

Testimony of Google Inc.
Before the
Subcommittee on Asia and the Pacific, and the
Subcommittee on Africa, Global Human Rights, and International Operations
Committee on International Relations
United States House of Representatives
February 15, 2006

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My name is Elliot Schrage and I am the vice president for global communications and public affairs at Google. My role is to help shape and explain the decisions Google makes as a company in its efforts to provide global access to information as quickly, conveniently, usefully, and comprehensively as possible.

I'm here today to answer any and all questions you might have about how we are attempting to do business in China. I certainly don't – my colleagues certainly don't – expect everyone to agree with our decision to launch a new service inside this challenging, complex, promising market. I hope my testimony will help explain how we came to our decision, what we're seeking to accomplish, and how we're seeking to accomplish it.

Introduction

At the outset, I want to acknowledge what I hope is obvious: Figuring out how to deal with China has been a difficult exercise for Google. The requirements of doing business in China include self-censorship – something that runs counter to Google's most basic values and commitments as a company. Despite that, we made a decision to launch a new product for China – Google.cn – that respects the content restrictions imposed by Chinese laws and regulations. Understandably, many are puzzled or upset by our decision. But our decision was based on a judgment that Google.cn will make a meaningful – though imperfect – contribution to the overall expansion of access to information in China.

Until a few weeks ago, Google has been serving Chinese Internet users the same way we serve all Internet users worldwide since the company was founded in 1999. Though we had no operations or employees in China, we were able to provide a Chinese-language version of Google.com that, thanks to the global nature of the Internet, could easily be reached by users inside China. In 2002, we started to learn that Google was sporadically unavailable to Chinese users. In the fall of that year, we awoke one morning to emails from Google users in China informing us that our service was completely unavailable. We faced a choice at that point: hold fast to our commitment

to free speech (and risk a long-term cut-off from our Chinese users), or compromise our principles by entering the Chinese market directly and subjecting ourselves to Chinese laws and regulations. We stood by our principles, which turned out to be a good choice, as access to Google.com was largely restored within about two weeks.

However, we soon discovered new problems. Many queries, especially politically sensitive queries, were not making it through to Google's servers. And access became often slow and unreliable, meaning that our service in China was not something we felt proud of. Even though we weren't doing any self-censorship, our results were being filtered anyway, and our service was being actively degraded on top of that. Indeed, at some times users were even being redirected to local Chinese search engines. Nevertheless, we continued to offer our service from outside China while other Internet companies were entering China and building operations there.

A bit more than a year ago, we decided to take a serious look at China and re-assess whether our approach there was the best strategy. We spent a lot of time talking to Chinese Internet experts and users, scholars and academics inside and outside China, respected "China hands," human rights groups and activists, government officials, business leaders, as well as our own Chinese employees. From those discussions, we reached the conclusion that perhaps we had been taking the wrong path. Our search results were being filtered; our service was being crippled; our users were flocking to local Chinese alternatives; and, ultimately, Chinese Internet users had less access to information than they would have had.

Let me dig a bit deeper into the analytic framework we developed for China. Google's objective is to make the world's information accessible to everyone, everywhere, all the time. It is a mission that expresses two fundamental commitments:

- (a) First, our business commitment to satisfy the *interests of users*, and by doing so to build a leading company in a highly competitive industry; and
- (b) Second, our policy conviction that *expanding access* to information to anyone who wants it will make our world a better, more informed, and freer place.

Some governments impose restrictions that make our mission difficult to achieve, and this is what we have encountered in China. In such a situation, we have to add to the balance a third fundamental commitment:

- (c) Be responsive to *local conditions*.

So with that framework in mind, we decided to try a different path, a path rooted in the very pragmatic calculation that we could provide more access to more information to more Chinese citizens more reliably by offering a new service – Google.cn – that, though subject to Chinese self-censorship requirements, would have some significant advantages. Above all, it would be faster and more reliable, and would provide more and better search results for all but a handful of politically sensitive subjects. We also developed several elements that distinguish our service in China, including:

- Disclosure to users -- We will give notification to Chinese users whenever search results have been removed.
- Protection of user privacy -- We will not maintain on Chinese soil any services, like email, that involve personal or confidential data. This means that we will not, for example, host Gmail or Blogger, our email and blogging tools, in China.
- Continued availability of Google.com -- We will not terminate the availability of our unfiltered Chinese-language Google.com service.

Many, if not most, of you here know that one of Google's corporate mantras is "Don't be evil." Some of our critics – and even a few of our friends – think that phrase arrogant, or naïve or both. It's not. It's an admonition that reminds us to consider the moral and ethical implications of every single business decision we make.

