



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of Policy Planning

January 14, 2025

VIA ELECTRONIC MAIL

The Honorable Liz Berry
Representative
The Washington House of Representatives

The Honorable Amy Walen
Representative
The Washington House of Representatives

Re: H.B. 1155

Dear Representatives Berry and Walen:

I write this letter as the Director of the Federal Trade Commission's ("FTC") Office of Policy Planning, the FTC office that provides advocacies and submits filings supporting competition and consumer protection principles to state legislatures, regulatory boards, and officials.

I understand that the Washington legislature is considering H.B. 1155 ("the Bill") that, among other things, would make all noncompete covenants void and unenforceable. On April 23, 2024, the Commission approved a final rule under the FTC Act banning noncompete clauses.¹ The rule has not come into effect at this time, because a Texas

new business formation by 2.7%, creating over 8,500 new businesses each year.¹⁶ Innovation would also increase, leading to about 17,000-29,000 new patents each year on average.¹⁷ Through increased competition and innovation, consumers would have access to better products and lower prices.¹⁸ For example, the Commission estimates that the rule would reduce health care costs by \$74-\$194 billion over the next decade in reduced spending on physician services.¹⁹

In adopting the rule, the Commission assessed employers' claimed justifications for noncompetes and found that employers have several viable alternatives that do not impose the same burdens on
