



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

Office of Policy Planning

June 3 2024

VIA ELECTRONIC MAIL

The Honorable Dan Frankel
Representative
Pennsylvania House of Representatives

The Honorable Art Haywood
Minority Chair
Pennsylvania Senate Health & Human
Services Committee

The Honorable Michele Brooks
Chair
Pennsylvania Senate Health & Human
Services Committee

Re: HB 1633

Dear Rep. Frankel, Senator Brooks, and Senator Haywood:

I write this letter as the Director of the Federal Trade Commission, Office of Policy Planning, the FTC office that provides advocacies and submits filings supporting

, state-based enforcement against noncompetes can be a potent force that supplements the federal rule³

Evidence of the Harmful Effects of Noncompetes

Many Americans are affected by noncompetes and support banning them. The Commission proposed to ban noncompetes. The Commission received more than 26,000 comments. Of those, approximately 250 favored a categorical ban. Many workers

¹ Non-Compete Clause Rule, 89 Fed. Reg. 38342 (May 7, 2024) (to be codified at 16 C.F.R. part 910) <https://www.federalregister.gov/documents/2024/05/07/2024-11111/non-competeclassrule>.

As the Commission explains in the final rule, the rule does not preempt state laws that restrict noncompetes and do not conflict with including both broader state prohibitions and state prohibitions that are narrower in scope.³² That is, state laws cannot authorize noncompetes that are prohibited by the rule, but states may, for example, continue to pursue enforcement actions under their laws prohibiting noncompetes even if state law prohibits a narrower subset of noncompetes than the rule.³³

In short, the rule does not negate the value of state laws that restrict noncompetes. Rather, such laws can play an important role in the fight against harmful noncompetes.

I hope that the & R P P L V V L R Q ¶ V U H V H D U F Concerning Noncompetes De Q G I L Q G L Q valuable to you as you consider the Fair Contracting for Health Care Practitioners Act. Please do not hesitate to reach out if my office can be of further assistance.

Sincerely,
Hannah Garden
