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## **FTC Goes Way Too Far on Noncompete Agreements**

By Paul Steidler

Noncompete agreements generate strong views. They are widespread and, in many cases, nasty and pernicious. They are also often essential for ensuring that small businesses and entrepreneurs can keep teams of essential personnel in place and not have their venture torpedoed by losing key staff to predatory competitors.

At a meeting today, the Federal Trade Commission exercised extraordinary power, wiping out 30 million contracts on noncompete agreements, imposing a cost of more than \$400 billion on employers over the next 10 years, and taking policymaking powers reserved to Congress.

New commissioners Melissa Holyoak and Andrew Ferguson strongly dissented from the measure, which will face major court challenges from the U.S. Chamber of Commerce and others.

As the Chamber says, “noncompete agreements can serve vital procompetitive businesses and individual interests – such as protecting investments in research and development, promoting workforce training, and reducing free-riding – that cannot be adequately protected through other mechanisms such as trade-secret suits or nondisclosure agreements.”

For more on this issue, look for a posting of today’s Federal Trade Commission meeting soon and see the U.S. Chamber’s thorough comments on the proposed rule below.

<https://www.uschamber.com/finance/antitrust/chamber-comments-on-ftc-proposed-rule-to-ban-noncompetes>