



May 19, 2020

Dear Bureau Chiefs,

On March 4, 2020, I stated that the Department of Labor (Department or DOL) would give you, and the public at large, at least 14 calendar days' notice before implementing any policy changes related to pre-release media lock-ups. This notification was sent directly to you and posted on the Bureau of Labor Statistics (BLS) website to inform the public.

On March 20, 2020, I announced that, out of an abundance of caution and to protect the health and well-being of both Department staff and reporters due to the COVID-19 pandemic, the Department would suspend all pre-release media lock-ups until further notice. I further stated that this notification did not announce a permanent procedure or policy change regarding the use of media lock-ups. This notification was also sent directly to you and posted on the BLS website to inform the public.

Today I write to inform you that, effective June 3, 2020, the Department will permanently discontinue media lock-ups for all releases regardless of whether the current restrictions in place as a result of the COVID-19 pandemic remain necessary as of that date. BLS and DOL's Employment and Training Administration (ETA) will continue to make their data available to the general public immediately upon their 8:30AM Eastern Time release through the Web and other sources.

Discontinuation of the lock-up best ensures the equitable and timely dissemination of statistical information consistent with the Office of Management and Budget guidance. Continuing security, resource, and equity concerns – as discussed below – also outweigh any benefits of the press lockup process.

DOL's Inspector General has noted concerns with the press lock-up process, including in reports dated January 2, 2014 (17-14-001-03-315) and March 25, 2016 (17-16-001-01-001) and in every subsequent Semi-Annual OIG Report to Congress. DOL Inspector General Report 17-14-001-03-315 states that the lock-up "unintentionally creates an unfair competitive advantage for certain news organizations and their clients." Specifically:

Pre-release access of DOL-generated economic data is intended to serve the general public by ensuring that news reports about the data are accurate. To that end, the media are given access to the data in advance of the public release to facilitate their ability to analyze and ask questions about the data as they prepare their news stories. However, the intended purpose of ensuring accurate news reports must be weighed against the inequitable trading advantage that a lock-up can potentially create. Several news organizations that participate in the DOL press lock-up are able to profit from their presence in the lock-up by selling, to traders, high speed data feeds of economic data formatted for computerized algorithmic trading. Because these news organizations



have pre-release access, they are able to pre-load the data ... allowing their clients to get this information faster than the general public, which has to wait to download the data after it gets posted to the Department of Labor websites.

The aforementioned report further recommends that BLS and ETA "... implement a strategy designed to eliminate any competitive advantage that news organizations present in the lock-up and/or their clients may have; or, absent a viable solution, consider discontinuing the use of the press lock-up that provides news organizations pre-release access."

My previously-announced policy change to suspend the use of electronic devices in the lock-up room (see 85 Fed. Reg. 7333) was designed to retain the media's ability to publish accurate and informed stories shortly after the embargo was lifted. During the suspension of the media lock-up room for the ongoing COVID-19 pandemic, however, the media demonstrated their ability to produce informed and accurate articles within minutes of the electronic release to the BLS website despite not having early access to the data at all.

Furthermore, DOL invests significant personnel and financial resources to administer and staff the lock-up facility, ensure that data products are created and transported to the lock-up facility, and secure the lock-up facility. Discontinuing lock-ups, as opposed to merely eliminating use of electronic devices, will enable DOL to cease these expenditures while also eliminating entirely any possibility of a breach from the lock-up room. As explained in more detail below, the recent COVID-19 experience demonstrates that DOL can eliminate the overhead and risk of lock-up rooms altogether without degrading the quality or timeliness of media coverage.

Since January 16, 2020, the Department and I have been engaged with those of you who have reached out to us regarding media lock-up changes and how the Department could address the OIG report. We have exchanged correspondence and met in person to answer your questions and listen to your points of view. We also invited identification of options that would allow the lock-up to continue, while eliminating the unfair advantage and data security concerns resulting from early access to the embargoed data. This process has not resulted in identification of a solution that retains lock-ups while also providing equitable and timely access for all interested users and ensuring data security.

Given the success of recent direct DOL issuances through our websites (and other means), we have concluded that the Internet permits the public and interested users to independently obtain releases, and it is no longer necessary to employ an indirect release method to credentialed news media using an embargo and lock-up facility process.

In the time since the OIG recommendations were issued, BLS and ETA have devoted significant resources to introducing improved technologies to ensure data are posted and accessible on their websites immediately following the official release time. When the COVID-19 pandemic required the closure of the media lock-up in March of 2020, these improved technologies allowed BLS and ETA to disseminate the data immediately and widely



to the public without incident and without providing early access to lock-up participants. Specifically, the March and April Employment Situation reports, released on April 3 and May 8, 2020 respectively without a media lock-up, demonstrate that the BLS website can serve all interested users in the seconds after release time with little or no degradation in response time and a negligible error rate. The same holds true for the Unemployment Insurance Weekly Claims Reports issued since March 20, 2020. Stories in the press covering the March and April data were available to the public only slightly later – and, in at least one case, actually earlier – than they were on March 6, 2020, when a lock-up was held for the February 2020 data.

To address the security, resource, and equity concerns raised above, DOL will discontinue the use of the lock-up facility, effective June 3, 2020. This will allow all parties, including the media, commercial entities, and the public, simultaneous and timely access to our most important statistical data.

I appreciate your continued interest in the release of economic data. Should you have any questions, please contact Deputy Assistant Secretary for Public Affairs Michael Trupo at (202) 693-4676.

Sincerely,

WILLIAM W. BEACH *William Beach*

Commissioner