

Testimony of Rob Doherty
General Manager, United States, Reuters
Before The
House Committee on Oversight and Government Reform
on
“Addressing Concerns about the Integrity of the U.S. Department of Labor’s Jobs Reporting”
June 6, 2012

Mr. Chairman, Ranking Member Cummings, members of the Committee: Thank you for inviting me to testify before the committee on the new policies and procedures the Labor Department is planning for its press lock-ups to release economic data.

My name is Rob Doherty, and I am general manager in the United States for Reuters, the news division of Thomson Reuters.

Reuters is the largest international news agency in the world. We have more than 2,900 full-time journalists in 200 bureaus around the world reporting in 20 languages. Globally, our audience includes more than 1,700 text media and 600 TV clients, over 35 million visitors to Reuters websites each month and more than 400,000 financial professionals who subscribe to Thomson Reuters desktop products. In the United States, Reuters reaches millions each month in print, online or via video.

On April 10, the Labor Department notified our Washington bureau chief about major changes planned for the operation of its lockups, a highly controlled and secure environment where credentialed reporters are allowed to preview embargoed economic data for a fixed-period of time, usually 30 minutes, before disseminating the data and stories about the data to the public.

Chief among the changes announced by the Labor Department was that news organizations would no longer be able to use their own computers, software and communications lines to file information from the lock-ups. Instead, news organizations would be required to use standard configuration computers and telephone equipment – including hardware, software, cabling and

wiring – supplied by the Department, and be required to transmit their stories over the Internet instead of over private communications lines. The changes would be effective on July 6, when the June unemployment report is released.

We were taken aback by the planned changes, which were dramatic, announced without advance notice and with no real explanation of the rationale – and without any prior consultation with the affected news organizations.

I want to be clear on two points. First, we believe lockups are extremely useful in promoting accurate and authoritative dissemination of sensitive data because they provide journalists time to better understand the information before sending it to the public.

Second, we fully acknowledge the responsibility of the Department of Labor to implement lock-up rules to guard against the premature release of information. It is in everyone's interest that the Department do so.

Thomson Reuters takes embargoes seriously and we have always intended to comply with the Department's lock-up procedures. But our company, after a hardware re-configuration, did inadvertently uncover a defect in the Department's equipment that resulted in two unintentional early releases of data from our machines in the Labor lockup in late 2008. We brought the problem to the attention of the Department as soon as we were aware of it, a fix was implemented, and there have been no issues in the three and a half years since.

Indeed, we believe the lock-up procedures now in place have been effective in preventing early release of Labor Department data. But, despite that apparent success, the Department plan announced in April would require us to use government equipment to do our work as a matter of routine – something we, as an independent news organization, fundamentally oppose.

Additionally, the changes announced by the Department in April would represent a major step backward technologically for news organizations and for the dissemination of critical data through recognized news channels. That would imperil the ability of news organizations to provide such data to the public in a reliable, accurate and timely way and lead to confusion in the public and in the financial markets that rely on the Department's data. To gauge the importance of that data to the public in general and the markets in particular, one needs to look no further than last Friday's unemployment report.

Years of development work have gone into automating our software to ensure it works with our proprietary editorial system and redundant private communications lines to speed the delivery of crucially important information to our millions of readers and subscribers across the globe. Our software allows our journalists to efficiently and accurately incorporate new material from Department news releases, as well as provide historical data that puts the new

information in context. All of this would be lost if lock-up participants must use a Department-provided standard configuration computer and a Department-provided Internet service provider. And it would be lost without any assurance that the new procedures would materially decrease the probability of premature leaks of data.

Because of these concerns, we joined three other news organizations – Bloomberg, the Associated Press and Dow Jones – in requesting a meeting with the administration to better understand their concerns and to see if we could find a way that the Department could meet its responsibility to prevent early release of its data without the dramatic changes it was planning.

We have now held a series of constructive meetings with Labor Department officials and staff. Those meetings have left us optimistic that we will be able to agree on procedures and policies that while not perfect – and not the status quo we would prefer – would, in our view, represent a workable compromise for all parties and allow news organizations to disseminate information from the Labor lock-up quickly, reliably and accurately. We are hoping we can complete an agreement in time for the July 6 deadline set by Labor. If not, we will be asking the Department for a short delay to allow any agreed changes to be implemented in the least disruptive way possible.

Thank you again for your invitation to address the committee and for your continued interest in this issue. I would be happy to answer your questions.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)(5)

Name:

ROBERT DOHERTY

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 TESTIFYING ON BEHALF OF REUTERS NEWS,
THE NEWS DIVISION OF THOMSON REUTERS.

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:

R. P. Doherty

Date:

6/5/12

Robert Doherty CV

Professional Experience

June 2011-Present: General Manager, United States, Reuters News. Washington

November 2008-May 2011: Vice President. The Hatcher Group. Bethesda, Md.

June 1987-October 2008: Reuters, positions included Washington News Editor (1993-1995); News Editor Middle East (1996-98); Deputy News Editor, Europe Middle East and Africa (1999-2000); Washington Bureau Chief (2000-08)

October 1982-May 1987: United Press International, positions included reporter, Pittsburgh bureau (1982-83); Baltimore Bureau Chief (1984); Congressional correspondent (1985-87).

June 1979-August 1981: McGraw-Hill, reporter and editor. Washington.

Education

University of Maryland, BS, Journalism (1979)

Columbia University, MS, Journalism (1982)

Affiliations

National Press Club, member

University of Maryland Philip Merrill College of Journalism Board of Visitors,
Member

Personal

Born in Wilmington, Delaware

Resides Potomac, Maryland; Married, three children