Chairman Issa, Ranking Member Cummings, and members of the Committee,

Thank you for the opportunity to testify today. I am Lucy Dalglish, executive director of the Reporters Committee for Freedom of the Press. For more than 40 years, the Reporters Committee has provided free legal advice, resources, support and advocacy to protect the First Amendment and Freedom of Information rights of journalists working in areas where U.S. law applies, regardless of the medium in which their work appears.

I am happy to testify today on behalf of the Sunshine in Government Initiative, of which the Reporters Committee is a member. SGI is a coalition of media associations promoting greater transparency in government. Other members of SGI are the American Society of News Editors, The Associated Press, Association of Alternative Newsweeklies, National Newspaper Association, Newspaper Association of America, Online News Association, Radio-Television Digital News Association and Society of Professional Journalists.

Thank you, Mr. Chairman, for holding this hearing. We strongly object to the changes to the procedures for releasing economically significant information through “press lock-ups” that the U.S. Department of Labor announced less than two months ago. The Department’s approach as proposed in April makes the release of market-moving information less reliable, less secure, more prone to errors and inaccuracies, and less equitable as the information reaches the public. In a letter we sent to the Labor Department on May 8, 2012, we urged the Labor Department to suspend these changes, clarify the concerns it has with the current practice and work with us to address those concerns.
Since then, your attention to this issue has helped bring about productive discussions between media entities and the Labor Department. We are hopeful that the Labor Department can address any concerns or vulnerabilities in current lock-up procedures with dialogue with media groups, clear agreements, and narrowly tailored additions, as appropriate, to safeguards already in place. The focus of this testimony will be on identifying how the current process works, how the media have worked to ensure reliable and secure dissemination of market-moving information and the moment of release, and how the announced changes would undermine those efforts.

Let me clarify one thing at the outset: We do not wish for the Labor Department to maintain procedures that would advantage one media entity over another or to make it easier to break embargoes. In fact, we are concerned the announced procedures would both create winners and losers and undermine the security and reliability of the process. As a coalition broadly representing journalists, we encourage any “lock-up” procedures to foster simultaneous release at a pre-determined time and a strong embargo.

Let me briefly explain the strengths of the current procedures and risks we see in the Labor Department’s announced plan.

The current process helps assure accurate information reaches the public at the moment it becomes public.

The procedures currently in place help the Labor Department meet federal requirements to release economically significant data with as much information as possible to foster public understanding at the moment the information is released. On September 25, 1985, the Office of Management and Budget revised Statistical Policy Directive 3 ("Compilation, Release, and Evaluation of Principal Federal Economic Indicators"). That Directive was revised to

- ensure that the Federal data and estimates used to assess current economic conditions meet high standards of reliability and usefulness and that agencies release them to the public in a fair and orderly manner.  

In 2008, OMB further supplemented that directive with Statistical Policy Directive 4, which among other things required that federal agencies disseminating statistical information “must ensure that all users have equitable and timely access to data that are disseminated to the public.”

Under the practice that has been in place, journalists have an opportunity to enter a secure room and make preparations prior to the release of the economically significant data. As Statistical Policy Directive 4 notes,

the purpose of pre-release access is to foster improved public understanding of the data when they are first released and the accuracy of any initial commentary about the information contained in the product.

Upon entering the Labor Department’s designated room, the so-called “lock-up,” journalists relinquish smartphones and other personal effects, then sit down at workstations with previously installed equipment that they own to ensure the equipment is working properly. They then check with editors or colleagues to make last-minute preparations. To prevent early leaks, during this time journalists do not have the soon-to-be released figures.

Thirty minutes prior to the release of the data, those journalists in the lock-up are cut off from the outside world. The Labor Department flips its “kill switch” and networks are disconnected. At that point, the Labor Department distributes the new information, both on paper and electronically via a CD-ROM, to lock-up participants. Recipients may not disclose the information outside the room – and physically should not be able to – until the designated release time. Journalists, working from their own equipment, have at their disposal historical data and formulas that provide additional information and context at the moment the data is released to the public.

