UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Chairman

Statement of Chairman Andrew N. Ferguson
Joined by Commissioner Melissa Holyoak and Commissioner Mark R. Meador
United States v. Disney Worldwide Servs., et al.

September 2, 2025

Year after year, YouTube—one of today's go-to sites for sharing and viewing videos online—tops the lists of leading websites in the United States. Americans visit YouTube daily for education and entertainment. Tens of millions of these daily visitors are children. YouTube monetizes views and site traffic by engaging in targeted advertising made possible by the personal information it collects from users.

Content creators play a lead role in determining whether children will receive targeted advertising because they viewed child-directed content. YouTube itself, as a company, does not target advertising to users viewing "child-directed content"—that is, content directed to users under the age of thirteen. Instead, content creators themselves are responsible for disclosing to YouTube whether content they upload—either an individual video or a whole channel—is "child-directed" and so should be categorized as "Made for Kids" (MFK).[1] When videos or channels are labeled MFK, YouTube disables certain features to prevent the collection of personal information from (and thus, targeted advertising to) children to ensure compliance with the Children's Online Privacy Protection Act (COPPA) and our Implementing Rule.[2]

Disney[3] is one such content creator, and it needs no introduction.[4] Few Americans have grown up without exposure to Disney's animated movies and musical numbers that have entranced children around the world since the company's emergence after the Great Depression. Parents and families have long trusted Disney with their children's entertainment and education, at least in part because of Disney's decades-long campaign to convince parents that it was the country's leading content creator for children. Like many other entertainment organizations today, Disney now reaches broad swaths of its target audience through videos uploaded to YouTube. In fact, Disney

[1] The MFK and "Not Made for Kids" (NMFK) designations are a product of a 2019 settlement YouTube entered into with this agency that required YouTube to establish a mechanism through which content creators must designate videos uploaded to YouTube, when appropriate, as child directed or MFK. See Stipulated Order § 1, *FTC v. Google LLC*, No. 1:19-cv-02642-BAH (D.D.C. Sept. 10, 2019), Dkt. No. 5.
[2] 15 U.S.C. §§ 6502 *et seq.* (requiring operators to provide notice and obtain verifiable parental consent before collecting children's personal information); 16 C.F.R. pt. 312 (same).
[3] References to Disney in this statement refer to both Disney Worldwide Services, Inc. and Disney Entertainment Operations LLC.
[4] E.g., Disney Named to TIME's List of the Most Influential Companies, The Walt Disney Company (May 31, 2024), https://thewaltdisneycompany.com/disney-time-most-influential-companies/ (noting that it "has been featured every year since the list's inception in 2021").

has uploaded tens of thousands of videos, across over a thousand YouTube channels, which received more than a billion views in the United States during a three-month span of 2020 alone.[5]

Disney, like YouTube, also generates advertising revenues from YouTube videos. Disney receives a portion of YouTube's advertising revenue generated by views of Disney content, and directly sells advertising for its YouTube videos as well.[6] Disney has generated revenue through YouTube's advertising system. And this Commission takes no issue with that fact. But as it monetizes views and data, it must play by the rules. The Commission alleges that Disney has not always done so. The Commission alleges that Disney failed to designate a significant number of child-directed videos as MFK and sometimes improperly designated individual child-directed videos on channels designated MFK as "Not Made For Kids."[7] As alleged, Disney circumvented YouTube's data-collection safeguards for MFK videos and channels, and collected and monetized personal information of those who viewed child-directed videos in violation of COPPA.[8] This conduct is illegal no matter who carries it out. But Disney is no ordinary company. It has made its mark on American society as the world's leading creator of content for children. It describes itself as in the business of "dealing with children and emotions" and "promot[ing] the happiness and well-being of kids and families."[9] Given its carefully curated reputation, this alleged conduct by Disney would be particularly troubling.

Today, the U.S. Department of Justice, acting on behalf of the Federal Trade Commission, filed a complaint and consent agreement[10] in the U.S. District Court for the Central District of California settling the Commission's claims for violations of COPPA, our Implementing Rule, and Section 5 of the Federal Trade Commission Act.[11] This settlement follows a thorough investigation carried out by the Commission's intrepid staff. The order imposes on Disney a civil penalty of $10 million.[12] In my view, this civil penalty is fair given Disney's misconduct—illegally enriching itself by monetizing personal information collected from users watching child-directed videos

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[5] Compl. ¶¶ 14–16, *United States v. Disney Worldwide Servs., Inc.*, No. 2:25-cv-08223 (C.D. Cal. Sept. 2, 2025), Dkt. No. 1.
[6] *Id.* ¶ 17.
[7] *Id.* ¶¶ 2, 27–39.
[8] *Id.* ¶¶ 2, 40–43, 48–50.
[9] Disney Named World's Most Reputable Company, The Walt Disney Company (Apr. 15, 2014), https://thewaltdisneycompany.com/disney-named-worlds-most-reputable-company/.
[10] ("Consent Mot."), Attach. 1, *United States v. Disney Worldwide Servs., Inc.*, No. 2:25-cv-08223 (C.D. Cal. Sept. 2, 2025), Dkt. No. 4.
[11] Compl. ¶¶ 48–50.
[12] Consent Mot. Attach. 1 § III.

without their parents' consent—in light of its self-curated reputation as one of the world's most trusted brand names in children's entertainment.

Even more important than the $10 million civil penalty, however, are the terms of the consent decree. The decree accounts for the seriousness of Disney's alleged misconduct while leaving room for innovation, which is the bedrock of the American free-enterprise system.[13] Under today's agreement, Disney must implement, for a period of 10 years, an Audience Designation Program to review *each* of its videos published to YouTube to determine whether it is child-directed and must be designated MFK.[14] The Commission acknowledges that this relief will impose burdens on Disney. These burdens are necessary to protect children, but we further acknowledge that technological changes may alleviate the need for Disney to review every single video before posting it to YouTube. The order therefore permits Disney to phase out the Program if YouTube implements—and Disney uses—age assurance technology that can ensure COPPA compliance.[15]

This Commission under President Trump is a cop on the beat protecting our markets and consumers. We will vigorously enforce the laws entrusted to us by Congress, including COPPA and our Implementing Rule, to promote a fair economy and widespread American prosperity. But in our vigor, we must not lose sight of our obligation to protect the innovation on which the American free-enterprise system and human flourishing relies.[16] Today's consent decree carefully ensures that the law is fully enforced, and that innovation can continue to thrive.

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[13] E.g., Proclamation, Made in America Week, 2025 (July 25, 2025); Exec. Order 14267 Reducing Anti-Competitive Regulatory Barriers § 1, 90 Fed. Reg. 15629, 15629 (Apr. 9, 2025); Exec. Order 14154 Unleashing American Energy § 2(f), 90 Fed. Reg. 8353, 8353 (Jan. 20, 2025).
[14] Consent Mot. Attach. 1 § II.
[15] *Id.*
[16] See, e.g., Winning the Race: America's AI Action Plan at 1, The White House (July 2025), https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf.