, CT 06905

Officers:
James Fleming
230 Saugatuck Avenue, Unit 8
Westport, CT 06880

Officers:
Robert P. Wentzel                 President
Mark R. Matteson                  Vice President
Robert Hladick                   Controller & Secretary

Western New Mexico Telephone Company
314 Yankee Street
Silver City, NM 88062

Directors:
Jack C. Keen                      Chairman and President
Dr. Brian E. Gordon               Vice President
Mary Beth Baxter                  Secretary & Treasurer

John Clay Keen
Route 6
Box 270
Greenville, TX 75401

Robert E. Dolan                   See above-Lynch Corporation
Robert A. Hurwich                 See above-Lynch Corporation
Carmine Ceraolo                   See above-Lynch Corporation
Mary J. Carroll                   See above-Lynch Corporation
Eugene P. Connell                 See above-Lynch Corporation

Officers:
Jack C. Keen                      Chairman and President
Jack L. Bentley                   Executive Vice President
Dr. Brian E. Gordon               Vice President
Charles M. Baxter                 Sr. Vice President-Operations
Mary Beth Baxter                  Secretary & Treasurer
Robert A. Hurwich                 Assistant Treasurer

Inter-Community Telephone Company
P.O. Box A
Nome, ND 58062

Directors:
Mary J. Carroll                   See above-Lynch Corporation
Robert E. Dolan                   See above-Lynch Corporation
Joseph H. Epel                    See above-Lynch Corporation
Robert A. Hurwich                 See above-Lynch Corporation
Eugene P. Connell                 See above-Lynch Corporation
Harry B. Snyder                   P.O. Box 131
                                   Buffalo, ND 58011
Robert Snyder                    200 Broadway South
                                   Buffalo, ND 58011
Keith S. Anderson                 See above-Inter-Community Telephone Company
Robert Reff
See above-Inter-Community Telephone Company

Officers:
Leone A. Nilsen        President
Robert Snyder         President
Robert Reff           Vice President
Keith S. Anderson     Secretary
Harry B. Snyder       Treasurer
Joseph H. Epel        Assistant Treasurer
Robert A. Hurwich    Assistant Secretary

Lynch Telecommunications Corporation
8 Sound Shore Drive
Greenwich, CT  06830

Directors:
Richard A. Kiesling        2801 International Lane
                           Suite 207
                           Madison, WI  53740
Robert E. Dolan        See above-Lynch Corporation
Robert A. Snyder       See above-Inter-Community Telephone Company
Eugene P. Connell      See above-Lynch Corporation

Officers:
Robert A. Hurwich      Secretary
Joseph H. Epel         Treasurer and Assistant Secretary
Robert E. Dolan       President, Controller, Assistant Treasurer, and Assistant Secretary

Lynch Telephone Corporation
8 Sound Shore Drive
Greenwich, CT  06830

Directors:
Robert E. Dolan        Controller
Jack W. Keen           President
Robert A. Hurwich     See above-Lynch Corporation
Eugene P. Connell      See above-Lynch Corporation

Officers:
Jack C. Keen           Chairman
Jack W. Keen           President
Robert A. Hurwich     Secretary
Mary Beth Baxter      Treasurer and Assistant Secretary
Robert E. Dolan       Controller
SCHEDULE II
INFORMATION WITH RESPECT TO
TRANSACTIONS EFFECTED DURING THE PAST SIXTY DAYS OR
SINCE THE MOST RECENT FILING ON SCHEDULE 13D (1)

<table>
<thead>
<tr>
<th>DATE</th>
<th>SHARES PURCHASED</th>
<th>AVERAGE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SOLD(-)</td>
<td></td>
</tr>
</tbody>
</table>

COMMON STOCK-GRAY COMM SYS CLA B

GABELLI INTERNATIONAL LTD
- 12/31/97 1,600- 25.6563
- 12/11/97 1,000- 25.0000

GABELLI FUNDS, INC.
- THE GABELLI VALUE FUND, INC.
  - 12/26/97 3,000 25.1083
  - 12/23/97 7,000 24.9964
  - 12/17/97 7,500 25.0357
  - 12/15/97 2,500 24.7000

- THE GABELLI SMALL CAP GROWTH FUND
  - 12/17/97 10,000 25.0357

GAMCO INVESTORS, INC.
- 12/31/97 2,000 25.4875
- 12/17/97 1,000 25.7500
- 12/16/97 3,000 25.2750
- 1/14/98 3,000 24.8750
- 1/13/98 2,000 24.8750
- 1/06/98 1,000 25.5000
- 1/05/98 2,000 25.5000
- 12/12/97 1,600 24.2500
- 12/10/97 8,000- 24.2188

(1) UNLESS OTHERWISE INDICATED, ALL TRANSACTIONS WERE EFFECTED ON THE NY STOCK EXCHANGE.

(2) PRICE EXCLUDES COMMISSION.

(*) RESULTS IN CHANGE OF DISPOSITIVE POWER AND BENEFICIAL OWNERSHIP.