During this busy embargo period, these media entities may have several people in the lock-up working on the release: one working on a headline, another on graphs and tables putting the data in helpful context, and another writing the text of the article explaining what the information reveals about

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the economy and what its impact may be. There may even be a fourth reviewing and editing to catch mistakes and clarify wording.

Then, at the precise moment of public release, the Labor Department flips the “kill switch” once more and reconnects network access. At this point, the data and accompanying information that the journalists put together is sent via secure, dedicated transmission lines to media company servers, where it is further disseminated to a broad audience.

This process works well to help the public best understand the meaning of the numbers they are seeing at the moment it is announced. It is vital to the markets and to the public that this information be accurate at the time it is released and that the public have the broadest possible access to information to understand these indicators at the moment they are released.

To foster secure, reliable and accurate information at the moment of release, media entities have installed redundant, dedicated circuits and transmission lines, so that if a circuit fails, another carries the traffic to ensure the information flows. One media entity estimated it has spent millions of dollars to ensure this system works. Others likely have similar systems.

These redundant hardware systems and detailed procedures help ensure the information is locked up before the release time and flows to the public at that moment the Labor Department has designated. They help ensure reliable, secure, timely dissemination of market-moving information to a broad audience.

The Labor Department’s new approach is less reliable, less secure and more likely to foster inaccuracy and errors.

On April 10, 2012, the Labor Department announced that on or around June 15, media entities will have to rip out their equipment from the lock-up. In its place, journalists will have to share a single Internet line maintained by the government and use government computers installed with word processing, Internet browsing and basic file transfer protocol (FTP) software.

First, the Labor Department’s approach raises cybersecurity concerns. We are concerned these changes will make the release process vulnerable to cyberattacks and disrupt markets. An Internet hacker might target the release and change key numbers as it leaves the Labor Department. Or a denial-of-service attack against some participants could delay release to some or all. Journalists would likely restore their systems at different times. This could disrupt markets where decisions are made in
microseconds. Under current procedures, in contrast, the information travels through multiple dedicated lines to multiple outside servers, limiting the disruptive potential for hacking.

**Second, the Labor Department’s new approach would likely be less reliable than current practice.** Currently, at least one media organization participating in the lock-up has built redundant system hardware to ensure the information gets out at the moment the labor Department releases it. If a circuit fails, a second circuit already installed in the network re-routes data traffic. If a line fails between the lock-up and the media outlet’s central servers, duplicate, dedicated cabling in place carries the traffic. Duplicating these secure systems would be costly to taxpayers.

**Third, the Department’s new approach would make errors more likely.** As we understand it, under the new procedures journalists would log onto a government-owned server that stores the new figures about to be released. It is unclear whether the system would provide the same redundancy that the media entities have invested in.

At that time, the journalists would be preparing headlines, stories, and charts to provide context to the new information by typing in key information from paper notes or from memory. Without their own equipment, pre-loaded spreadsheets and custom software to digest the data, journalists would type this information relying on memory or handwritten notes. This dramatically increases the chance of “fat finger” errors finding their way to the public. No correction after wrong data is released can prevent errors from affecting markets that measure time in microseconds.

No one begrudges the federal government for moving quickly if need be to address an immediate security concern, but the Labor Department should first explain its concerns and consider the perspective of journalists and the public before making such dramatic, permanent procedural changes. The media takes government interference with its work product very seriously. So does the Constitution. In fact, the First Amendment obligates the government to allow journalists to operate independently from government control. Requiring journalists to draft and publish stories using government-owned computers loaded with government-controlled software simply crosses a line the First Amendment clearly drew to separate the press from the government.
Conclusion

The current procedures for releasing key market-moving statistical data includes safeguards to help ensure a secure, reliable and accurate means for broadly disseminating information to the public at the moment that key economic data is released. The Labor Department should specifically identify any vulnerabilities or concerns it may have about the procedures and work with lock-up participants to build additional safeguards as appropriate.

We remain concerned the Labor Department’s announced changes will result in the dissemination to the public of market-moving information in a less secure, less reliable and less accurate manner.

We have urged the Labor Department to suspend these changes until they can assure any changes are at least as good as current practice and give lock-up participants adequate lead time to adjust without threatening the accuracy, reliability, or security of the releases. We are committed to working with the Labor Department to find a resolution that serves the public interest.

