



JAN 16 2020

Dear Bureau Chiefs,

The Bureau of Labor Statistics (BLS) is the gold-standard of accurate, objective, relevant, timely, and accessible statistical data. BLS is charged with the security of key economic data and, as Commissioner, it is my obligation to do everything possible to protect the integrity of our data, as it is collected, analyzed, and distributed. Economic data series, including the Employment Situation, Consumer Price Index, and Producer Price Index, have significant commercial value and may affect the movement of commodity and financial markets upon release.

BLS, the Employment and Training Administration (ETA), and the Office of Inspector General (OIG) of the Department of Labor (DOL) have all raised concerns regarding the security of economic data stemming from news organizations' pre-release access known as "lock-ups."

The Office of Inspector General (OIG) report 17-14-001-03-315, dated July 14, 2014 (<http://www.oig.dol.gov/public/reports/oa/2014/17-14-001-03-315.pdf>), states that the lock-up "unintentionally creates an unfair competitive advantage for certain news organizations and their clients":

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 OIG memorandum 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.

Real-time information from government websites and releases is more accessible to the general public than ever before. However, unlike some media organizations with computer access in the current lock-up, the general public does not have up to 30 minutes before the official release time to digest the data or to take actions that may lag behind transmissions following the lock up.

Further, developments in high-speed algorithmic trading technology now give a notable competitive advantage to market participants who have even a few microseconds head start.

In light of the OIG recommendations, the following lock-up procedures will go into effect on March 1, 2020.

- Credentialed press will continue to be allowed into the lock-up rooms 30 minutes before release times, following existing security protocols.
- A new policy is lock-up rooms will be free from all electronic devices.
- BLS and/or ETA staff will be present in the lock-up rooms, will provide paper copies of releases and related material, and will add a new pen and pad briefing attributable to a BLS or ETA source.
- Lock-up procedures will continue with television media escorted and held at their camera stations until the reporting embargo is lifted.
- At release times, the reporting embargo will be lifted and media may exit the lock-up room to file stories as has been the case.
- At release times, BLS and ETA will continue to distribute official news releases through various dissemination methods, such as the DOL or BLS websites, Twitter feeds, and e-mail subscription lists.

These updated procedures will strengthen the security of our data and offer the general public equitable and timely access. I appreciate your continued interest in the release of economic data and should you have any questions, please contact DOL Office of Public Affairs Deputy Assistant Secretary Mike Trupo at (202) 693-4676.

Sincerely,



WILLIAM W. BEACH
Commissioner