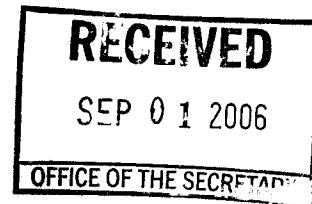




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August 31, 2006

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 Fifth Street, NE
Washington, DC 20549-1090

Re: File No. S7-06-03 – **Comments and Feedback on Internal Control over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies**

NOTE: This letter is submitted for the sole purpose of exercising the right of Calix Networks, Inc. (Calix), as a private corporate citizen, to comment on the matters of public interest addressed below. Neither current, nor potential, Calix shareholders, nor any other individuals or entities, should interpret or rely upon this letter as any indication of Calix's intent to make, or to refrain from making, any public offering of its shares at any time in the future.

Dear Secretary Morris:

We respectfully submit our comments and feedback on the proposed extension of compliance dates, as a private company that started its internal control evaluation several years ago in an effort to improve those controls, and to keep open its option to make an initial public offering at some time in the future. We have been actively staying abreast of the latest releases issued by both the Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board (PCAOB) and are pleased to see the focus and attention being paid to continuously improve the compliance process and address public concerns and those of both public and private companies.

We support the overall objective of the Sarbanes Oxley Act (SOA) to protect investors and improve the accuracy and reliability of financial reports filed with the SEC. We also support the proposed extension of compliance dates because we believe it is consistent with and relevant to the overall objective of SOA, as aptly described in your following statement starting on page 17 of the release:

“For many companies, preparation of the first annual report on Form 10-K, 10-KSB, 20-F or 40-F is a comprehensive process involving the audit of financial statements, compilation of information that is responsive to many new public disclosure requirements and review of the report by the company's executive officers, board of directors and legal counsel. Requiring a newly public company and its auditor to also complete the management report and auditor attestation report on the effectiveness of the company's

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internal control over financial reporting within the same timeframe might impose undue burdens on this process.”

We believe it is this very burden that could cause unnecessary risk and cost to completing and filing a company’s initial 10-Qs and 10-K, to the detriment of public interest, if it jeopardizes the number of companies entering the market or the quality of their initial financial reporting.

To further our feedback, we provide comment on each of the questions propounded by the SEC regarding the proposed transition period as follows:

- **Question:** Do the timing requirements for initial compliance with the internal control reporting requirements make it overly burdensome or costly to undertake an initial public offering or public listing in the U.S.?

Yes. There are three significant sources of effort and cost which private companies would likely experience upon deciding to enter the public market. They are the time, effort, and costs associated with hiring additional qualified permanent staff, increasing the external audit firm’s involvement, and procuring outside help to complete the initial filing and SOA certification.

We believe these are comparatively more challenging activities for the newly public company than those of larger or more established companies. Staff in private and newly public companies often wear many hats and must juggle numerous initiatives simultaneously. Private and newly public companies are often key-person dependent. It would be difficult for many companies going public to perform all the necessary tasks without exhausting existing staff or hiring significant numbers of additional staff.

Deferring SOA compliance to the second year would help companies to stretch these efforts and costs over a longer period of time and to thoughtfully build its internal capabilities, while conserving and growing vital capital resources.

- **Question:** Do they otherwise discourage companies from undertaking initial public offerings or seeking public listings in the U.S.?

Yes. While we are not privy to the thought processes of other companies and are unsure as to whether it has discouraged companies from listing, we suspect it has slowed companies from seeking public listing on the timetables they would have preferred.

- **Question:** Is the proposed relief appropriate and in the interest of investors?

Yes. As mentioned above, we believe investors stand to benefit when companies entering the market do not have to shoulder the significant risks and expenses of

having to complete their first round of filings and first SOA certifications in the same year.

- **Question:** Is some other type of relief appropriate?

No. We believe SOA is beneficial for all companies and the public's interest and that a relief in the timing of compliance is the most appropriate course.

- **Question:** Should newly public companies, or a subgroup of newly public companies, be given additional time after going public before they are required to include management and auditor attestation reports on internal control over financial reporting in their annual reports filed with the Commission?

Yes. We believe the investor community and the company would most benefit if newly public companies can first focus on its initial public filings and in building its internal capabilities before addressing SOA compliance.

- **Question:** If so, how much time?

As proposed, at the start of the second full year is appropriate.

- **Question:** Should we propose a transition period only for companies that become public in the third or fourth quarter of their fiscal year?

No. We believe a six to twelve month timeframe for companies going public in the first two quarters is not sufficient. Moreover, a rule which restricts the relief to those companies going public in the third and fourth quarters may unnecessarily influence companies to go public in those quarters only, which would unduly reduce investor access to new investment opportunities at other times.

- **Question:** As an alternative to the proposed transition period, should we require a newly public company to include management's assessment, but not the auditor attestation report on management's assessment in the first annual report that the company is required to file?

No. While this alternative would reduce the effort and cost associated with the external audit firm in the first year, it would not sufficiently alleviate the effort on the part of staff and the potential costs associated with having to augment staff if they are unable to attend to their regular duties -- including the initial public offering and SOA certification.

- **Question:** Would the proposed transition period allow newly public companies to complete their internal control reporting processes more efficiently and effectively?

Yes. By the start of the second year, newly public companies will have had a chance to further establish their infrastructure, processes, and cadence around the exchange act disclosure requirements enabling a more systematic, focused approach to building similar infrastructure for internal controls over financial reporting. Moreover, it will allow the people in finance departments responsible for the financial statements and SEC filings to be more involved with SOA related tasks, instilling a natural synergy with financial statement preparation and internal control.

- **Question:** Would it improve the quality of internal control reporting by newly public companies?

Yes. We believe it will mitigate the risk of inadvertent mistakes due to haste and that quality can only stand to improve if greater time and focus is afforded.

In summary, we wholly support the SEC's proposed transition period for newly public companies and hope that we are not the only voice in conveying this support.

We appreciate the opportunity to provide comment and feedback. If the staff would like to discuss any of the responses made in this letter, please feel to contact me at (707) 766-3039 or matt.wilkinson@calix.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt" followed by a stylized flourish that extends to the right.

Matthew E. Wilkinson
Corporate Controller
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