We appreciate the oversight this Committee has provided to help engage all parties in productive discussions in recent days, and look forward to working with you to ensure the integrity of the process going forward.

Thank you again, Mr. Chairman, for the opportunity to testify today and I’d be happy to take your questions.
May 8, 2012

The Honorable Hilda Solis  
US Department of Labor  
200 Constitution Avenue, NW  
Washington, DC  20210

Dear Secretary Solis:

As a coalition of media organizations promoting the free flow of information, we write to express our serious concerns regarding the new “U.S. Department of Labor Press Lock-ups Policy Statement and News Organization Agreement” that was issued on April 10, 2012. The new policy threatens to undermine the accurate, complete and timely dissemination of independently produced news. We urge the Labor Department (DOL) to reconsider and delay implementing this new policy, better explain the problem the Department is attempting to address, and engage affected parties and the public before implementing any changes to current practice.

Specifically, we would like to meet with Department representatives to better understand the Department’s concerns with current practice, discuss our concerns with the Department’s new approach, and explore reasonable alternatives that avoid unnecessarily infringing on journalists’ ability to independently report timely, accurate information to the public.

Formed in 2005, the Sunshine in Government Initiative is a coalition of media groups committed to promoting policies that ensure the government is accessible, accountable and open. Members include the American Society of News Editors, The Associated Press, Association of Alternative Newsweeklies, National Newspaper Association, Newspaper Association of America, Online News Association, Radio-Television Digital News Association, Reporters Committee for Freedom of the Press and Society of Professional Journalists.

For many years, media organizations have supported procedures to facilitate simultaneous release of sensitive government data that affect markets, and pre-embargo access is essential for media to disseminate information in a timely, accurate and independent manner. The public has benefited enormously from the process the Department currently uses. The practice used to this point ensures the simultaneous release of information while also providing time that enables reporters to place the new data in meaningful context. Distribution occurs through redundant, dedicated lines, assuring security and the timely release of information. This combination of simultaneous release, data placed in accurate context, and security is why other agencies
of the U.S. Government which manage the release of market moving news use processes very similar to those currently used by DOL.

Under DOL’s new policy, however, participants would be required to remove their software, hardware, and dedicated lines from the DOL by June 15, 2012. Reporters would be required to use only government owned software and hardware. The use of modern news-producing software would be prohibited. All transmission would be via the internet, not via secure, redundant line. The DOL would own and operate the data lines, internet access and internet connections. As the government grows more concerned about cybersecurity, the proposed policy would create a single point of failure.

This new policy also would have the practical impact of inhibiting the quality, accuracy and independence of news reporting. Unpublished newsgathering information is privileged and protected from compelled disclosure under the First Amendment. Requiring news organizations to draft news articles on government-owned and government-operated computers would give the government unfettered access to unpublished draft news stories and will necessarily inhibit journalists from producing thorough, timely and accurate reporting based on market-moving information.

While the Department has alluded to alleged security breaches, the Labor Department has yet to explain its specific concerns this new policy proposes to address. The parties directly affected and the public cannot evaluate whether any change in procedure, including the new approach the Department announced, is appropriate to address the underlying problem.

We are committed to working with you to better understand any concerns about the current practice and explore reasonable, mutually acceptable solutions, and we would welcome a dialogue to better understand this problem and explore less drastic alternatives. Most immediately, we urge you to delay this policy change and meet with interested media representatives to discuss our concerns.

We thank you for your consideration and I look forward to hearing from you soon.

Sincerely,

Rick Blum, Coordinator
Sunshine in Government Initiative

Cc
- Senator Michael Enzi
- Senator Chuck Grassley
- Senator Tom Harkin
- Senator Kay Bailey Hutchison
- Senator Patrick Leahy
- Senator Jay Rockefeller
- Congressman John Conyers
- Congressman John Kline
- Congressman George Miller
- Congressman Lamar Smith
- Congressman Fred Upton
- Congressman Henry Waxman
Committee on Oversight and Government Reform
Required by House Rule XI, Clause 2(g)(5)

Name: Lucy A. DaGlish

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2009. Include the source and amount of each grant or contract.