We believe that our current approach to China is consistent with this mantra. Our hope is that our mix of measures, though far from our ideal, would accomplish more for Chinese citizens' access to information than the alternative. We don't pretend that this is the single "right" answer to the dilemma faced by information companies in China, but rather a reasonable approach that seems likely to bring our users greater access to more information than any other search engine in China. And by serving our users better, we hope it will be good for our business, too, over the long run.

To be clear, these are not easy, black-and-white issues. As our co-founder Sergey Brin has said, we understand and respect the perspective of people who disagree with our decision; indeed, we recognize that the opposing point of view is a reasonable one to hold. Nonetheless, in a situation where there are only imperfect options, we think we have made a reasonable choice. It's a choice that has generated enormous attention – vastly more, indeed, than our earlier decisions not to cross the line of self-censorship. We hope that the ensuing dialogue will lead to productive collaboration among businesses and governments to further our shared aim of expanding access to information worldwide.

We think we have made a reasonable decision, though we cannot be sure it will ultimately be proven to be the best one. With the announcement of our launch of Google.cn, we've begun a process that we hope will better serve our Chinese users. We also hope that we will be able to add new services, if circumstances permit. We are also aware that, for any number of reasons, this may not come to pass. Looking ahead, we will carefully monitor conditions in China, including new laws and other restrictions on our services. If we determine that we are unable to achieve the objectives I've outlined above, we will not hesitate to reconsider our approach to China.

In the remainder of my written testimony below, I set forth the situation in China as we see it, the debate over the options we confronted, the substance of what Google has decided to do there, the reasoning behind that decision, and some ideas for both industry and governmental actions that could make a useful contribution to the objective of expanding access to information in every corner of the globe.

The Big Picture: The Internet is Transforming China

The backdrop to Google's decision to launch Google.cn is the explosive growth of the Internet in China. To put it simply, the Internet is transforming China for the better. And the weight of the evidence suggests that the Internet is accelerating and deepening these positive trends, even in an imperfect environment.

Viewed broadly, information and communication technology – including the Internet, email, instant messaging, web logs, bulletin boards, podcasts, peer-to-peer applications, streaming audio and video, mobile telephones, SMS text messages, MMS photo-sharing, and so on – has brought Chinese citizens a greater ability to read, discuss, publish and communicate about a wider range of topics, events, and issues than ever before.

There are currently more than 105 million Internet users in China.¹ Nearly half of them have access to broadband connections – an increase of 41% since 2003.² Even so, Internet deployment in China is at a very early stage, reaching only about 8% of the population.³ Among those under 24 years of age, more than 80% are Internet users.⁴ By 2010, China will have more than 250 million Internet users.⁵ And already, there are more than 350 million mobile phones, a number growing by roughly 57 million annually.⁶

A recent and well-respected study by researchers at the Chinese Academy of Social Science (CASS) documents some interesting, and perhaps surprising, findings about the views of Chinese Internet users:⁷

- Most Chinese Internet users believe that the Internet is changing politics in China. Internet users tend to agree that it will increase political transparency and expand discourse: 63% believe that citizens will learn more about politics by going online, 54% of users believe the Internet provides more opportunities for criticizing the government, and 45% believe that the Internet provides more opportunities to express political views.
- Large majorities of Chinese believe that certain kinds of Internet content, including pornography and violence, should be controlled. However, only 7.6% believe that political content on the Internet should be controlled.
- By a 10:1 margin, Chinese Internet users believe that the Internet will make the world a better, rather than worse, place.

¹ “China Online Search Market Survey Report,” China Network Information Center (CNNIC) (August 2005) (“CNNIC Search Engine Study”).

² Guo Liang, “Surveying Internet Usage and Impact in Five Chinese Cities,” Research Center for Social Development, Chinese Academy of Social Sciences (November 2005) (“the CASS Internet Survey”), at iii. The CASS Internet Survey is a statistically rigorous survey of Internet users in Beijing, Shanghai, Guangzhou, Chengdu, and Changsha.

³ Id.

⁴ Id., at iv.

⁵ “15th Statistic Survey Report on the Internet Development in China,” China Network Information Center (CNNIC) (2005).

⁶ From statistics published by China's Ministry of Information Industry.

⁷ CASS Internet Survey., at iv-ix, 93-100.

Based on its results, the CASS Internet Survey concludes that “the political impact of the Internet is more significant than it is in other countries. The impact can be seen not only in the relationship between government and citizens but also among people who share similar political interests. Thus, we can predict that as Internet becomes more popular in China, the impact on politics will be stronger.”⁸

The Problem: Access to Google in China is Slow and Unreliable

Since 2000, Google has been offering a Chinese-language version of Google.com, designed to make Google just as easy, intuitive, and useful to Chinese-speaking users worldwide as it is for speakers of English.

