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FTC to Avoid AI Regs, Focus on Kids' Privacy, Sparingly Rulemaking

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The Federal Trade Commission is signaling it has little desire to regulate artificial intelligence.

The commission's director of the Bureau of Consumer Protection, Chris Mufarrige, said Tuesday, "there's no appetite for anything AI-related," in the agency's rulemaking pipeline.

"When it comes to other rules, stay tuned. I think we've got ideas," he told attendees in Washington DC during the Privacy State of the Union, a conference organized by Kelley Drye & Warren LLP, Ketch, Red Clover Advisors, and WISP.

The FTC in December reopened and set aside a 2024 consent order banning artificial intelligence writing assistant Rytr from providing AI-enabled services that likely helped users write false or misleading product reviews. It cited President Donald Trump's AI Action Plan, which requires federal agencies to roll back rules and decisions standing in the way of AI innovation.

More broadly, the FTC official said the commission will pursue much more "sparingly" rulemaking than the Biden-era FTC.

Protecting children's privacy online will continue to "play a big role in our enforcement docket this coming year," Mufarrige said. The commission will also be focusing on how age verification interacts with the Children's Online Privacy Protection Act to identify "any tension between the two, and how we could resolve that."

The FTC last year issued several COPPA enforcement actions, including a \$10 million settlement with Walt Disney Co.

"The through line with those cases is we're very focused on ensuring that parents have control over their kids data," Mufarrige said.

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