None

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

I am executive director of the Reporters Committee for Freedom of the Press, a non-profit association of reporters and editors. RCFP is a member of the Sunshine in Government Initiative, a coalition of news media non-profits working toward greater transparency in the federal government. I am testifying on behalf of SGI.

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2009, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

None

I certify that the above information is true and correct

Signature: Lucy A. DaGlish

Date: 6-3-12
CURRICULUM VITAE

Lucy A. Dalglish

EDUCATION:

Special emphasis in First Amendment and communications law.

Selected as one of five fellows based on accomplishments as a journalist. Fellows participated in numerous informal discussions and seminars with prominent journalists, lawyers and U.S. Supreme Court justices.

UNIVERSITY OF NORTH DAKOTA: Bachelor of Arts, 1980. (Magna Cum Laude)
Journalism major in the newspaper editorial sequence. Named Outstanding Journalism Graduate.

LEGAL EXPERIENCE:

Executive Director of non-profit organization with an annual budget of approximately $1.1 million. Responsible for 15-member staff of lawyers and journalists who work to defend the First Amendment rights and freedom of information interests of the media and the public. Reports to a 30-member steering committee comprised of prominent American journalists.

-- Responsible for adapting Reporters Committee programs to rapidly shifting financial, legal, educational and digital environments.

-- Responsible for recruiting and managing legal staff members who answer more than 2,000 hotline calls, write or participate in more than 25 amicus curiae briefs and submit comments or written testimony on proposed legislation or court rules each year across the nation.

-- Responsible for managing legal fellowship and internship program, providing training and guidance for dozens of young lawyers now working as media lawyers at major media companies, law firms specializing in media law and government agencies.

-- Responsible for managing journalism internship program, providing newswriting experience for scores of young journalists now working in newsrooms across America.

-- Responsible for all financial, intellectual property, insurance and human resources activities.

-- Responds to dozens of requests for information and media interviews each month.

-- Responsible for all fund raising, grant management and marketing, raising the Reporters Committee’s endowment to more than $5 million over 10 years.

-- Publisher of The News Media and the Law quarterly magazine, Media Law Update electronic newsletter, the Reporters Committee website and numerous special publications providing guidance for journalists on a variety of media law topics, including libel, privacy, prior restraints, open meetings and records, copyright and reporters privilege. Author of a quarterly column on media law topics.
-- Manages a national network of volunteer attorneys who provide legal services to reporters who seek assistance from the Reporters Committee.

-- Frequently appears as an expert on media law issues on network television and in other media. Primary areas of expertise include defamation, secret courts, prior restraints on publication, freedom of information laws, newsgathering law (digital and otherwise) and reporter’s privilege issues.

-- Frequently teaches courses at educational seminars for journalists and lawyers on media law and government access topics.

-- Responsible for working with counsel in law firms nationwide in litigation where the Reporters Committee is either a party or an amicus curiae.

-- Responsible for working with in-house counsel at media companies and other associations nationwide in litigation where the Reporters Committee is either a party or an amicus curiae.

-- Was co-founder and provides day-to-day management of the Sunshine in Government Initiative, a coalition of media organizations that educates and advocates for the media on open government issues. Members include the Associated Press, the National Association of Broadcasters, the Newspaper Association of America, the American Society of News Editors, the Radio Television Digital News Association, the National Newspaper Association, the Society of Professional Journalists and the Association of Alternative Newsweeklies.

-- Frequently meets with and testifies before state and federal lawmakers on legislation related to open meetings and records, shield laws, Anti-SLAPP laws, libel tourism and court access.

-- In March 2011, was the only media representative to attend the first-ever Oval Office meeting with a sitting U.S. President regarding government transparency, whistleblower protections and reporters privilege issues.

-- Frequently meets with federal agency leaders, including a June 2011 dialogue at the Aspen Institute between foreign correspondents, national security reporters, media leaders and representatives from intelligence agencies to discuss methods of protecting national security in a post-WikiLeaks world.

DORSEY & WHITNEY LLP (Minneapolis, MN)

-- In addition to general commercial litigation, litigated media law cases on behalf of ABC, Inc., and Gannett-owned KARE-11 television.