Within China, however, Google.com has proven to be both slow and unreliable. Indeed, Google’s users in China struggle with a service that is often unavailable. According to our measurements, Google.com appears to be unreachable around 10% of the time. Even when Chinese users can get to Google.com, the website is slow (sometimes painfully so, and nearly always slower than our local competitors), and sometimes produces results that, when clicked on, stall out the user’s browser. The net result is a bad user experience for those in China.

The cause of the slowness and unreliability appears to be, in large measure, the extensive filtering performed by China’s licensed Internet Service Providers (ISPs). China’s laws, regulations, and policies against illegal information apply not only to the Internet content providers, but also to the ISPs. China has nine licensed international gateway data carriers, and many hundreds of smaller local ISPs. Each ISP is legally obligated to implement its own filtering mechanisms, leading to diverse and sometimes inconsistent outcomes across the network at any given moment. For example, some of Google’s services appear to be unavailable to Chinese users nearly always, including Google News, the Google cache (i.e., our service that maintains stored copies of webpages), and Blogspot (the site that hosts weblogs of Blogger customers). Other services, such as Google Image Search, can be reached about half the time. Still others, such as Google.com, Froogle, and Google Maps, are unavailable only around 10% of the time.

Even when Google is reachable, the data indicates that we are almost always slower than our local competitors. Third-party measurements of latency (meaning the delay that a user experiences when trying to download a webpage page) suggest that the average total time to download a Google webpage is more than seven times slower than for Baidu, the leading Chinese search engine.

Users trying to get to Google will have different experiences at different times of day, and from different points on the Chinese network. For example, access to Google appears to be speedier and more reliable in Beijing than in Shanghai, and generally better in the largest cities compared to smaller towns, suburbs, and villages.

⁸ Id. at 100.

Based on our analysis of the available data, we believe that the filtering performed by the international gateway ISPs is far more disruptive to our services than that performed by smaller local ISPs. Because Google's servers have, to date, been located exclusively outside China, all traffic to and from Google must traverse at least one of China's international gateway ISPs. Accordingly, Google's access problems can only be solved by creating a local presence inside China.

Operating without a local presence, Google's slowness and unreliability appears to have been a major – perhaps the major – factor behind our steadily declining market share. According to third-party estimates, Baidu has gone from 2.5% of the search market in 2003 to 46% in 2005, while Google has dropped to below 30% (and falling).⁹ The statistics are even more dire among the college-age young, who use Baidu even more, and Google less, than their elders. Part of this has been due to improvements in Baidu's services and a major marketing campaign (funded by the proceeds of its successful IPO in the US), but the leading cause seems to be the Chinese users' annoyance at the persistent slowness and unreliability of Google.

Google's Calibrated Approach

In light of the chronic access problems that have plagued Google in China, Google's management set out more than a year ago to study and learn about China, to understand and assess our options, to debate their relative merits, and to make a decision that properly weighs both business and ethical considerations.

There is no question that, as a matter of business, we want to be active in China. It is a huge, rapidly growing, and enormously important market, and our key competitors are already there. It would be disingenuous to say that we don't care about that because, of course, we do. We are a business with stockholders, and we want to prosper and grow in a highly competitive world.

At the same time, acting ethically is a core value for our company, and an integral part of our business culture.

Our slowness and unreliability has meant that Google is failing in its mission to make the world's information accessible and useful to Chinese Internet users. Only a local presence would allow Google to resolve most, if not all, of the latency and access issues. But to have a local presence in China would require Google to get an Internet Content Provider license, triggering a set of regulatory requirements to filter and remove links to content that is considered illegal in China.

So we were confronted with two basic options – [1] stay out of China, or [2] establish a local presence in China – either of which would entail some degree of inconsistency with our corporate mission. In assessing these options, we looked at three fundamental Google commitments:

⁹ CNNIC Search Engine Study.

- (a) Satisfy the *interests of users*,
- (b) **Expand access** to information, and
- (c) Be responsive to *local conditions*.

The strongest argument for staying out of China is simply that Google should not cross the line of self-censorship, and should not be actively complicit in imposing any limits on access to information. To be clear, the persistence of severe access problems amid fierce competition from local alternatives suggests that the consequence of this approach would be the steady shrinking of Google's market share ever closer to zero. Without meaningful access to Google, Chinese users would rely exclusively on Internet search engines that may lack Google's fundamental commitment to maximizing access to information – and, of course, miss out on the many features, capabilities, and tools that only Google provides.

On the other hand, we believe that even within the local legal and regulatory constraints that exist in China, a speedy, reliable Google.cn service will increase overall access to information for Chinese Internet users. We noted, for example, that the vast majority of Internet searches in China are for local Chinese content, such as local news, local businesses, weather, games and entertainment, travel information, blogs, and so forth. Even for political discussions, Chinese users are much more interested in local Chinese Internet sites and sources than from abroad. Indeed, for Google web search, we estimate that fewer than 2% of all search queries in China would result in pages from which search results would be unavailable due to filtering.

