

August 10, 2006

VIA U.S. MAIL AND FAX

William White
Chief Financial Officer
California News Tech
825 Van Ness Avenue, Suite 406-407
San Francisco, CA 94109

Re: California News Tech
File No. 000-50762
Form 10-K for Fiscal Year Ended
December 31, 2005

Dear Mr. White:

We have reviewed your response letter dated May 16, 2006 and have the following additional comment. If you disagree with our comment, we will consider your explanation as to why our comment is not applicable. Please be as detailed as necessary in your explanation.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K for the year ended December 31, 2005

Note 2. Summary of Significant Accounting Policies

Product Development, Page F-7

1. We have considered your response to our prior comment one. We are still unclear how your current accounting policies complies with the provisions of paragraph 8 of SFAS 86 and paragraphs 34-38 of SOP 98-1. Specifically, SFAS 86 indicates that amortization should commence when the product is available for general release to customers, and SOP 98-1 indicates that amortization should commence when the software is ready for its intended use regardless of whether it has been placed in service. Additionally, it is unclear how your amortization methodology complies with that described in paragraphs 8-9 of SFAS 86 or

William White
California News Tech
August 10, 2006
Page 2

paragraphs 34-38 of SOP 98-1. Please explain to us how you have complied with this literature.

Please respond to the comment included in this letter within ten business days. Please file your response on EDGAR. If you have any questions, you may contact Robert Telewicz, Staff Accountant at (202) 551-3438, or the undersigned at (202)551-3414.

Sincerely,

Jorge L. Bonilla
Senior Staff Accountant