-- Prosecuted gross misdemeanors while on loan to Minneapolis City Attorney's Office.

-- Second-chaired civil trial in U.S. District Court, in which the client successfully brought cross-claim on behalf of defendant and obtained $18.3 million verdict in a breach of contract case.

-- Wrote brief for successful Minnesota Tax Court appeal to the Minnesota Supreme Court.

-- Argued numerous motions in state and federal court.

BAR ADMISSIONS: Admitted to the Bar of the U.S. Supreme Court as well as the State of Minnesota;
the District of Columbia; federal Districts of Minnesota and the District of Columbia.
Admitted to practice in the U.S. Circuit Court of Appeals for the District of Columbia and the 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 11th U.S. Circuit Courts of Appeals.

JOURNALISM EXPERIENCE:

THE TENNESSEAN (Nashville, TN) 1994:
Editorial Writer. Served on editorial board, and wrote editorials and op-ed columns while in law school at Vanderbilt University.

ST. PAUL PIONEER PRESS (St. Paul, MN) 1980-93:
Numerous reporting and editing positions, including:

Assistant News Editor, 1992-93. Developed, researched, wrote and edited a weekly primer page based on breaking news. Developed a syndicated daily question and answer feature. Edited daily on-line NewsFax.


City Editor, AM cycle, 1989-90. Supervised reporters and edited copy.


Education, Legislative, Suburban and General Assignment reporter, 1980-87. Received several state reporting awards. Covered innumerable court hearings, school board, city council and zoning board meetings, legislative hearings, accidents, murders, mayhem and natural disasters.

FREEDOM FORUM FIRST AMENDMENT CENTER (Nashville, Tenn.):
Research Assistant, 1993-95. Worked part-time for the Executive Director while attending law school.

GRAND FORKS HERALD (Grand Forks, ND) 1978-80:
Summer intern (1978); teen page editor and part-time reporter.

THE DAKOTA STUDENT (University of North Dakota) 1979.
Managing Editor.

TEACHING EXPERIENCE:

Including, but not limited to:

CURRENT WORKSHOPS: In collaboration with the Investigative News Network, initiated a series of
free regional workshops for digital, non-profit professional and student journalists. Topics taught included libel, access to court proceedings and records, reporter’s privilege and search warrant issues and prior restraints on publication. The workshops were held at Boston University, CUNY Graduate School of Journalism, Florida International University and Rocky Mountain Public Television. The workshops will continue in Spring 2012 in the Midwest and on the West Coast.

Serves on faculty for the annual Communications Law continuing legal education seminar.

AMERICAN BAR ASSOCIATION, 2005-current.
Serves on faculty for annual continuing legal education conference sponsored by the Forum on Communications Law.

Serves as a panelist for media/bench/bar conferences and as faculty for the Center’s courses for trial court judges preparing to preside over high-profile criminal cases. *Note – Management of the center has been transferred from the National Judicial College based at the University of Nevada-Reno to the Reynolds School of Journalism at the University of Nevada-Reno.

HAMLINE UNIVERSITY, St. Paul, MN.: 1991-92:
Taught introduction to reporting at Hamline University as adjunct faculty member.

HONORS:

NATIONAL PRESS FOUNDATION. 2012.
Winner of W.M. Kiplinger Award for distinguished contributions to journalism.

WASHINGTONIAN MAGAZINE. 2010 and 2011.
Named one of the Washington D.C. area’s Top Lawyers in the First Amendment Law category.

NATIONAL FREEDOM OF INFORMATION ACT HALL OF FAME. 1996.
One of 24 journalists, lawyers, Congress members, historians and educators inducted into the inaugural class of the hall of fame in honor of the 30th Anniversary of the enactment of the federal Freedom of Information Act.

WELLS MEMORIAL KEY. 1995.
Received the highest honor bestowed by the Society of Professional Journalists for service to the Society and the journalism profession.

SCALES OF JUSTICE AWARD. 1999.
Honored by Dorsey & Whitney LLP for pro bono work on behalf of a Wisconsin high school student who had been prohibited by her public school from looking at “non-Christian” Internet web sites.