Crucial to this analysis is the fact that our new Google.cn website is an **additional** service, **not a replacement** for Google.com in China. The Chinese-language Google.com will remain open, unfiltered and available to all Internet users worldwide.

At the same time, the speed and technical excellence of Google.cn means that more information will be more easily searchable than ever before. Even with content restrictions, a fast and reliable Google.cn is more likely to expand Chinese users' access to information.

We also took steps that went beyond a simple mathematical calculus about expanding access to information. First, we recognize that users are also interested in transparency and honesty when information has been withheld. Second, users are concerned about the privacy, security, and confidentiality of their personal information. Finally, users want to have competition and choices, so that the market players have a strong incentive to improve their offerings over time.

Transparency. Users have an interest in knowing when potentially relevant information has been removed from their search results. Google's experience dealing with content restrictions in other countries provided some crucial insight as to how we might operate Google.cn in a way that would give modest but unprecedented disclosure to Chinese Internet users.

Google has developed a consistent global policy and technical mechanism for handling content deemed illegal by a host government. Several of the countries in which we operate have laws that regulate content.

In all of these countries, Google responds similarly. First, when we get a court order or legal notice in a foreign country where we operate, we remove the illegal content only from the relevant national version of the Google search engine (such as Google.fr for France). Second, we provide a clear notice to users on every search results page from which one or more links has been removed. The disclosure allows users to hold their legal systems accountable.

This response allows Google to be respectful of local content restrictions while providing meaningful disclosure to users and strictly limiting the impact to the relevant Google website for that country. For China, this model provided some useful guidance for how we could handle content restrictions on Google.cn in way that would afford some disclosure when links have been removed.

Privacy and Security. Google is committed to protecting consumer privacy and confidentiality. Prior to the launch of Google.cn, Google conducted intensive reviews of each of our services to assess the implications of offering it directly in China. We are always conscious of the fact that data may be subject to the jurisdiction of the country where it is physically stored. With that in mind, we concluded that, at least initially, only a handful of search engine services would be hosted in China.

We will not store data somewhere unless we are confident that we can meet our expectations for the privacy and security of users' sensitive information. As a practical matter, meeting this user interest means that we have no plans to host Gmail, Blogger, and a range of other such services in China.

Competition and Choice. Internet users in China, like people everywhere, want competition and choices in the marketplace. Without competition, companies have little incentive to improve their services, advance the state of the art, or take innovative risks. If Google were to stay out of China, it would remove powerful pressure on the local players in the search engine market to create ever-more-powerful tools for accessing and organizing information. Google's withdrawal from China would cede the terrain to the local Internet portals that may not have the same commitment, or feel the competitive pressure, to innovate in the interests of their users.

The Decision: What Google Is Doing in China

The deliberative process and analysis outlined above led to the following decisions.

(1) ***Launch Google.cn.***

We have recently launched Google.cn, a version of Google's search engine that we will filter in response to Chinese laws and regulations on illegal content. This website will supplement, and not replace, the existing, unfiltered Chinese-language interface on

Google.com. That website will remain open and unfiltered for Chinese-speaking users worldwide.

(2) *Disclosure of Filtering*

Google.cn presents to users a clear notification whenever links have been removed from our search results in response to local laws and regulations in China. We view this a step toward greater transparency that no other company has done before.

(3) *Limit Services*

Google.cn today includes basic Google search services, together with a local business information and map service. Other products – such as Gmail and Blogger, our blog service – that involve personal and confidential information will be introduced only when we are comfortable that we can provide them in a way that protects the privacy and security of users' information.

Next Steps: Voluntary Industry Action

Google supports the idea of Internet industry action to define common principles to guide the practices of technology firms in countries that restrict access to information. Together with colleagues at other leading Internet companies, we are actively exploring the potential for guidelines that would apply for all countries in which Internet content is subjected to governmental restrictions. Such guidelines might encompass, for example, disclosure to users, protections for user data, and periodic reporting about governmental restrictions and the measures taken in response to them.

Next Steps: U.S. Government Action

The United States government has a role to play in contributing to the global expansion of free expression. For example, the U.S. Departments of State and Commerce and the office of the U.S. Trade Representative should continue to make censorship a central element of our bilateral and multilateral agendas.

Moreover, the U.S. government should seek to bolster the global reach and impact of our Internet information industry by placing obstacles to its growth at the top of our trade agenda. At the risk of oversimplification, the U.S. should treat censorship as a barrier to trade, and raise that issue in appropriate fora.