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December 18, 2018

Chair Germond and Commissioners Hatch, Hayward and Cardenas
Fair Political Practices Commission
1102 Q Street, Suite 3000
Sacramento, CA 95811

RE: Amendment to Regulation 18756

Dear Chair Germond and Commissioners Hatch, Hayward and Cardenas,

Thank you for the opportunity to provide written comments on the proposed amendment to Regulation 18756. As the leading provider of local agency Form 700 electronic filing systems in California, representing 114 SAN approved agencies, NetFile is committed to robust electronic filing and to partnering with the FPPC to ensure effective public access to the important financial interest information disclosed by local public officials. We appreciate the opportunity to comment and the time the Commission's staff has dedicated to discussing the matter with us to ensure the intent and impact of this regulatory change is clear.

NetFile supports the proposed regulatory change, which adds a data exchange requirement to the criteria for approval of a local agency's electronic filing system in new subdivision (c) of the regulation. More specifically, this new language requires a local agency's electronic filing system to independently transfer to the Commission's system any financial interest data input by the local filer into the local system. In other words, the local agency's system will automatically transmit the information contained in the local official's filed Form 700 to the Commission's system. This requirement is important for all local filers who are covered by Section 87200 and the local agencies who must transmit a copy of this data to the Commission's system.

All local agency electronic filing systems created and supported by NetFile already meet this data exchange requirement, which we recently re-confirmed with Commission staff. We support this regulatory amendment to ensure the same data exchange capability exists across all local agency electronic filing systems.

In addition to data entered by local filers to complete their Form 700s, local filing officers are required to enter information about their local filers in order to set them up to file assuming office, annual, and leaving office Form 700s. Under the current approach, which is new this year, local filing officers must enter *identical* filer information in both the local agency electronic filing system and the Commission's system to meet their legal obligations as filing officers and

to ensure the data exchange will work properly once the local officials file their Form 700s. We understand from Commission staff that this regulatory change does not impact the data entered by local filing officers in this capacity since those duties are covered by different provisions of the Act and Commission regulations. NetFile is committed to partnering to work on any necessary regulatory changes and technological solutions to make this process more efficient for local filing officers in the future since the current process is duplicative and prone to manual entry errors. On behalf of our clients, NetFile strongly supports automating this process as well and welcomes opportunities to continue discussing this next phase of improving public disclosure of Form 700 information with Commissioners and Commission staff as appropriate.

Again, we wish to thank Commission staff for their tireless work to improve public access to Form 700 data and bringing forward this regulatory change to ensure that all local agency electronic filing systems are capable of autonomously transferring data to the Commission's system. We support this next step towards improved public disclosure and look forward to working with the Commission on future steps as well.

Very truly yours,

A handwritten signature in cursive script, appearing to read "C. McFarland".

Chris McFarland, Chief Technology Officer
NetFile Inc.