AMERICAN LIBRARY ASSOCIATION. 1999.
Named to the ALA’s “Roll of Honor” for legal work on behalf of Minnesota librarians on censorship and other First Amendment issues.

PROFESSIONAL ACTIVITIES:
AMERICAN BAR ASSOCIATION:
  Member, Board of Governors. 2009-2012. ABA Forum on Communications Law.
  Professional member. 1995-current.

NATIONAL FREEDOM OF INFORMATION COALITION:
  President. 2011-current. University of Missouri-based NFOIC supports state open government coalitions and sponsors educational seminars and publications for state FOI groups.
  Member, Board of Directors. 1998-current.

SUNSHINE IN GOVERNMENT INITIATIVE:
  Supervisor. 2005-current. Co-founder of coalition of journalism-based non-profit organizations tasked with monitoring and influencing federal information policy. The coalition was created in the aftermath of 9/11, when the Executive branch and Congress closed access to many federal records and meetings. The coalition is based at and managed by the Reporters Committee with funding from the Associated Press.

VIRGINIA COALITION FOR OPEN GOVERNMENT:
  Board of Directors member. 2000-current. Organization promotes citizen involvement with open government in the state of Virginia.

NATIONAL CENTER FOR COURTS AND THE MEDIA (Reno, NV.):
  Board of Advisers member. 2000-2011. Provides advice on various issues for the center, located on the campus of the University of Nevada. Frequently teaches judges techniques for handling high-profile trials at the affiliated National Judicial College.

OPENTHEGOVERNMENT.ORG
  Co-founder/Steering Committee member. 2002-current. Worked with other non-profit open government advocates to found broad-based coalition in the aftermath of 9/11.

SOCIETY OF PROFESSIONAL JOURNALISTS:
  Chairwoman. 1992-95. National Freedom of Information Committee. Supervised national FOI activities, wrote Quill Magazine monthly column, edited annual FOI report, lobbied Congress and the White House, testified before Congressional and Presidential committees, delivered speeches around the country. SPJ is the nation's oldest and largest journalism organization.
  Member, Executive Committee. 1991-92. One of five national board members responsible for SPJ operations.
  Member, National Board of Directors. 1988-92. Region 6 (Minnesota, North Dakota, South Dakota and Wisconsin).
  President, Campus Chapter. 1979. University of North Dakota.

SIGMA DELTA CHI FOUNDATION:
  Member, Board of Directors. 1990-91.

MINNESOTA STATE BAR ASSOCIATION:
Bar-Media Committee member, 1992-93. One of several journalist members of the committee, which monitors issues of interest to the journalism and legal communities.

Bar-Media Committee member. 1995-1999. One of the Bar Association representatives to the committee. (Chairwoman 1997-2000.)

Judicial Selection Committee member. 1999-2000. One of eight bar association members charged with conducting a plebiscite for statewide judicial races and making recommendations for improving the judicial selection process in Minnesota.


MINNESOTA ASSOCIATED PRESS ASSOCIATION:


OTHER VOLUNTEER ACTIVITIES:

MORTAR BOARD (National Collegiate Honor Society):

Section 13 Coordinator (Minnesota, Wisconsin and the Dakotas), 1985-90. Supervised campus chapters and helped them develop community service projects.

President, University of North Dakota Chapter, 1979-80.

TESTIMONY

TESTIMONY OF BEHALF OF THE REPORTERS COMMITTEE FOR FREEDOM OF THE PRESS:

February 2010: Testified before Massachusetts Joint Judiciary Committee in favor of state reporter shield law.

May 2007: Testified before Texas House Judiciary Committee in favor of state reporter shield law.

March 2007: Testified before Texas Senate Judiciary Committee in favor of state reporter shield law.

May 2006: Testified before Massachusetts Joint Judiciary Committee in favor of state reporter shield law.

March 2004: Testified before the Minnesota judicial task force on electronic access to court records.

September 2003: Testified before Utah commission on access to electronic court records.


December 2002: Testified before the Maryland Court of Appeals in support of electronic court records access rules.

March 2001: Testified before a subcommittee of the U. S. Judicial Conference regarding proposed policies limiting electronic access to federal court material.


PUBLICATIONS by Lucy A. Dalglish:

Available upon request