



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20580

**Prepared Remarks of Chairman Joseph Simons<sup>1</sup>  
YouTube Settlement Press Conference  
September 4, 2019**

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Today, I am pleased to announce that Google and YouTube have agreed to pay \$170 million and to implement strong conduct relief in a settlement action by the FTC and New York Attorney General's office for alleged violations of the Children's Online Privacy Protection Act, or COPPA.

Let me start by explaining why we allege Google and YouTube violated our Rule implementing COPPA. COPPA requires that certain websites and apps get parents' consent before collecting personal information from children. The definition of personal information includes cookies used for behavioral advertising. The COPPA Rule applies differently to third parties serving behavioral ads versus creators of child-directed content. While content creators are strictly liable for COPPA compliance, third parties are subject to COPPA's requirements only where they have *actual knowledge* that the website or service where they are serving ads is child-directed. To put it into the context of today's case, YouTube as a general audience platform is not directly liable under COPPA for the content of videos uploaded by others, unless it has *actual knowledge* that the content is child-directed.

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<sup>1</sup> These remarks reflect my own views. They do not necessarily reflect the views of the Commission or any other individual Commissioner.

Our complaint alleges numerous instances in which YouTube and Google had actual knowledge of the child-directed nature of channels and videos. This is the basis for the FTC to find that Google and YouTube violated COPPA.

Our order, which applies to both Google and YouTube, accomplishes three important purposes. First, it imposes a substantial monetary judgment of \$170 million, with \$136 million going to the FTC as a civil penalty, and \$34 million going to the state of New York. The \$170 million judgment is 30 times larger than the largest COPPA civil penalty the FTC has ever previously obtained. It is three times larger than any privacy penalty assessed against Google anywhere else in the world. And it is 10 times larger than the civil penalties we have obtained in all of our 31 prior COPPA cases combined. A penalty of this magnitude sends a strong signal about the importance of children's privacy.

Second, the order requires the companies to refrain from using or benefitting from data that they previously collected from child-directed videos or channels.

Third, the order imposes additional obligations on Google and YouTube that go beyond the requirements of COPPA. The order requires the companies to notify channel owners about their potential COPPA obligations. It also requires the companies to develop a system through which channel owners must identify their child-directed content on the YouTube platform, so that content can be treated in a COPPA-compliant manner. This is particularly significant because COPPA does not require platforms such as YouTube to determine whether the videos posted by others are directed to kids or not. Going forward, the companies will automatically have actual knowledge of, and COPPA liability for, all child-directed content designated through the mechanism. In this way, the order prevents the companies from turning a blind eye to the existence of kids' content on YouTube. Finally, YouTube must provide annual training about

complying with COPPA for employees who deal with channel owners. None of this is required by law. No other company in America is subject to these types of requirements, and they will impose significant costs on YouTube.

This case sends strong messages to third parties like YouTube, channel owners, and the business community as a whole. For YouTube—and other third parties like it that serve ads—they cannot market their ability to get child viewers on one hand, and disavow knowledge that children are using their service on the other. They cannot rate videos as kid-directed for one purpose, and then say that they have no COPPA liability when they collect information from kids watching those videos.

For those who create child-directed content to upload on YouTube, the message from today's case is that the FTC considers these individual videos and channels to be “websites or online services directed to children” under COPPA. Once the order has been effective for a period of time, the Commission will conduct a sweep of the YouTube platform to determine whether child-directed content is being properly designated, to ensure that channels are complying with COPPA.

Finally, to the business community at large, let me be clear: the FTC takes its obligation to enforce COPPA seriously. If companies violate COPPA, the FTC will take aggressive action, require corrective measures, and use its authority to seek civil penalties to the fullest extent permissible under the law.

Let me close by thanking our partners at the New York Attorney General's office. I would like to thank FTC staff attorneys Kristin Cohen, Tiffany George, and Peder Magee for their tireless work on this case. Thank you, and I will turn this over to Andrew Smith to answer any of your questions.