

Testimony of

# Michael Samway

May 20, 2008

Opening Statement of Michael Samway Vice President & Deputy General Counsel for Yahoo! Inc. Hearing Before Senate Judiciary Committee Subcommittee on Human Rights and the Law May 20, 2008

Chairman Durbin, Ranking Member Coburn, Members of the Subcommittee, my name is Michael Samway and I am Vice President and Deputy General Counsel at Yahoo! Inc. I also lead Yahoo!'s global human rights efforts. I appreciate the opportunity to testify before you today.

At Yahoo!, we are deeply committed to human rights and to being a leader among technology companies in this area. Our company was founded on the principle that promoting access to information can fundamentally improve people's lives and enhance their relationship with the world around them. In the period since Yahoo!'s creation in 1994, the power and ubiquity of the Internet has exceeded even our most far-reaching expectations.

The Internet has dramatically changed the way people obtain information, communicate with each other, engage in civic discourse, conduct business and more. Even in countries that restrict people's ability to communicate with one another or access information, people are still finding meaningful ways to engage online. Over the last week alone, we have seen just how important new communications technologies can be in places like China. Internet and cell phone resources have proven invaluable as government authorities and individuals contend with the aftermath of a devastating and enormously tragic earthquake in Sichuan province.

With the goal of bringing Yahoo!'s technological tools to people around the world, we embarked on a mission to expand our business globally in the late 1990s. As one of the first Internet companies to explore the Chinese market, we launched a service with the belief that providing the people of China with innovative tools to communicate, learn, and even publish their own views was one effective means to improve their way of life.

We were joined in this strategy of engagement by many in the United States Congress and in both Democratic and Republican administrations alike. With the sporadic pace of political progress in China as well as the need for companies there to adhere to local laws, we've also learned that expanding into emerging markets presents complex challenges that sometimes test even the important benefits of engagement itself.

While Yahoo! has not owned or had day-to-day control over Yahoo! China since 2005, we continue to be concerned about the challenges we faced in that market and will certainly face in other markets in the years to come.

Skeptics have questioned whether American Internet companies should engage in these countries at all. Yahoo! shares these concerns, and we have confronted these same questions about engagement in challenging markets. Yet, we continue to believe in the Internet's transformative power and, on balance, its constructive role in transmitting information to, from, and within these countries. And we are committed to doing our part through supporting individual and collective action.

Governments - because of their enormous leverage - have a vital role to play. To that end, we have asked the U.S. government to use its leverage - through trade relationships, bilateral and multilateral forums, and other diplomatic means - to create a global environment where Internet freedom is a priority and where people are no longer imprisoned for expressing their views online.

Our CEO Jerry Yang has met personally with senior State Department officials, and earlier this year wrote a letter to Secretary Rice urging the State Department to redouble its efforts to secure the release of imprisoned Chinese dissidents. Secretary Rice subsequently raised this issue with senior Chinese officials, and since then we have seen Members of Congress echo this call for

U.S. diplomatic leadership. We hope these efforts will both intensify and bear fruit.

We are also taking steps on our own. Jerry Yang announced the Yahoo! Human Rights Fund in November 2007, as part of a broader effort to address human rights challenges in China and around the world. We have partnered with

noted dissident and human rights activist Harry Wu, who is here with us today, and the Laogai Research Foundation to establish this fund. The

Yahoo! Human Rights Fund will provide humanitarian and legal support to political dissidents who have been imprisoned for expressing their views online, as well as assistance for their families. A portion of the fund will also be used to support the Laogai Research Foundation's educational work to advance human rights.

In order to fuse our global business with responsible decision-making on human rights issues, we have also established the Yahoo! Business & Human Rights Program. A key pillar of this program is a formal assessment of the potential human rights impact of business plans we develop for new foreign markets. This assessment examines the human rights landscape in a country, evaluates potential challenges to free expression and privacy, and offers strategic approaches to protect the rights of our users through legal and operational structures, among other methods. Yahoo! then tailors its entry into the new market to minimize risks to human rights.

Because it is so difficult for just one company to create systemic change, Yahoo! has also been a committed participant in a broad-based global human rights dialogue. We are working with industry partners, academics, human rights groups, and socially responsible investors to develop a global code of conduct that will guide technology companies operating in challenging markets. At Yahoo!, we are eager to make this global code a reality in the near future.

As an industry pioneer, Yahoo! is proud to have explored new ideas and markets, helping drive the transformative power of the Internet. Just like others who have gone first, Yahoo! has also learned tough lessons about the challenges of doing business in nations with governments unlike our own. Yahoo! is working intensively and at the most senior levels in the company to set the highest standards for decision-making around human rights. The initiatives we pursue at Yahoo! are intended to protect the rights of our users, improve their lives, and make the extraordinary tools of the Internet safely and openly available to people around the world.

I appreciate the opportunity to tell you about these efforts to date and about our plans to continue pursuing a global leadership role in the field of human rights. I look forward to answering your questions. Thank you.